

# ANNUAL REPORT 2014

British American Tobacco Bangladesh Company Limited



PARTNERING  
FOR  
PROGRESS





# PARTNERING FOR PROGRESS

Progress comes when we venture beyond the borders that surround us and enter into uncharted territory. It means taking footsteps towards opportunities which will help to bring about change. Since its establishment in Bangladesh in 1910, British American Tobacco (BAT) has always been moving forward with the purpose of bringing positive change for one and all.

BAT has made itself deeply rooted in Bangladesh since the time it commenced operations in the country. Not only does BAT Bangladesh help to develop dynamic professionals who are able to take on leadership roles anywhere in the world, it also engages in the best business practices while adopting the latest technology. The Company is the highest taxpayer to the National Exchequer, which uses the funds for infrastructure development and service provision. BAT Bangladesh's various community development initiatives play a part in enhancing the livelihood of countless individuals. Furthermore, the Company is renowned for practicing best corporate governance. As a result the Company achieved four awards from various credible organisations both in the national and international stage.

As you turn these pages, the commitment and dedicated efforts of BAT Bangladesh will become clear to you. Like Bangladesh, the Company has faced its share of challenges but has endured the trials and tribulations and moved forward. Here's hoping that BAT Bangladesh will stay in the course for many more years to come and will forever be a partner in progress.



**BRITISH AMERICAN  
TOBACCO**  
BANGLADESH





# ABOUT US

The presence of British American Tobacco in this part of the world can be traced back to 1910. Beginning the journey as Imperial Tobacco 104 years ago, the Company set up its first sales depot at Armanitola in Dhaka.

After the partition of India in 1947, Pakistan Tobacco Company was established in 1949. The first factory in Bangladesh (the then East Pakistan) was set up in 1949 at Fauzdarhat in Chittagong. In 1965, the second factory of Pakistan Tobacco Company went into production in Mohakhali, Dhaka. It became Bangladesh Tobacco Company Limited in 1972 immediately after Bangladesh's independence. In 1998, the Company changed its name and identity to British American Tobacco Bangladesh (BAT Bangladesh) aligning the corporate identity with other operating companies in the British American Tobacco Group.

BAT Bangladesh is a part of BAT plc, the renowned international tobacco group, with brands sold in 180 markets around the world.

We make high quality tobacco products for the diverse preferences of consumers, spanning the business 'from crop to consumer', and we are committed to embedding the principles of corporate social responsibility Group wide.

## Our Shareholders

We were among the first companies to be listed on the Dhaka and Chittagong Stock Exchanges and currently rank amongst the top 10 companies in terms of market capitalisation. British American Tobacco Group holds 72.91% of the shares; 12.14% is owned by Investment Corporation of Bangladesh; Shadharan Bima Corporation, Bangladesh Development Bank Limited and the Government of the People's Republic of Bangladesh while a further 14.95% is owned by other shareholders.

## Our Contributions

We continue to contribute approximately two-thirds of the revenue derived from the cigarette industry, the 2013-14 fiscal year saw BAT Bangladesh contribute over BDT 9,932 crore as taxes to the National Exchequer which makes us the highest taxpayer to the Government. The Company will continue to support Government proposals that establish a sustainable level of tax contribution to the National Exchequer while ensuring a sustainable growth for the industry.

## Our Beliefs

At BAT Bangladesh, we strive to be a responsible Company wherever we operate - that may be to our shareholders, employees, business partners or any other relevant internal and external stakeholder. To us, responsibility is a way of life and that is why we believe 'success and responsibility go together'.

## Our People – Our Strength

Employing more than 1,350 people directly and approximately 52,000 people indirectly as farmers, distributors and local suppliers, we take great pride in saying that BAT Bangladesh is one of the most preferred employers in the country. It is the people who bring their differences every day that make BAT Bangladesh a great place to work in.



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## CORPORATE INFORMATION

### Board of Directors

Mr. Golam Mainuddin	- Chairman
Mr. Shehzad Munim	- Managing Director
Mr. Kamrul Hasan	- Non-Executive Director
Mr. Md. Mosharraf Hossain Bhuiyan <sup>ndc</sup>	- Independent Director
Mr. K. H. Masud Siddiqui	- Independent Director
Mr. Mohammad Moinuddin Abdullah	- Independent Director
Mr. Jalal Ahmed	- Non-Executive Director
Mr. Md. Fayekuzzaman	- Non-Executive Director
Mr. William Francis Pegel	- Finance Director

### Company Secretary

Mr. Md. Azizur Rahman

### Audit Committee

Mr. Md. Mosharraf Hossain Bhuiyan <sup>ndc</sup>	- Chairman
Mr. K. H. Masud Siddiqui	- Member
Mr. Md. Fayekuzzaman	- Member
Mr. Golam Mainuddin	- Member
Mr. Md. Azizur Rahman	- Secretary

### Board Compensation Committee

Mr. Golam Mainuddin	- Chairman
Mr. Shehzad Munim	- Member
Mr. William Francis Pegel	- Member
Ms. Rumana Rahman	- Secretary

### Board CSR Committee

Mr. Kamrul Hasan	- Chairman
Mr. Shehzad Munim	- Member
Mr. Mohammad Moinuddin Abdullah	- Member
Mr. Jalal Ahmed	- Member
Mr. Md. Azizur Rahman	- Secretary





#### **Executive Committee**

Mr. Shehzad Munim - Managing Director  
Mr. William Francis Pegel - Finance Director  
Mr. S.M. Khaled - Head of Supply Chain  
Ms. Mubina Asaf - Head of Legal  
Ms. Rumana Rahman - Head of Human Resources  
Mr. Shahed Zubair - Head of Corporate & Regulatory Affairs  
Mr. Rezaul Islam - Head of Marketing

#### **Internal Audit Manager**

Mr. Towhid Akbar

#### **Statutory Auditors**

A. Qasem & Co., Chartered Accountants

#### **Governance Compliance Auditor**

Al-Muqtadir Associates, Chartered Secretaries

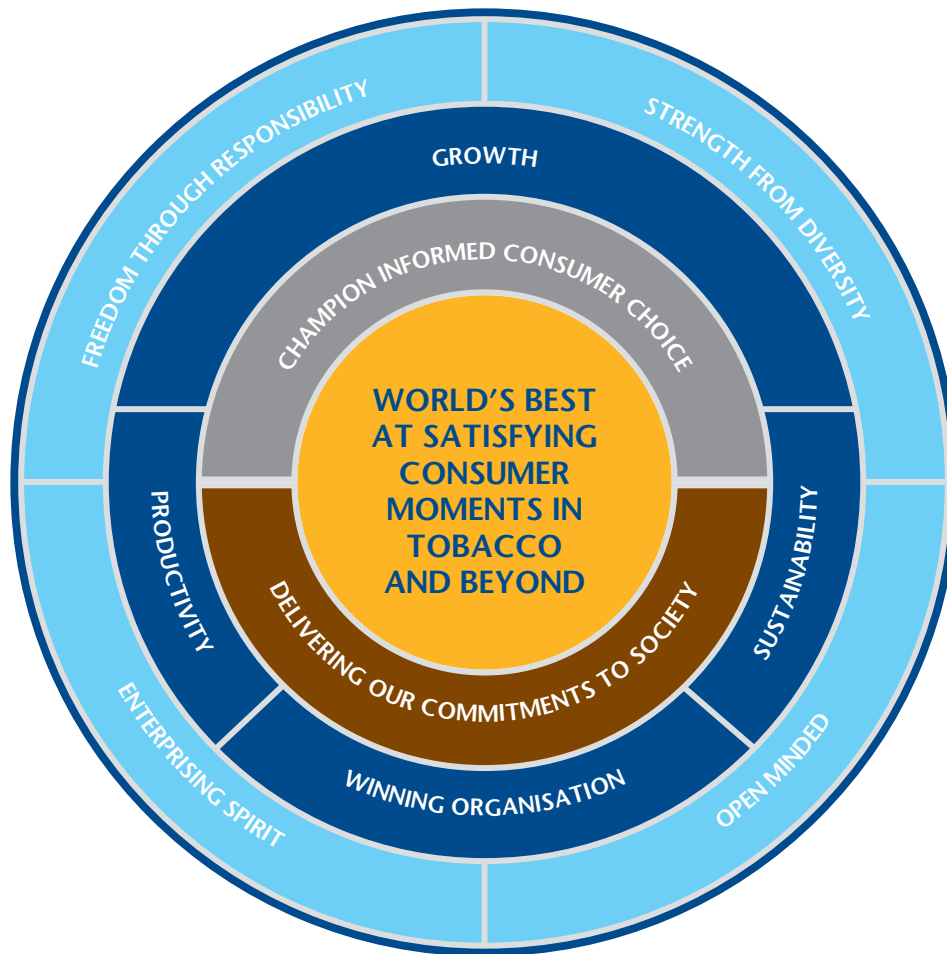
#### **Bankers**

Standard Chartered Bank  
Hongkong and Shanghai Banking Corporation  
Citibank N.A.  
Commercial Bank of Ceylon  
Sonal Bank  
Pubali Bank

#### **Registered Office**

British American Tobacco Bangladesh Company Limited  
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email: md\_azizur\_rahman@bat.com  
www.batbangladesh.com

# VISION AND MISSION



**Our vision** is to be world's best at satisfying consumer moments in tobacco and beyond.

**Our mission** is delivering our commitments to society, while championing informed consumer choice. We need to continue to ensure that our consumers are fully informed about the choices they are making when they purchase our tobacco products. We recognise that we have a responsibility to offer a choice of products across the risk spectrum, but we will also defend their rights to choose and provide them with the products they want. As society changes, and people's priorities and needs shift, we need to be ready to meet new challenges and take advantage of new opportunities. We are a major international business and with this status come responsibilities, from being open about the risks of our products to supporting rural communities in the developing world.

**Our strategic focus** areas are the foundations upon which our strategy is built and they have been in place for many years, but we continue to concentrate on our activities in all four **focus areas** and constantly review our ways of working. Growth requires understanding and delivering enjoyable consumer moments. Resources should be effectively deployed to increase profits and generate funds for better productivity. Winning organisations consists of great people, great teams and a great place to work. Ensuring a sustainable business that meets stakeholders' expectations is another part of our strategic focus.

(BAT Bangladesh's vision, mission and strategic focus are in line with the BAT group)

# OUR GUIDING PRINCIPLES



## **STRENGTH FROM DIVERSITY**

We respect and celebrate each other's differences and enjoy working together. We harness diversity - of our people, cultures, viewpoints, brands, markets and ideas - to strengthen our business. We value what makes each of us unique.



## **OPEN MINDED**

We are forward looking and anticipate consumer needs, winning with innovative, high quality products. We listen to and genuinely consider other perspectives and changing social expectations. We are open to new ways of doing things.



## **ENTERPRISING SPIRIT**

We have the confidence to passionately pursue growth and new opportunities whilst accepting the considered entrepreneurial risk that comes with it. We are bold and strive to overcome challenges. This is the cornerstone of our success.



## **FREEDOM THROUGH RESPONSIBILITY**

We always strive to do the right things, exercising our responsibility to society and other stakeholders. We use our freedom to take decisions and act in the best interest of our consumers.

# OUR BUSINESS MODEL

## Our business model and strategy delivering value

Our business model describes what we do and, more importantly, how we use our unique strengths and employ our resources and relationships to deliver sustainable growth in earnings. It is built around meeting our consumers' evolving needs and is driven by our strategy to ensure that we are delivering great results today and investing in our long-term future.

### What we do

Essentially, we make and market cigarettes, but there's definitely a lot more to it than that. Our sustainable approach to sourcing, production and distribution helps us to create value for a wide group of stakeholders from crop to consumer. They include farmers and their communities, other suppliers, retail and wholesale trade partners, NGOs, government, regulators and the society at large.



We have a significant interest in tobacco growing and we have expert technicians out in the field who support farmers. We manage our whole supply chain responsibly, including the sourcing of leaf and other materials, and work with suppliers to create a long-term shared understanding of our social, environmental and economic impacts. Without tobacco leaf and other raw materials we would have no products. We aim to secure our long-term supply chain and bring real benefits to local communities, from promoting good agricultural practices to investing in community projects.

Manufacturing tobacco products is a large-scale operation and we have state-of-the-art manufacturing facilities in the country. We work to ensure that our costs are competitive and that we use our resources as effectively as possible. Our production facilities are designed to meet the needs of an agile and flexible supply chain – providing a world-class operational base that is fit for the future. Ensuring leaf and products are in the right place at the right time in our manufacturing process is a formidable logistical exercise. The nature of our business allows us to pool resources on a global scale and maximise efficiency.

Our well-developed distribution channels are critical enablers of our growth strategy, allowing us to roll out innovations on a big scale. We continuously review our route to market, including our relationships with wholesalers, distributors and logistics providers. A good volume is sold by retailers supplied by our exclusive distributors. We are helping to raise standards by supporting regulation of the cigarette industry.

We place consumers at the heart of our business. We invest in world-class research to understand changing consumer needs and buying behaviour. This drives our supply chain, product development, innovations, brands and trade activities. We aim to satisfy consumers while addressing stakeholder expectations about how we should market our products. We are developing innovative solutions to evolve our brand portfolio and create more differentiated products. This supports our aim to champion consumer choice and provide a range of products across the risk spectrum.



## What Makes Us Different

Our business operates on a set of core strengths and qualities that makes us unique and ensures we can generate value over the long term. The quality of our people is a crucial factor in delivering this and our presence enables us to leverage the value they create on a national level.

## What guides us

Our Guiding Principles define how we behave and how we govern our business:

- Enterprising spirit
- Open minded
- Freedom through responsibility
- Strength from diversity

## Markets

**Brands**

We have a successful brand marketing strategy based on sound consumer insights. It is driven by our International Brands – Benson & Hedges, John Player Gold Leaf and Pall Mall. Our portfolio of a good number of international as well as local brands is designed to meet a broad array of consumer preferences around the country with the idea of delivering today and investing for tomorrow.

**Products**

We offer adult consumers a range of products to choose from, including: Benson & Hedges, John Player Gold Leaf, Pall Mall, Capstan, Star, Derby, Pilot and Hollywood. Benson & Hedges Fine Cut was the latest addition to our portfolio. Our range of high-quality products covers all segments, from low to premium.

**Leading Presence**

BAT Bangladesh has been operating for 104 years. BAT Bangladesh holds robust market positions in the cigarette industry. Our brands are leading in the respective segments in the country.

## Investment

**Innovation**

We make significant investments in research and development to deliver innovations that satisfy or anticipate diverse preferences of consumers and generate growth for the business. We also research, develop and test new products to meet changing consumer needs.

**Selected Investments**

Strategically and financially attractive acquisitions and specific targeted investments in new ventures, R&D projects, equipment and services all play a role in our short-term success and in the long-term development of our organisation. They support our strategic ambitions of achieving sustainable growth and working more productively by opening up new ways of working, helping to define new product areas and providing new opportunities for our people.

**World-Class Science**

We have an extensive scientific research programme. Our own laboratory plays a useful role in regular quality control and new innovations. We have been focusing research on innovative and less risky tobacco and nicotine products for adult smokers who want a safer alternative to cigarettes. Our work with scientists and public health professionals aims to secure widespread support for tobacco harm reduction, including the regulatory changes needed to bring reduced-risk products to market.

## People & Relationship

**Our People**

We employ more than 1,350 people directly and approximately 52,000 people indirectly including farmers, distributors, and local suppliers. We take great pride in saying that BAT Bangladesh is one of the most preferred employers in the country. It is the people who bring their difference every day that make BAT Bangladesh a great place to work in. We encourage a culture of personal ownership and value our employees' talents. Their diverse perspectives help us to succeed and we recognise their critical roles in achieving the goals we set for our business. We value what makes each of us unique.

**Our Suppliers**

We don't own tobacco farms, but we provide agronomy support through our extensive services. Our Social Responsibility in the Tobacco Production Programme encourages continual improvement of the social and environmental performance of the suppliers we buy tobacco leaf from. Through our relationship with leaf suppliers and tobacco farmers, we are mitigating the negative social and environmental impacts that tobacco growing can have and helping to provide a reliable source of income that can support food and social security.

**Our Wholesalers, Distributors and Retailers**

Trade marketing is a large part of our activity – managing business-to-business relationships with the retailers our consumers buy from. We place a strong emphasis on being a high-quality supplier to the trade. Our distributors are a great source of strength for us. We work to operate in the most efficient and effective way so that retailers can offer the products our consumers want to buy, where they want them and when they want them.

**Our Shareholders**

BAT Bangladesh treats all its shareholders with honour and respect. In the extreme volatile situation and economic downturn and provided the highest dividend ever. Despite the increased tax rate, BAT Bangladesh has managed to reduce its operational expenses by 2% compared to last year, which is an exceptional feat. The efficiency that the management has delivered is always in favour of our shareholders' value.

**Our Stakeholders**

BAT Bangladesh tries to keep harmony with all of its valuable stakeholders. We keep contributing to our stakeholders sincerely. In the last year, we once again ensured that our contribution to government is very significant by being the highest TAX payer in 2014. BAT Bangladesh contributed two-thirds of the revenue derived by the cigarette industry in 2014. The Company contributed over BDT 9932 crore as taxes to the National Exchequer.

## Workplace & Society

**Our Culture**

Our people work in harmony with others in a diversified culture free from any type of discrimination. We are committed to providing a safe working environment for our employees and treat all our colleagues and business partners inclusively with dignity and respect.

**Our Contribution to the Society**

As a responsible Company, BAT Bangladesh's CSI (Corporate Social Investment) portfolio includes three flagship CSI programmes driving its corporate reputation under the sustainable agriculture and environment theme. These are Afforestation, Safe Drinking Water and Solar Home Systems. All three projects are structured in perfect alignment with the Millennium Development Goals of the United Nations.



## CHAIRMAN'S STATEMENT

Dear Shareholders,

The Company and its Board of Directors is committed to continuously strive for the highest standards of governance to ensure that its business and affairs are in strict adherence to the doctrine and principles of good governance such as integrity, transparency, accountability and responsible business conduct to safeguard the interests of its shareholders and other stakeholders.

Golam Mainuddin  
Chairman  
British American Tobacco Bangladesh

The Company has completed another year of overall good performance, which is the best ever result of the Company in very challenging circumstances. In spite of many difficulties from the external environment, the Company achieved growth in market share which delivered excellent business results in 2014. The Company results were driven by revenue growth, strengthening the brand portfolio, improved profit after tax due to successfully managing the tax led price increase, cost management and productivity initiatives across the Company. It is to the great credit of our people, our Board of Directors, our Executive Committee Members and especially our first Bangladeshi Managing Director who led the business to deliver such a desirable result. We are proud that our Company is a law-abiding entity which displays an unwavering commitment to the country, setting the Company apart from other business entities. This uniqueness reflects the passion and dedication of all stakeholders comprising of employees, business partners and other relevant agencies of the Company across the country.

### Business Performance

We successfully served all our stakeholders even during the unstable period. This success continues to deliver for our shareholders and is reflected in an increase of earnings per share for 2014 to BDT 104.70 after adjusting the provisions of previous years. The Board has recommended a total cash dividend of BDT 55 per share including an interim dividend of BDT 10. The total dividend proposed is slightly less than last year as the Board of Directors decided to increase the stock level of

the raw materials and to extend the credit facility to the trade in order to face the uncertainty in the current turbulent political climate. The Company increased its gross turnover to BDT 12,680 crores, up by 15.71% from the previous year. This increase was driven by volume growth and due to successful tax led price increase and efficient cost management. Profit after tax improved by 28% from BDT 492 crores last year to BDT 628 crores in 2014. The higher profit after tax reflects higher volumes and increased prices, as well as cost savings and productivity initiatives driven across the Company. We have adjusted provisions this year which were required due to various claims of the tax authority in previous years. The share price of the Company has recorded new levels in both Stock Exchanges of the country leading to value addition to our Shareholders. The Company contributes about two-thirds of the total tax collection to the National Exchequer from the cigarette industry. In 2014, the Company contributed BDT 9,932 crores as supplementary duty, value added tax and other levies which makes the Company the highest taxpayer in Bangladesh. This represents an increase of BDT 1,496 crores compared to previous year. The Company will continue to support Government proposals that establish a sustainable level of tax contribution to the National Exchequer while ensuring a sustainable growth for the Industry. However, this is a mature industry and it must not be stretched without considering the market dynamics and its ability to absorb price increases. It may be noted that leaf export volume is continuously facing challenges due to 10% export duty in Bangladesh against the incentives on export from China and India.

## Board of Directors

The Board of directors of the Company consists of nine Directors, including three Independent Directors. Out of nine Directors, seven are non-executive Directors including the Chairman of the Company. Two Independent Non-Executive Directors are holding very senior responsible positions within the Bangladesh Government. I am pleased to inform that Mr. Md. Mosharraf Hossain Bhuiyan ndc, Secretary of the Ministry of Industries has joined our Board as a Non-Executive Director in November 2014. He was appointed as an Independent Director as well as the Chairman of the Audit Committee on 19 February 2015. Throughout different Board meetings during the year, your Board has considered and approved different important business proposals to ensure sustainable business growth and played a catalytic role in protecting your interests. The Board assessment of the key risks and uncertainty, facing the Company broadly remains unchanged particularly regarding tax rate increase, anti-tobacco activities leading to illicit trade, regulatory drives and the political situation of the Country. I sincerely thank all of our Board Members for their contributions which enabled the Management to achieve good results during 2014.

## Governance Compliance Audit

Apart from the Statutory Audit conducted by A. Qasem & Co., Chartered Accountants, in 2014 the Board has appointed Al-Muqtadir Associates, Chartered Secretaries, to carry out the Corporate Governance Compliance Audit to certify the fulfillment of the requirements of Bangladesh Securities and Exchange Commission (BSEC) Guidelines. This year, the Board has recommended KPMG Rahman Rahman Haque, Chartered Accountants, as the new statutory Auditor of the Company for the year 2015 to the 42nd Annual General Meeting for its approval.

## Awards and Recognition

I am very pleased to report that, this years BAT Bangladesh has won four significant awards from different national and international credible organisations. These are 'ICSB Corporate Governance Excellence Award', 'ICMAB Best Multinational Corporate Award', 'MCCI Centenary Award for CSR' and 'Asia Responsible Entrepreneurship Awards for Green Leadership' and Local Government Award (1st Prize) for Afforestation.

## Guiding Principles

Our Guiding Principles have long been at the core of our culture. They guide our behaviour and describe how they align with our vision. The Principles also underpin our approach to good Corporate Governance, as it is set out in the governance section of the Directors' Report. The Standards of Business Conduct guides us in our day to day workplace behaviour and work.

## Appreciation

2014 has been a successful year despite huge external challenges. As for 2015 and beyond, I know our Management Team and our people are ready to meet the challenges ahead. I am confident that with our proven strategy, well drawn plan, powerful brands, talented people and continuous focus on efficiency and productivity, we will deliver value to our shareholders in the short and long-term. The Company is positioned to continue to deliver profit and dividend growth as well as remarkable contribution to the Government's exchequer for many years to come. On behalf of the Board, I would like to express my sincere appreciation to you all, our valued Customers, Suppliers, Distributors, Employees of the Company, NBR and other relevant authorities of the Government of the Peoples' Republic of Bangladesh for their support and cooperation. I wish the Company every success in the future.



# DISCOVERING PROGRESS AND PARTNERSHIP

British American Tobacco Bangladesh was born in 1910 as Imperial Tobacco Company and was one of the first multinational companies in Bangladesh. As the nation advanced through adversity and political turmoil, the company too withstood its own challenges. As Bangladesh progressed, so did the Company, with a global identity as British American Tobacco (BAT) Bangladesh transformed in 1998. Over the years, BAT Bangladesh has proven itself to be an organisation capable of excellence – through its people, its products and business practices. Not many companies established in the beginning of the twentieth century are still moving from strength to strength and BAT Bangladesh not only has a rich heritage but also a bright future. The company hopes that its standard of excellence continues to inspire progress and partnership, while making stakeholders proud to be associated with such an outstanding organisation.



## MANAGING DIRECTOR'S OVERVIEW

Besides our business operations, we believe that the Company is also contributing to the society through our best corporate practices.

### Highlights

**+28** percent  
Increased EPS  
compared to  
preceding  
financial year

**+18** percent  
Increased taxes and  
excise contribution  
to the Government  
(paid BDT 9,932 Crores)

Shehzad Munim  
Managing Director  
British American Tobacco Bangladesh



## Our Business Performance

The Company Management is proud to report another successful year with earning per share BDT 104.70, an increase of 28% over last year. The Company also set another milestone contributing BDT 9,932 crores to the Government's exchequer as taxes & excise, which makes the Company the highest taxpayer in Bangladesh. Apart from that, we won four momentous awards from national and international organisations for versatile excellence on Good Corporate Governance and Corporate Social Responsibilities. However, the year 2014 has been tough for us due to many external challenges. During these volatile external situations, the continuation of regular business operations was extremely difficult. Our management functioned with resilient spirit and diligence to address all the challenges, especially the continuation of production and distribution all over the country.

## Our Concern

We support sound regulations backed by robust evidence and thorough research that shows it will help achieve the objective of reducing the impact resulting from tobacco use. However, measures such as excessive tax increase on tobacco products and tobacco regulations which are difficult to implement do more to disrupt orderly markets and little to further their intended aims. In fact, they create ideal conditions for counterfeiters and smugglers to thrive. We are committed to lead our industry in providing an example for others by engaging openly on regulatory issues, while also working with government authorities to fight the illegal tobacco trade.

We believe tax increases on tobacco products should be gradual and in coordination with price increases so that the legitimate industry can absorb the pressure. Abrupt and excessive increase in tax without keeping pace with price give space for illicit operators. We are concerned that smuggled cigarettes are creating their own space in the market and the counterfeited and unpaid duty segment is growing fast without much restriction. Smuggled, counterfeited and unpaid duty cigarettes are the biggest challenges for this large revenue contributing compliant industry.

## Our Leadership

We worked together to fight the odds and overcame all kinds of challenges. The "Partnering for Progress" slogan was evidently witnessed from our operations to accomplishments. Apart from the support of our respected Board, Shareholders and Stakeholders, our continued success would not be possible without the hard work of our talented people and great leaders. This makes us one of the country's most preferred employers of choice.

## Our Commitment

We have the talented people, the expertise and the passion to succeed. The Company passionately believes that success and responsibility go together. As the number one private-sector taxpayer of the country, we will continue to play our part as a responsible corporate citizen and contribute to the economy of the country.

## Our Future Prospect

With the economic recovery still in fragile condition, we have shown a consistent ability to improve our operating margin and to increase our market share. However challenges persist in 2015. We have a great brand portfolio, market-leading innovations and an outstanding range of high-quality products. Regardless of the uncertainties that lay ahead, as a Company, we will continue to trust our resilience built on more than a hundred years of experience in Bangladesh. Combined with the continuous support of our employees, business partners and relevant stakeholders, we will navigate through whatever challenges 2015 might hold and deliver another good year for our shareholders.

## Our Gratitude

I express my sincere thanks to all the stakeholders of the Company for their confidence in us and their valuable contribution to the Company throughout 2014. We are grateful to millions of our consumers who have been with us along with their smart choice and dedication towards us and our brands. We believe passionately in building value for our consumers and Shareholders.

**AGM**

# **INVITATION**

**for our Shareholders**

# 42<sup>nd</sup>

## **ANNUAL GENERAL MEETING**

### **OF BRITISH AMERICAN TOBACCO BANGLADESH**

will be held at

Pan Pacific Sonargaon  
107 Kazi Nazrul Islam Avenue  
Dhaka 1215, Bangladesh

on Sunday 12 April 2015  
at 10:30 AM



### **AGM Helpline**

Md. Atiqur Rahman  
Md. Balayet Hossain Chowdhury  
Dewan Rahat Islam

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+880 2 8829716-8  
+88 2 8827646 Ext-394 & 635  
Fax: +88 2 8822786





## AGM NOTICE

Notice is hereby given that the 42nd Annual General Meeting (AGM) of British American Tobacco Bangladesh Company Limited will be held on Sunday, 12 April 2015, at 10:30 am at the Ballroom of The Pan Pacific Sonargaon Hotel, 107 Kazi Nazrul Islam Avenue, Dhaka 1215, to transact of the following businesses:

### AGENDA

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31 December 2014, and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend for the year ended 31 December 2014.
3. To elect Directors and to approve the appointment of Independent Director.
4. To appoint Statutory Auditors for the year 2015 and to fix their remuneration.

By order of the Board

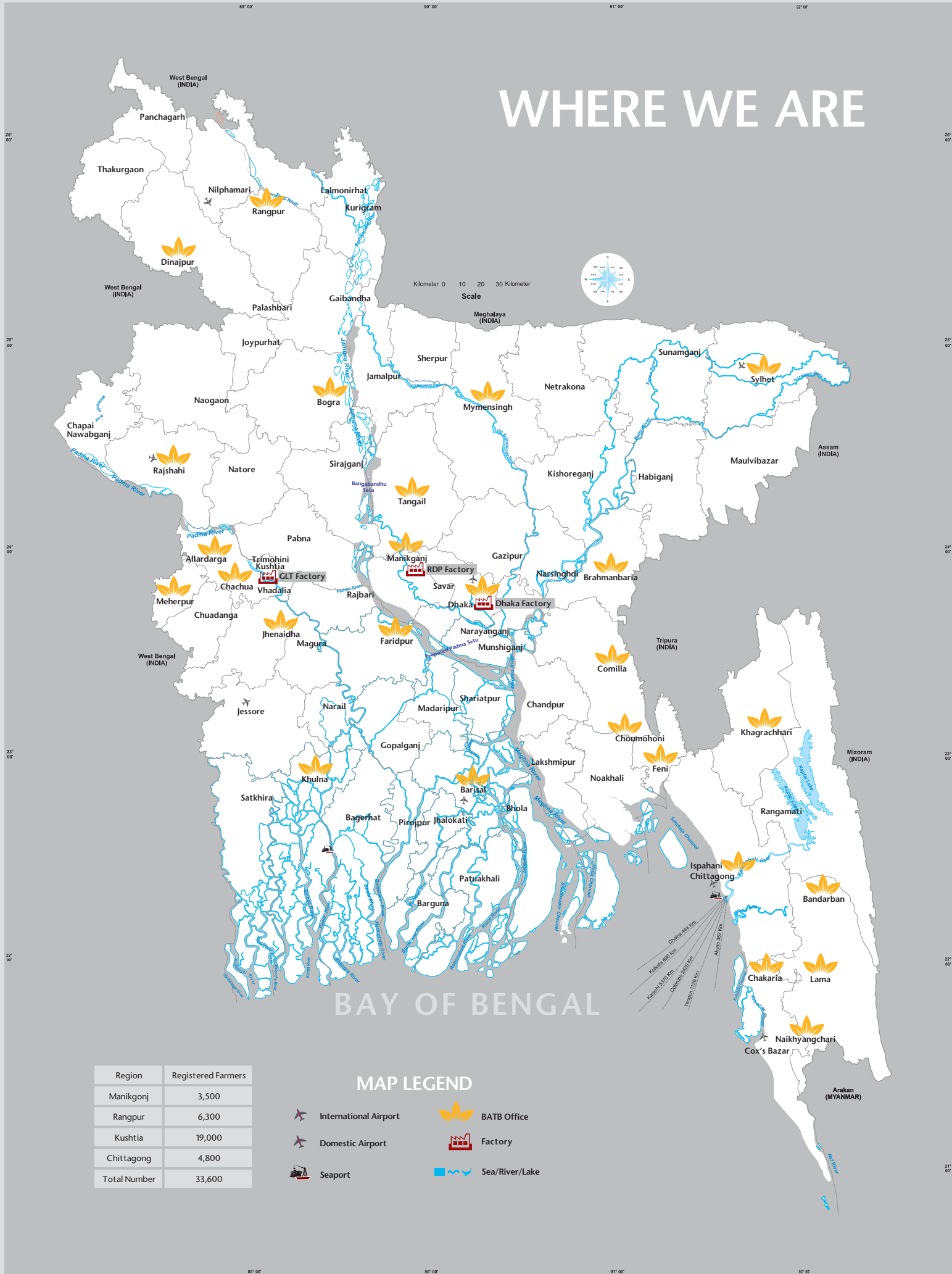
Md. Azizur Rahman FCS  
Company Secretary

Dhaka  
22 March 2015

### Notes:

- Shareholders whose names appear on the Members/Depository Register on the Record Date i.e. 5 March 2015 shall be eligible to attend the 42<sup>nd</sup> AGM of the Company and to receive the Dividend.
- A Shareholder wishing to appoint a Proxy must deposit the Proxy Form, duly stamped, at the Company's Registered Office by 10:30 am of 10 April 2015.
- Only Shareholders or their validly appointed proxies will be allowed to have access to the registration process to attend the meeting.
- Admission into the auditorium will be allowed strictly on submission of the attendance slip sent with the Notice.
- Children are not allowed to attend the AGM.

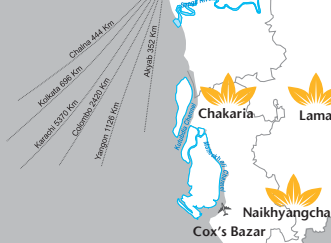
# WHERE WE ARE



Region	Registered Farmers
Manikgonj	3,500
Rangpur	6,300
Kushtia	19,000
Chittagong	4,800
Total Number	33,600

## MAP LEGEND

- ✈ International Airport
- ✈ Domestic Airport
- 🚢 Seaport
- 🌿 BATB Office
- 🏭 Factory
- 🌊 Sea/River/Lake





# GAINING STRENGTH FROM DIVERSITY

As a winning organisation, BAT Bangladesh promotes and celebrates diversity by ensuring equal opportunity for all ethnic communities and gender groups. In addition to boasting graduates from various sectors business studies, engineering, agricultural studies women and ethnic minorities have the comfort, flexibility and equal opportunity to climb up the BAT Bangladesh career ladder. Bangladesh has made remarkable progress in terms of diversity at the workplace. To ensure this diversity, the government has been encouraging the economic participation of people from all walks of life regardless of gender, religion or ethnicity. BAT Bangladesh's diverse group of talented individuals, each with their uniqueness and skills, add up to build BAT Bangladesh as the organisation it is today. It is these very differences that fuel the winning culture of the Company.

# BOARD OF DIRECTORS



Seated Left to Right: Mr. Md. Mosharraf Hossain Bhuiyan ndc, Independent Director, Secretary, Ministry of Industries  
Mr. Golam Mainuddin, Chairman | Mr. Shehzad Munim, Managing Director | Mr. K. H. Masud Siddiqui, Independent Director  
Former Secretary of the Government

Standing Left to Right: Mr. Mohammad Moinuddin Abdullah, Independent Director, Secretary, Ministry of Housing & Public Works  
Mr. Jalal Ahmed, Non-Executive Director, Additional Secretary, Ministry of Finance | Mr. William Francis Pegel, Finance Director  
Mr. Kamrul Hasan, Non-Executive Director, Former Secretary of the Government | Mr. Md. Fayekuzzaman, Non-Executive  
Director, Managing Director, ICB | Mr. Md. Azizur Rahman, Company Secretary



### Mr. Golam Mainuddin Chairman

Mr. Golam Mainuddin has been the Chairman of British American Tobacco Bangladesh since August 2008. After obtaining his Masters of Science degree from Dhaka University, Mr. Mainuddin pursued the first 30 years of his career in the agro-based industry followed by corporate management over the next decade. He was a Tea Garden Manager at Duncan Brothers from 1969 to 1982. He then joined BAT Bangladesh and soon progressed as the Head of Leaf in 1985. He was appointed as a Director in the Board of Directors of the company in 1986, and was given the responsibility of Deputy Managing Director in 1997. In addition to his present role as a Board member, Mr. Mainuddin also performs as a member of the BATB Audit Committee. Over 27 years in BAT Bangladesh, he was instrumental in achieving self sufficiency in tobacco production with strong focus on quality improvements to meet the international standards required for domestic use and export purposes while driving wider introduction of Bangladeshi tobacco in the world market. He played a key role in popularizing the tree plantation program of BAT Bangladesh, which was greatly praised and acclaimed throughout the country. Mr. Mainuddin concurrently serves as an Independent Director and the Chairman of the Audit Committee of Advanced Chemical Industries (ACI) Bangladesh and Apex Footwear Limited. He is also the Director of Federation of Bangladesh Chambers of Commerce and Industries (FBCCI), Director of IIFC (Infrastructure Investment Facilitation Company) under ERD (Economic Relations Division), Ministry of Finance, Government of Bangladesh. He has been elected as a CIP (Commercially Important Person) by the Government of Bangladesh for the last three consecutive terms.



### Mr. Shehzad Munim Managing Director

Mr. Shehzad Munim joined BAT Bangladesh as Territory Officer in 1997 after graduating from the Institute of Business Administration (IBA) of Dhaka University. He worked in different marketing roles within BAT Bangladesh before taking up assignments in BAT New Zealand as Group Brand Manager in 2003. There he subsequently took over the role of Head of Brand Marketing in 2005. In 2006 he took the challenge of developing the innovations process in BAT Australasia as Product and Packaging Innovations Manager. Mr. Shehzad Munim returned to BAT Bangladesh in 2007 as Head of Brand Marketing. In 2008 he assumed the role of Head of Marketing in Bangladesh and delivered very strong business results. After completing a very successful tenure as Head of Marketing in Bangladesh, he took over the challenging role of Area Head of Marketing, South Asia Area. Mr. Shehzad Munim has been appointed as one of the Non-Executive Directors of BAT Bangladesh in October 2010. He has been appointed as the Managing Director of BAT Bangladesh in 2013 and is the first Bangladeshi to become the Managing Director of BAT.





**Mr. Kamrul Hasan**  
Non-Executive Director  
Former Secretary of the Government

Mr. Kamrul Hasan obtained a B.A (Hons.) and M.A in English Literature (1st position) from the University of Chittagong. He completed a diploma in Public Management from the Connecticut State University, USA. He also received a Diploma in Development Planning from Planning Academy, Dhaka. He was former Secretary of the Ministry of Fisheries & Live Stock and the Ministry of Defence. Prior to joining the BAT Bangladesh Board, he was Additional Secretary in the Ministry of Finance (Finance Division). Before that Mr. Hasan held various important senior positions of the Government of Bangladesh i.e. Economic Relations Division in Finance Ministry, Chairman of Jibon Bima Corporation, Director of Telephone Shilpo Shangstha, WASA Board, Grameen Bank Board and Sheraton Board. Mr. Kamrul Hasan was appointed as Independent Director of BAT Bangladesh in 2004, representing the Government's shares in the Company till July 2011. After that, he has been appointed as one of the Non-Executive Directors and Chairman of Board CSR Committee. He was awarded "University BLUE" by Chittagong University in 1974 for his remarkable achievements in study and extracurricular activities. He was a national level Tennis player during 1972-1979.



**Mr. Md. Mosharraf Hossain Bhuiyan ndc**  
Independent Director  
Secretary, Ministry of Industries

Mr. Md. Mosharraf Hossain Bhuiyan ndc joined the Ministry of Industry as a Secretary on October 2014. He started his career as Assistant Controller Military Accounts under BCS: Audit and Accounts, where he joined on 30 January, 1981. Mr Bhuiyan worked in different offices under the C&AG of Bangladesh. After that in 1999 Mr. Bhuiyan was appointed as the Additional Director General (Member, Finance) of the Bangladesh Water Development Board. Mr. Bhuiyan held many important positions in different ministries. He was incumbent to the position of Secretary in-charge of Bridges Division under the Ministry of Communications on February 2010 and promoted as a Secretary in the same Division on July 2010. In November 2011, he was appointed as the Executive Chairman of Bangladesh Economic Zones Authority under Prime Minister's Office. He also served as Member of Privatization Commission under PMO from January 2014 to October 2014. Mr. Bhuiyan obtained his Honours and Master's degrees in Economics with achievements from the University of Dhaka. He also obtained an MA degree in Development Economics from Williams College, USA in 1992 during his period in government service. Alongside his professional responsibilities, Mr. Bhuiyan is closely involved with social development activities. He is also the Secretary General of BCS'81 Forum. Mr. Bhuiyan had the opportunity to travel many countries of the world. The pleasant journeys around the world prompted Mr. Bhuiyan to write two books on his travel experiences which were published in 2013 and 2014 respectively. He is the father of one son and two daughters.

**Mr. K. H. Masud Siddiqui**  
**Independent Director**  
**Former Secretary of the Government**

Mr. K H Masud Siddiqui joined Bangladesh Civil Service in 1982 after completion of his Masters from the University of Dhaka. He has earned an MA degree in Economics from the University of Manchester, England. He further received a Post Graduate Diploma in Development Administration and Management from UK. He was appointed as Secretary of the Ministry of Industries on September 2010 and then appointed as Secretary of the Ministry of the Liberation War Affairs in 2012. Before this, Mr. Siddiqui led Bangladesh Chemical Industries Corporation as the Chairman. In his 32 year successful career in civil service, he held several important positions in both field administration and different ministries. He also worked in the Prime Minister's Office in the capacity of Director. Mr. Siddiqui joined the Board of Directors of BAT Bangladesh as Independent Director in October 2010. Mr. Siddiqui led the Audit Committee as the Chairman up till 19 February 2015 and still continuing as Independent Director of the Company. Mr. Siddiqui is also a writer. He has got five publications to his credit, such as 'Lok Shadhonar Sangskriti', 'Tasauf and Other Contexts', 'Malgoody Days', and 'Behongo Abolokon'.



**Mr. Mohammad Moinuddin Abdullah**  
**Independent Director**  
**Secretary, Ministry of Housing & Public Works**

Mr. Mohammad Moinuddin Abdullah was appointed as Independent Director in the Board of Directors of BAT Bangladesh in October 2012. He joined the Ministry of Housing & Public Works as a Secretary in October 2014. Mr. Abdullah joined Bangladesh Civil Service (Administration Cadre) in 1983 and has been serving for nearly 32 years. He was appointed as the Secretary of the Ministry of Industries in 2012, Divisional Commissioner of Dhaka in 2010, Director General of the Prime Minister's Office as Additional Secretary in 2009 and Joint Secretary of Cabinet Division in 2008. He had been the Chairman of KAFCO representing the Government's share for more than 2 years during his tenure as Secretary of Ministry of Industries. Mr. Abdullah obtained his Honours and Masters Degree in Soil Science from the University of Dhaka. In 1994, he received the international training on 'Planning & Appraisal of Rural Development Project' from UK. He is involved with social and educational organisations for the development of the country.







**Mr. Jalal Ahmed**  
Non-Executive Director  
Additional Secretary, Ministry of Finance

Mr. Jalal Ahmed, born in 1961, obtained his Honours and Masters in Public Administration from the University of Dhaka in 1981-1982. He has been serving in Bangladesh Civil Service (Administration Cadre) for 32 years. He was Vice Chairman of the Export Promotion Bureau from August 2010 to October 2011. During that period, the Country attained highest export growth in its history. He was the Chairman of Bangladesh Oil, Gas and Minerals Corporation (Petrobangla) and the Chief Metropolitan Magistrate, Dhaka before that. He served as Deputy Commissioner in two Districts- Thakurgaon and Faridpur. Mr. Jalal Ahmed joined the Ministry of Finance as Additional Secretary in September 2012. He represents IFIC Bank Ltd, Bangladesh Submarine Cable Company, Bangladesh Telecommunication Company, Bangladesh Services Limited and IPDC as a Director. He joined the Board of Directors of BAT Bangladesh in October 2012 and then was appointed as a member of Board CSR Committee. He is an ardent nature lover and a bird-photographer.



**Mr. Md. Fayekuzzaman**  
Non-Executive Director  
Managing Director, ICB

Mr. Md. Fayekuzzaman obtained a B.Com (Hons.) and M.Com in Management from the University of Rajshahi. He also completed his Post Graduation studies in Investment Planning, Appraisal and Management of Development Finance Institution from Bradford University, United Kingdom. He attended the Cambridge Leadership Program organized by the University of Cambridge, United Kingdom and the Leadership Essential Program arranged by the Columbia University, USA. He was appointed Managing Director of Investment Corporation of Bangladesh (ICB) in July 2010. Prior to this position, he had been Deputy Managing Director of Agrani Bank since 2007. Before that he was General Manager of ICB. He has been working as a Non-Executive Director and a Member of the Audit Committee of BAT Bangladesh since July 2010. Mr. Fayekuzzaman is the Chairman of ICB Capital Management Ltd. He is also Director of Standard Bank Ltd., Bangladesh Development Bank Ltd., IIDFC, CDBL, Credit Rating Information and Services Ltd. (CRISL), Credit Rating Agencies of Bangladesh Ltd. (CRAB), Bangladesh Institute of Capital Market, the Institute of Bankers Bangladesh, GlaxoSmithKline Bangladesh Ltd., ACI Limited, Renata Limited, Linde Bangladesh Ltd., National Tea Company Ltd., Apex Tannery Ltd., Apex Footwear Ltd., The ACME Laboratories Ltd., Bangladesh Krishi Gobeshona Endowment Trust (BKGET) and SBL Capital Management Ltd.

**Mr. William Francis Pegel**  
Finance Director

Mr. William Pegel joined BAT Bangladesh as Finance Director in 2014. William has over 16 years of experience in various BAT companies and successfully performed the role of Finance Director in various end markets including New Zealand, PNG and Ghana and has held senior finance roles within BAT Australia and BAT South Africa since 1996. Prior to joining BAT Bangladesh, William was an integral member of the Australasian Finance Leadership Team and the Supply Chain Leadership Team, displaying strong leadership and business acumen. William is a certified Chartered Accountant from the South African Institute of Chartered Accountancy.



**Md. Azizur Rahman**  
Company Secretary

Mr. Md. Azizur Rahman is a fellow (FCS) of the Institute of Chartered Secretaries of Bangladesh and an associate member of the Internal Audit Institute. After obtaining his Master's degree in Accounting from the University of Dhaka, he completed his Chartered Accountancy course at ICAB. He then obtained the Chartered Secretary professional degree from ICSB. Mr. Rahman joined BAT Bangladesh in March 2002 in Company Secretarial functions. In his 22 year career span, he took the challenges of cross functional assignments which developed his expertise in areas such as corporate affairs, finance, audit, corporate banking and records management. Apart from his diverse role as Company Secretary, he is also Secretary of the Audit Committee, Board CSR Committee and Trust Funds of the Company. Mr. Rahman performs as visiting lecturer on corporate affairs in different private universities and professional institutes. As a resource person, he has also conducted professional management courses at various levels. In his capacity as the Secretary General of Intellectual Property Association of Bangladesh (IPAB) and Vice-Chairman of IP Committee of FBCCI, he engages with different national and international organisations for addressing IPR issues in Bangladesh.





# EXECUTIVE COMMITTEE



**Mr. Shehzad Munim, Managing Director**

Mr. Shehzad Munim joined BAT Bangladesh as Territory Officer in 1997 after graduating from the Institute of Business Administration (IBA) of Dhaka University. He worked in different marketing roles within BAT Bangladesh before taking up assignments in BAT New Zealand as Group Brand Manager in 2003. There he subsequently took over the role of Head of Brand Marketing in 2005. In 2006 he took the challenge of developing the innovations process in BAT Australasia as Product and Packaging Innovations Manager. Mr. Shehzad Munim returned to BAT Bangladesh in 2007 as Head of Brand Marketing. In 2008 he assumed the role of Head of Marketing in Bangladesh and delivered very strong business results. After completing a very successful tenure as Head of Marketing in Bangladesh, he took over the challenging role of Area Head of Marketing, South Asia Area. Mr. Shehzad Munim was appointed as one of the Non-Executive Directors of BAT Bangladesh in October 2010. He was appointed as the Managing Director of BAT Bangladesh in 2013 and is the first Bangladeshi to become the Managing Director of BAT Bangladesh.



**Mr. William Francis Pegel, Finance Director**

Mr. William Pegel joined BAT Bangladesh as Finance Director in 2014. William has over 16 years of experience in various BAT companies and successfully performed the role of Finance Director in various end markets including New Zealand, PNG and Ghana and has held senior finance roles within BAT Australia and BAT South Africa since 1996. Prior to joining BAT Bangladesh, William was an integral member of the Australasian Finance Leadership Team and Supply Chain Leadership Team, displaying strong leadership and business acumen. William is a certified Chartered Accountant from the South African Institute of Chartered Accountancy.





**Mr. Saifuddin Mohammad Khaled, Head of Supply Chain**

Mr. Saifuddin Mohammad Khaled joined British American Tobacco in Bangladesh as a Technical Assistant in 1988 after graduating from the Indian Institute of Technology, Bombay. Over the years, he has played different front-line and strategic roles in Supply Chain. From 1994 to 2000, he left BAT to work for Reckitt Benckiser as Regional Head of Supply Chain in West Coast Africa. Khaled re-joined BAT Bangladesh in 2002. He was seconded to Ceylon Tobacco Company as Head of Supply Chain in 2010. He returned to BAT Bangladesh as Head of Supply Chain in 2012.



**Ms. Rumana Rahman, Head of Human Resources**

Ms. Rumana Rahman joined BAT Bangladesh in 2001 as a Management Trainee and performed in various roles covering specialist areas such as reward, talent and generalist streams of business partnering, including the area of Supply Chain HR. Before taking over the role of Head of HR, she was posted in Hong Kong in the Asia Pacific Regional Office as the Regional HR Planning and Reporting Manager. Ms. Rumana Rahman is the first Bangladeshi female Top Team member of BAT Bangladesh.



**Ms. Mubina Asaf, Head of Legal**

Ms. Mubina Asaf has over 17 years of experience in the legal profession. Before joining BAT Bangladesh, she was one of the senior partners of a law firm named 'Maxima Legal'. Prior to that, she worked for the Attorney General's Office, the Government of Bangladesh as an Assistant Attorney General, and then as a Deputy Attorney General of Bangladesh for more than 7 years. Before that she was an associate of 'Rokanuddin Mahmud and Associates' where she independently rendered legal advice and provided assistance to clients from time to time on commercial and company matters. Ms. Mubina completed her LL.B. (Honours) and LL.M. from University of Dhaka. She also did a Diploma in Maritime Law from an Australian University Program. She enrolled herself as an Advocate of the Dhaka District Court, High Court Division and Appellate Division of the Supreme Court of Bangladesh.



**Mr. Shahed Zubair, Head of Corporate and Regulatory Affairs**

Mr. Shahed Zubair completed his Bachelors in Electrical and Electronics Engineering from Bangladesh University of Engineering and Technology (BUET), Dhaka, and Masters in Business Administration from IBA, Dhaka University. He joined BAT Bangladesh in 2007 as Corporate Communications Manager. Before that he served in Nestle, Unilever and Banglalink, where he gained diverse knowledge and experience. He moved to the role of Regulatory Affairs Manager in 2007 and was then transferred to BAT Australia working as Area Internal Communications Manager as well as Strategy and Planning Manager in the Corporate and Regulatory Affairs (CORA) function. He has over 14 years of experience in global FMCG and Telecommunications. Mr. Zubair joined BAT Bangladesh as Head of Corporate and Regulatory Affairs in 2012.



**Mr. Rezaul Islam, Head of Marketing**

Mr. Rezaul Islam joined BAT Bangladesh as Territory Officer in 2000 after completing his Master's degree from the Institute of Business Administration (IBA) of Dhaka University. Mr. Islam worked in different roles within the BAT Bangladesh Marketing department before being seconded to BAT Iran as Brand Manager-VFM in 2006 and subsequently took over the role of Group Brand Manager in BAT Iran in 2007, leading the brand team in the most difficult period of Iran business. In 2008, he took the challenge as Area Brand Manager in PTC. In 2010, he became the Head of Business Development in BAT Japan, leading ATSM adaptation there. In 2013, he assumed the role of Head of Trade Marketing and Distribution in BAT Japan, delivering strong business results. Having played various roles in Marketing (Brand and Trade) at an end market/area level, Mr. Islam has been identified for the position of Head of Marketing of BAT Bangladesh.





“FACTORY  
& OUR  
PEOPLE,”



# KEEPING UP WITH A CHANGING WORLD

The world today is rapidly changing and to be successful means to learn, change, and adapt with new technology. BAT Bangladesh is a firm believer in keeping up with new processes and techniques, continually training and developing its people through courses and workshops conducted both at home and abroad. By taking care of its human resources, BAT Bangladesh ensures that technological development is in line with human development. In the last few years, employees have been sent to countries such as Italy, Germany, France, Malaysia and Pakistan to receive training in new technology. BAT Bangladesh is proud to be among the organisations of the country that are meeting the demands of the 21st century by boldly introducing new technologies, cutting-edge processes and experimenting with pioneering concepts.



# CORPORATE GOVERNANCE STATEMENT

**“For us, good governance is about managing the business effectively and responsibly and in a way which is honest, transparent and shows accountability”**

The Company and its Board of Directors (Board) acknowledge the implication of corporate governance which contributes to the fundamental value of an organisation. The Board firmly believes that the integrity, transparency, compliance, accountability and responsible business conduct of its Board, Management and Employees, supported by a comprehensive governance framework, ensure the interests of its shareholders and other stakeholders.

This Corporate Governance Statement aims to provide insights to the shareholders and other stakeholders into the corporate governance practices of the Company.

The Board of Directors of British American Tobacco Bangladesh believes in ensuring the highest standards of Corporate Governance (CG) as it will serve to strengthen the Company's sustainability, organisational effectiveness and foster a high-performance culture within the organisation.

Corporate Governance is a term that refers broadly to the rules, procedures and laws by which businesses are operated, regulated, and controlled in order to ensure the interest of the stakeholders of a corporate body. This is central to the continued strong performance of the business in a manner which is sustainable in the long term and gains the continued confidence of investors. For the Company, good governance is about managing the business effectively and responsibly and in a way which is honest, transparent and shows accountability.

The Company is dedicated and committed to managing its business responsibly amidst a challenging environment for the tobacco industry and the awards and achievements that the Company has received are testimony of such dedication and commitment. In 2014, the Company was awarded for Corporate Governance, Best Corporate amongst multinational Companies and CSR Initiatives. For details of these awards and achievements, please refer to pages 82 to 84 of this Annual Report.

## Corporate Governance Framework

BAT Bangladesh's Corporate Governance framework has been developed and enhanced based on the basic principles and best practices outlined in the following:

- Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Notification;
- The Companies Act 1994 and other applicable regulations of Bangladesh;
- Dhaka and Chittagong Stock Exchanges Listing Regulations;
- Laws of the land;
- Standards of Business Conduct, Policies and Guidelines of the Company;
- Statement of Risk Management Internal Control of the Company;
- Statement of Delegated Authorities of the Company; and
- Local and global best practices.

The Board also continuously reviews its corporate governance frameworks to ensure its relevance, effectiveness and sustainability in addressing future business environment challenges.

The conduct of all employees of the Company, including the Board of Directors, are governed by the Company's policies, guidelines and Standards of Business Conduct. Each and every employee, including Directors, are expected to live up to the Standards of Business Conduct and required to confirm their commitment and compliance by executing a declaration of compliance annually.

The Standards of Business Conduct are constantly reviewed by the Board from time to time, as part of efforts to enhance application of the highest standards of governance in line with best global practices. The 'Standards of Business Conduct' was last updated and revised by the Board in November 2014. In addition to the Standards of Business Conduct, the Company is also guided by the Company's Statement of Business Principles. The Business Principles cover key matters that underpin Corporate Responsibility (CR) for a multinational business and more particularly, the unique characteristics of a tobacco business. The three Business Principles are Mutual Benefit, Responsible Product Stewardship and Good Corporate Conduct, each of which is supported by fundamental principles of business behaviours. Apart from the Company's Standards of Business Conduct and Business Principles, the Company also has in place the Statement of Delegated Authorities which outlines respective roles and authorities of the management officials. This helps governance and control of investment management. In the Company's Statement of Delegated Authorities, the Board has specifically reserved matters such as establishment of new businesses or factories, annual strategic plan, approval of major capital expenditure, acquisition and disposal of businesses or equity, borrowings and any corporate restructuring, for its own decision. Additionally, the Company also has in place the required internal policies, guidelines and codes to ensure good governance and control.

The Company had fully complied with the above mentioned corporate governance principles and best practices. This Statement on Corporate Governance, together with the Statement on Risk Management and Internal Control, sets out the manner how the Company has applied the governance principles and best practices.

The corporate governance framework of BAT Bangladesh is directed towards achieving the Company's business objectives in a responsible manner. Therefore, in order to comply with the laws, rules, regulations, corporate governance codes, articles of association, policies and procedures, the Company constantly exercises good Board practices, effective control processes, transparent disclosures, well-defined shareholders' rights and Board commitments. The manners of adherence to these principles and practices are outlined as follows :

## Board Practices

The Board is responsible to the Shareholders for overall success of the Company for its strategic directions, its values and its governance. It provides the leadership necessary for the Company to meet its business objectives within the framework of its internal controls, while also discharging the Company's obligations to its shareholders.

The composition of the Board complies with the requirements outlined in the BSEC Guidelines on Corporate Governance, the Listing Regulations and those of the generally applied codes of best practices. The Board comprises an admixture of Executive and Non-Executive Directors from diverse professional backgrounds with wealth of experience, skills and expertise.

## Board Composition

The Board of the Company consists of nine Directors, comprising four Non-Executive Directors, three Independent Directors and two Executive Directors which include the Managing Director and the Finance Director. Out of the nine Directors, seven are non-executive individuals who are also senior officials or ex-officials of the Bangladesh Government. A qualified Fellow Chartered Secretary is entrusted with the role of Company Secretary. We believe that the BAT Bangladesh Board has the optimum level of knowledge, composure, skills and understanding about the Company's business and stands as the perfect platform to perform and deliver. Please refer to pages 22 to 27 for details of the Directors on the Board, their profiles and their respective memberships.

## Principal Responsibilities of the Board

- Formulating the long term strategies of the Company and setting the goals and direction for the Company.
- Reviewing Company's risk assessment and ensures implementation of appropriate systems to manage those risks.
- Providing the leadership necessary to ensure that the business objectives set out by the Board is met within the framework of internal controls as described in this Statement.

- Other key duties for the Board includes approving financial statements, appropriation of profit, reviewing the adequacy and integrity of the Company's internal control systems and ensuring compliance with applicable laws, rules, regulations, directives and guidelines of various regulators.
- Pursuant to the Company's, laid down policies and guidelines, the Board is also tasked to decide on the following business transactions and activities:
  - Acquisition, disposal or closure of a business.
  - Establishment of new businesses.
  - Capital investment and disposal of tangible assets.
  - Purchase or sale of trademarks.
  - Proposal for borrowings or the grant of extended credit facilities.
  - Any corporate restructuring not covered by any of the above paragraphs.
  - Appointment of top management and expatriate officials.

In discharging its responsibilities, the Board is guided by the regulations contained in the Memorandum and Articles of Association of the Company, the Companies Act, 1994, Relevant applicable regulations, BSEC Codes of Corporate Governance, Listing Regulations, Company's Standards of Business Conduct, Business Principles, Statement of Delegated Authorities, and other generally accepted corporate best practices.

### Committees

In order for quicker and efficient flow of information and thereby exercising effective governance, the Board has also constituted a few Committees and has delegated certain responsibilities to the Committees to assist the Board in discharging of its responsibilities. There are three such Committees, to which the Board has delegated certain responsibilities. These include the Audit Committee, Compensation Committee and CSR Committee. Each Board Committee strictly adheres to a set of terms of reference approved by the Board. Their roles, operating procedures and authorities are clearly defined in the terms of reference which are reviewed by the Board periodically. There is an evaluation process regarding performance of Audit and CSR committees which facilitates in achieving certain governance objectives. The key functions of these committees are as follows:

### Board Audit Committee

The Board has constituted an Audit Committee for the Company according to the conditions of BSEC guidelines. The committee comprises one Independent Director and three Non-Executive Directors. The Board has appointed an Independent Director as Chairman of the Committee under the mentioned guidelines of BSEC. All members of the Audit Committee are 'financially literate' as per regulatory requirement and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The Managing Director, Finance Director, Internal Auditors of the Company and representatives of the external auditors attend all the meetings upon invitation by the Audit Committee. Other senior members of management are also invited by the Audit Committee to attend Audit Committee meetings. On need basis, the Audit Committee meets with the external auditors and, separately, with the internal auditors, on an annual basis without any Executive Director being present. They met four times during the year 2014. All members were present in all meetings of the Committee. The Company Secretary functions as the Secretary of the Committee. The key responsibilities of the Audit Committee include:

- Monitoring the integrity of the financial reporting process ensuring compliance to accounting policies, standards and principles.
- Monitoring the internal control and business risk management process.
- Overseeing the hiring and performance of external auditors.
- Monitoring and reviewing the effectiveness of the internal audit function.
- Other matters as per terms of reference of the Audit Committee.

### Board Compensation Committee

The Board Compensation Committee, headed by a non executive Director, makes recommendations to the Board on terms of employment of the members of the Executive Committee, managers and employees and decides their specific remuneration. This Committee met two times in 2014, and is headed by a Non-Executive Director. The other members include the Managing Director and the Finance Director. The Head of Human Resources functions as the Secretary of the committee. The remuneration policy is designed to ensure that the reward and remuneration package is



competitive so that high quality human resources with proven business experience can be recruited, motivated and retained.

### Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) is core to the 'Responsibility' strategy of the Company. It is integral to the business sustainability and enhancement of long-term shareholder value. The Company recognises that it has a role to play in helping society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress.

Therefore, the Board of Directors of the Company at its meeting held on 11 April 2012 has established a CSR Committee as sub-committee of the Board. The Board has nominated four Directors to the Board CSR Committee among whom a Non-Executive Director is the Chairman. The purpose of the Board CSR Committee is to ensure management of the Company's CSR initiatives in a way that ensures business sustainability and creates positive impact on image and reputation of the Company amongst the stakeholders and the society at large.

### Board and Committee Meetings

The composition of the Board Committees as of 31 December 2014 and the attendance of Directors at the Board and Board Committee meetings held in 2014 are as follows:

Directors	Board	Audit Committee	Board Compensation Committee	CSR Committee
Mr. Golam Mainuddin (Chairman of Board) Non-executive Director	11/12	4/4	2/2	
Mr. Shehzad Munim Managing Director	12/12	4/4 (by Invitation)	2/2	4/4
Mr. Md. Mosharraf Hossain Bhuiyan Non-Executive Director (Appointed, 20 Nov 2014) Independent Director (Appointed, 19 Feb 2015)	2/12	-	-	-
Mr. K.H. Masud Siddiqui Independent Non-Executive Director	12/12	4/4	-	3/4 (by Invitation)
Mr. Kamrul Hasan (Chairman, CSR Committee) Non-Executive Director	12/12	-	-	4/4
Mr. Mohammad Moinuddin Abdullah Independent Non-Executive Director	11/12	-	-	3/4
Mr. Jalal Ahmed Non-Executive Director	12/12	-	-	3/4
Mr. Md. Fayekuzzaman Non-Executive Director	12/12	4/4	-	-
Mr. William Francis Pegel Finance Director (Appointed 1 May 2014)	6/12	3/4 (by Invitation)	1/2	-
Mr. Azizur Rahman Company Secretary	12/12	4/4	-	4/4

### Effective Control Processes

The Board of British American Tobacco Bangladesh discharges its responsibilities in ensuring effective control processes in the organisation through the Board committees. Other than the Board committees, there is an Executive Committee at the top management level which plays a significant role in managing the business as per the norms of corporate

governance and ensures that adequate internal controls are in place and supported through a robust risk management and MIS process.

### Leadership Team (Executive Committee)

In discharging the above mentioned responsibilities and duties, the Board is duly assisted by the functional heads of the Company, namely the Executive Committee (ExCo). The



Managing Director leads the ExCo which comprises of the following heads of organisational functions:

- Managing Director
- Finance Director
- Head of Marketing
- Head of Supply Chain
- Head of Legal & Secretarial
- Head of Corporate & Regulatory Affairs and
- Head of Human Resources

The ExCo is vested with the responsibility of implementing the policies and decisions of the Board, overseeing the operations as well as developing, coordinating and implementing business and corporate strategies.

Usually, the ExCo meets monthly to implement the Company's strategy and ensure effective day-to-day operations in line with the Company plan. From time to time, when the Board requires relevant information or updates, relevant members of the ExCo are invited to attend Board meetings to provide any such relevant information or updates. For details of each ExCo member, please refer to pages 28 to 31 of this Annual Report.

### Company Secretary

The Board has appointed a Company Secretary in order to maintain the necessary link and liaison with the internal organs, as well as external agencies, and also to ensure effective collection, compilation and timely flow of information to and from the Board. The Corporate Governance Guidelines issued by BSEC also require a listed company to appoint a Company Secretary. Being a governance official, the Company Secretary drives for corporate compliance and provides support to the Chairman and other members of the Board to ensure effective functioning of the Board. The Company Secretary organises and attends all Board and Committee meetings (Audit Committee and CSR Committee), and ensures that deliberations on all issues are properly minuted, decisions recorded and are duly communicated across the respective authorities for necessary information/actions. The Company Secretary is also responsible for agreement signing, policies formulation, protection of the Company's land, Records Management, driving Standards of Business Conduct, administration of seven trust funds and its portfolio investment management. The brief roles and responsibilities of the Company Secretary, include, inter alia -

- Maintaining linkage between the Board, Management, Shareholders and other stakeholders on matters of corporate interests in a transparent way,
- Driving policy compliance awareness among the Company employees,
- Performing the duties as per power of Attorney and Board level stakeholders management facilitating Corporate Regulatory Affairs (CORA) function especially for company secretarial matters.
- Compliance of the Acts, rules, regulations, notifications, guidelines, orders/directives, etc. as issued by BSEC or Stock Exchange(s) applicable to the conduct of business activities of the Company so as to protect the interests of the investors and other stakeholders.
- Disclosure of the Company's price sensitive information (PSI) and other capital market related issues,
- Ensuring that appropriate Board procedures are followed as per given guidelines and best practices, and advises the Board on matters as such.

### Internal Control Process

The Company's internal control system is designed at Board and Management levels to provide reasonable assurance regarding the achievement of the Company's objectives in respect of effectiveness and efficiency of operations, reliability (completeness and timeliness) of financial reporting and management information, compliance with applicable laws, regulations and the Company's policies. The Company has its own internal auditors who are accountable to the Audit Committee. The internal control process is further expanded in the Statement of Internal Control. Some of the key policies and guidelines that govern the internal control process of the Company are listed below:

- Standards of Business Conduct
- Procurement Policy & Guidelines
- IT Security Policy
- Finance Policy & Guideline
- International Marketing Standards
- Records Management Policy
- Agreement Policy
- Employment Policy & Principles

## Risk Management Committee

The Risk Management Committee (RMC) at management level is headed by the Finance Director and consists of knowledgeable cross functional managers who drive an effective risk management framework in the Company. The risk controllers periodically review the departmental risks and report to RMC. The RMC reviews the functional risks three times a year, identifies the Company's key risks and ensures that adequate action plans are in place to mitigate the risks. The key risks of the Company are then endorsed by the Executive Committee and then ratified by the Audit Committee as far as effective risk management is concerned. In order to ensure effective risk management within the Company, the RMC is responsible for reviewing risks, maintaining an appropriate level of awareness throughout the Company and ensuring effectiveness of the risk management process. The Company maintains a risk register where all the associated risks as well as action plans are recorded.

## Standards of Business Conduct

The Company has in place the Standards of Business Conduct (SoBC) which emphasises on high standards of business integrity that is required from the employees and Directors of the Company. This SoBC covers the policies regarding the whistleblowing process, declaration of conflicts of interest, bribery and corruption, respect in the workplace, human rights and our operations, entertainment and gifts, charitable contributions, accurate accounting and record keeping, protection of corporate assets, confidentiality and information security, insider dealing and market abuse, competition and anti-trust laws, money laundering and anti-terrorism, Illicit trade, trade in the company's products and sanctions.

The conducts of all employees of the Company, including members of the Board, are governed by the Standards of Business Conduct. Each and every employee, including the Directors, is expected to live up to the Standards of Business Conduct and are required to confirm their commitment and compliance by executing a declaration of compliance annually.

## Other Internal Policies and Guidelines

The Company also has other internal policies, guidelines, procedures and codes in support of the Company's corporate governance framework. Some of the key policies, guidelines, procedures and codes are outlined below:

- Procurement Policy and Guidelines outline the processes for obtaining the best overall value and quality for each amount spent and to ensure timely delivery of goods and services to meet the Company's business requirements.
- Marketing Policies and Guidelines - which include Distributors Policy, Credit Policy, Trade Policy, Marketing Communication Guidelines and International Marketing Principles - a framework to govern all aspects of responsible tobacco marketing.
- Company Financial Policies - which include the policies and guidelines on Treasury Management, Dividend, Vehicle Disposal, Dealing Mandate, Fixed Assets Capitalisation, Depreciation, Insurance, Inventory, Stock Valuation, Delegation of Authority, Domestic Leaf Costing, Budgeting, Bill Payment, Foreign Currency, Write-off Process etc.
- Policy on Environment, Health, Safety and Security.
- Information Technology Policies.
- Guidelines on Business Information Security, Risk Management and Business Continuity Process.
- Competition Compliance Guidelines - outlines the general principles and standards of behaviour in relation to competition laws that employees are required to follow and comply as good business practice.
- Business Security Policies.
- Guidelines on Dawn Raid - sets out the procedures to be adhered to when there is a raid by relevant authorities so that the necessary cooperation can be provided.
- HR Related Policies - which includes Standards of Employment Principles, Working Hours Policy, Remuneration policies, Travel policies, Sexual Harassment Policy, Employment Policy, Disciplinary Procedure, Employee Relations Policy, Equal Opportunity & Diversity Policy, Grievance Management Policy, Industrial Relations Policy, Education Assistance Policy, Medical Expenses Re-imbursment Policy, Employees Benefit Policies, Retirement Benefit Policies, Early Separation Scheme.
- Sexual Harassment Policy - to ensure that all employees are treated with respect and dignity regardless of gender and to outline that any form of sexual harassment, which disrupts or interferes

with the work performance and dignity of another will not be tolerated.

- Guidelines on managing cases involving employees and law enforcement authorities.
- Employment Principles.
- Procedures on credit for trade debtors and inter-company balances.
- Tobacco Leaf related policies - Policy on Social Responsibility in Tobacco Production, Export Pricing Policy, Farmers Registration & Advance Crop Input Policy
- Climate Change Policy to perform the Company activities for tobacco growing and green leaf threshing, considering climate change and its subsequent impacts and Guidelines for Tobacco seed Production including field experiment
- Company activities for tobacco growing and green leaf threshing, considering climate change and its subsequent impacts and guidelines for tobacco seed production including field experiment.
- Records Management Policy and Central Depository System
- Agreement Policy and Guidance
- Data Protection Policy
- Billing Guidelines
- Codes of Audit Committee, Compensation Committee and CSR Committee.

The above mentioned policies, guidelines, procedures and codes are made available to all our employees and Directors in the Company management staff manual.

### Assets & Records Management

The Board of Directors of BAT Bangladesh recognises its role as trustee of the Shareholders funds and accordingly has been investing in cutting-edge operational efficiency since its inception. Transparency and accountability are ensured at all stages from acquisition to disposal of assets to protect the interest of Shareholders. Safety measures have been implemented and periodic physical verification is undertaken on a test basis to safeguard the assets and to ensure accuracy and authenticity of reported numbers. Relevant assets are adequately insured against industrial risks with insurance companies. Apart from the assets, all records of the Company are managed and preserved in an effective way for future reference. The Company Secretary is in charge of such records management.

### Statutory Auditor

Appointment of the Statutory Auditor is regulated by the Companies Act 1994 and by Securities & Exchange Rules 1987. On the basis of suggestion of the Audit Committee, the Board recommends appointment of an auditor, which is approved by the Shareholders at the Annual General Meeting. Along with the appointment, the Shareholders also fix the remuneration of the auditors. Under the BSEC order, a Statutory Auditor can continue in office for maximum three consecutive years. From a corporate governance perspective, BAT Bangladesh maintains complete and thorough independence of the Statutory Auditors. The Audit Committee meets with the statutory auditors to ensure that the auditors are acting independently and reviews the financial statements before submission to the Board for approval.

Apart from statutory audit, in order to ensure full and complete regulatory discharge, a Compliance Certificate is also obtained from a licenced practicing professional who certifies, on the basis of his audit, that the Company has duly complied with all the regulatory requirements as stipulated by the Bangladesh Securities and Exchange Commission (BSEC). The report is presented to the Shareholders and forms part of the Annual Report.

### Transparent Disclosure

BAT Bangladesh prepares financial statements with adequate disclosures in accordance with Bangladesh Accounting Standards (BAS), International/Bangladesh Financial Reporting Standards (I/BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. In order to prepare the financial statements, the management is responsible for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying accounting policies and making accounting estimates that are reasonable in the circumstances. These financial statements, once prepared, are reviewed initially by CFO and CEO and then by the Audit Committee on a regular basis. The external auditors also attend the Audit Committee meetings to review the quarterly financial statements as prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Company policies. After that, the Board reviews the financial statements of the Company at the end of every quarter. The quarterly financial statements, along with notes are published on the two daily newspapers as well as

the Company's website. Furthermore, half yearly and annual financial statements are also sent to all Shareholders in a timely manner.

On an annual basis, the Directors prepare the Directors' Report as part of the Annual Report which discloses the financial performance as well as non-financial information regarding Company growth, productivity, responsibilities and other information in compliance with BSEC Notification. The Company abides by the applicable regulations in respect to Price Sensitive Information (PSI).

### Well-defined Shareholders' Rights

BAT Bangladesh believes that the management of a successful and productive relationship with its Shareholders must be underpinned by the importance of maintaining transparency and accountability to its Shareholders. The Board ensures through the Company Secretary that all the Shareholders of the company are treated equitably and ensures that the rights of all Shareholders are equally protected.

In order to achieve good governance, the Company Secretary acts as a bridge between the Shareholders and the Board of Directors of the Company who deliver the standard services to its valued Shareholders ensuring the well-defined Shareholders' rights in accordance with applicable laws and the Articles of Association of the Company. Catering to the continuous disclosure requirements, the Shareholders are communicated in a routine manner of all major developments that involve the business of the Company so that they are able to make informed decisions. The Company continues to have regular communication with Shareholders through the Annual General Meeting, Annual Report, Quarterly updates on financial performance and at any other time in the best interests of Shareholders. In this respect, the best practices are followed by the Company which helps investors to keep their trust and confidence in the Company.

### Board Commitments

Tracing back to origin, it was more than 100 years ago when the Company established itself on this land of opportunities and possibilities - Bangladesh. Since independence, BAT Bangladesh has demonstrated an unwavering dedication to the country and its people and this commitment is what sets the distinction that takes BAT Bangladesh apart from any other business entity. This uniqueness is reflected through the passion and dedication of its 52,000 employees, farmers, distributors, suppliers and business partners that has brought BAT Bangladesh across the country and to its today's current great stature.

The Company is listed on both Dhaka and Chittagong Stock Exchanges and is currently ranked as number 1 (one) amongst the listed companies in Bangladesh in terms of being the highest taxpayer. In this year alone the Company has contributed Taka 9,932 crores to the Government Exchequer. We aspire to continue to be the highest tax payer in Bangladesh in the coming years too. BAT Bangladesh has always cherished and shall continue to value its treasured relationship with the Government of Bangladesh, esteemed shareholders and other stakeholders of the Company by practicing the best corporate governance.

### Conclusion

BAT Bangladesh recognises that business means dealings with its numerous stakeholders and the stakeholders will be business-inclined where governance is stronger, initiatives are apparent and their participation is ensured. From a business control point of view, BAT Bangladesh believes that good corporate governance is the backbone of an upright business entity: With that spirit, the Company always emphasises stronger diligence in business, transparent operations and ensures more involvement of the stakeholders.



Md. Azizur Rahman FCS  
Company Secretary



Golam Mainuddin  
Chairman

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Awareness

The Board of Directors recognises the importance of sound risk management practices and internal controls to safeguard shareholders' investments and the Company's assets. The Board affirms its overall responsibility for the Company's system of risk management and internal control which includes the establishment of an appropriate control environment and framework, as well as reviewing its adequacy and integrity.

The Board is responsible for determining the nature and extent of the strategic risks that the Company is willing to take to attain its objectives, whilst in parallel maintaining sound risk management and systems of internal control. With the challenging nature of the industry in which the Company operates, the Board does not consider it prudent to enhance the risk-scope too high, and it seeks to minimise risks at an optimum level.

The Board tasks the Management to identify and assess the risks faced by the Company, and thereafter designs, implements and monitors appropriate internal controls to mitigate and control those risks. There are inherent limitations to any system of internal control and the system is designed to manage and minimise the impact rather than completely eliminate risks that may vitiate achievement of the Company's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers financial, operational and compliance controls and risk management procedures.

The Company has in place an ongoing process (outlined below) for identifying, evaluating, monitoring and managing significant risks faced by the Company. This process includes reviewing and updating the system of internal controls considering the changes in the regulatory, business and external environment. This process is reviewed by the Board via the Audit Committee. The Audit Committee's responsibilities and duties can be found in the Audit Committee Report section of this Annual Report. The Company's Standards of Business Conduct underpin our commitment to good corporate

behaviour, and is an integral part of the Company's system of corporate governance. The Standards of Business Conduct require all employees to act with the highest standards of business integrity, comply with all applicable laws and regulations, and ensure that business standards are not compromised for the sake of results. Our Standards of Business Conduct is made available to our stakeholders and employees on our corporate website at [www.batbangladesh.com](http://www.batbangladesh.com)

## Enterprise Risk Management Process

Risk management is firmly embedded in the Company's management system as the Company firmly believes that risk management is critical for the Company's sustainability and the enhancement of shareholders' value.

## Company's Enterprise Risk Management Objectives

- Preserve the safety, security and health of its employees.
- Ensure the continuity of its supply of products to consumers and customers at all times.
- Protect its assets and reputation.
- Ensure that the Company's operations do not impact negatively on the community in which it operates and the environment.
- Protect the interests of all other stakeholders.
- Promote an effective risk awareness culture where risk management is an integral aspect of the Company's management systems.
- Ensure compliance with BSEC Codes of Corporate Governance and all applicable laws.

Management operates a Risk Management Team comprised of senior managers from all functions of the Company and led by the Finance Director. It meets formally at least twice a year to:

- Review and update the risk register; and
- Assess status of risk mitigation action plans.



The Audit Committee is briefed bi annually by the Enterprise Risk Manager on the Company's Risk Management Programme and its activities in the Audit Committee meeting.

The following are some of the responsibilities of the Risk Management Team :

### Risk Management Team Responsibilities

- Steer the Company's enterprise risk management programme.
- Promote a proactive risk awareness culture in the Company.
- Conduct an annual review of the business risks.
- Coordinate the development and implementation of risk mitigation action plans.
- Develop and update business continuity plans (BCPs) for key business risks.
- Plan and coordinate the testing of BCPs.
- Organise training and education for employees on risk management.

### Five Phase Enterprise Risk Management Process

#### (1) Risk Identification

All potential events that could adversely impact the achievement of business objectives, including failure to capitalise on opportunities are identified.

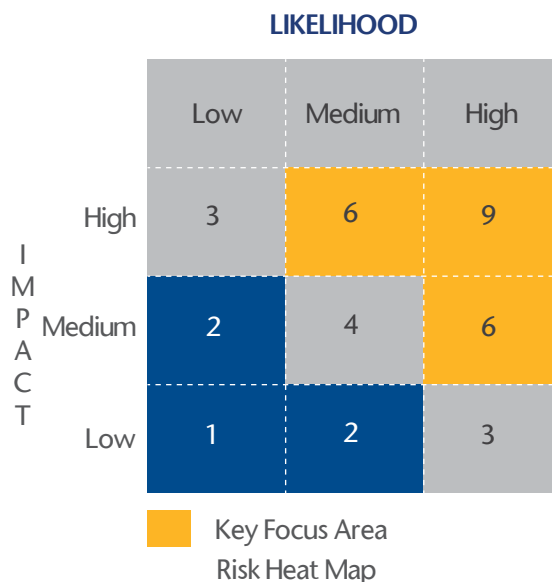
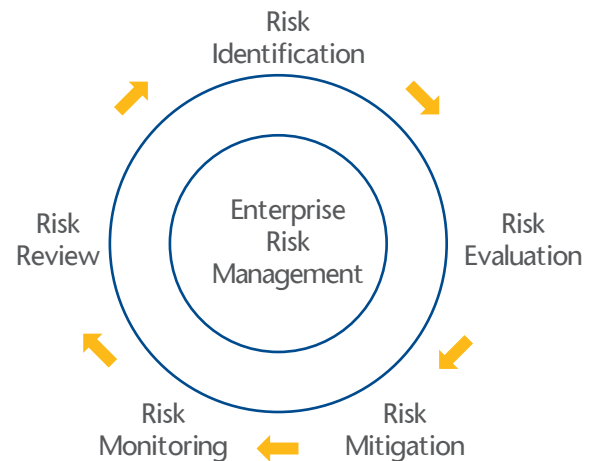
#### (2) Risk Evaluation

The identified business risks are then evaluated to determine their impact on the relevant business strategy/objectives and whether the risks are likely to occur.

- LIKELIHOOD of the risks materialising
- IMPACT of the consequence, taking into account the degree of internal control and risk management measures in place.

Assessment against a set of pre-specified criteria on a scale of one to three is completed for both Likelihood and Impact, the combination of which provides the total risk rating on a scale of one to nine. Risks are then categorised on the Risk Heat Map which measures the significance of the risks to the organisation and determines the relative prioritisation and focus for risk mitigation.

The outcome of the risk identification and evaluation process is both a Risk Heat Map and a comprehensive Risk Register which documents all identified business risks.



#### (3) Risk Mitigation

In completing the Risk Register, Risk Owners are identified who are responsible for identifying action plans to manage and mitigate the risks, together with a timeline for completion of the actions. The Risk Owners are typically senior managers and part of a functional leadership team.

#### (4) Risk Monitoring

Ongoing risk monitoring is conducted by the Risk Management Team to assess whether any condition associated with a particular risk has changed, and to ensure that action and risk mitigation plans have been implemented. Status of action/mitigation plans are communicated to the Audit Committee bi-annually.

#### (5) Risk Review

Finally, the Company's Enterprise Risk Management process is subjected to periodic reviews by Management to ensure that the policy and objectives of the programme remain applicable and effective under changing market and regulatory environments. This is complemented by internal control practices such as the Statement of Compliance with BSEC Codes of Corporate Governance and the Key Control Checklist of the Company.

### Business Continuity And Crisis Management

Business Continuity is defined as the strategic and tactical capability of the organisation to plan for and respond to incidents and business disruptions in order to continue business operations at an acceptable pre-defined level in order to avoid negative impact on the business.

The Company has 19 BCPs to manage the various potential disruptions which could impact the Company, for example, Manufacturing Contingency Sourcing Plan and Information Technology Disaster Recovery Plan. These plans are reviewed and updated for content by the owners of the plan on an annual basis. In addition, a desktop review/simulation is conducted by the plan owners with the support of the crisis response team members periodically based on the cyclical testing schedule.

In addition, the Company has a structured approach to Crisis Management to ensure leadership and timely decision in the event of a crisis and to manage the situation effectively within minimal time.

Our approach involves immediate formation of a Crisis Management Team (CMT), assisted by an Incident Response Team (IRT). The roles & responsibilities of these teams are outlined below.

#### CMT

The role of the CMT is to identify and deal with potential risks to employees and business operations during times of crisis. After considering all the available information, the CMT can make informed strategic decisions with the aim of minimising any long term detrimental effects to the operations, finance, employees and reputation of the Organisation.

#### IRT

The senior manager at the site of the incident collect available pertinent information and advises the CMT Coordinator. This manager, assisted by appropriate local employees will assume local control and deal with the incident directly until further directed by the CMT.

### Key Risks To The Company

The Company views the key risks as being prevalent in the tobacco sector and having the ability to significantly impact the Company's results.

In addition to the above, the Company is subject to the ever present risk of competitor actions. Steps to anticipate, mitigate and neutralise such risks are core to our business.

### Risk Management Activities In 2014

#### Review of the Company's Risks

The Risk Management Team met formally twice during the year, in March and September 2014, to review and assess the Company's risks, and to monitor progress of key activities for the year, including the progress of the business continuity plans.

In September 2014, the Risk Management Team together with senior managers updated the risk register and risk mitigation action plans. The outcome of the meeting, among others, were the identification, evaluation and risk mitigation plan for the new risks. The briefing included updates on the key risks of the Company and the risk mitigation plans, and the testing status of business continuity plans.

#### Promotion of Risk Awareness

Risk communication is equally important and forms an integral part of the risk management activity as it focuses on the dissemination of risk

information to appropriate levels of employees and stakeholders. Appropriate channels are available for employees to provide feedback on risk management issues and suggestions for improvement. The Risk Management Team is responsible for the risk awareness induction programme for new joiners. The induction programme is aimed at educating management staff on the Company's approach to risk management and internal controls, and provides a forum to enhance the participant knowledge on controls and exercising that knowledge on managing the Company's risk.

### **Crisis Management Activation**

The Company activated crisis management team to manage the situation thus enabling the business to continue operation. As a result business is saved and financial impacts were negligible. The most challenging aspect of the situation was recovery once the crisis was resolved. This was successfully completed in a carefully sequenced and choreographed manner, thereby minimising disruption. In 2014, Bangladesh experienced a period of external challenges. Whilst crisis management was not activated, as a preliminary step, management met and decided on the challenge of business especially relating to industrial relation issues where crisis management would be activated. At the same time, action plans were further reviewed for completeness.

### **Business Continuity Plan Simulation and Testing**

During the year, a desktop review/simulation was conducted by the Business Continuity Plan (BCP) owners, with the support of Crisis Response Team members, across 13 BCPs. The review and testing indicated that the existing plans were still relevant to the current business environment except for the Information Technology (IT) Disaster Recovery Plan for SAP. The IT Disaster Recovery Plan was subsequently amended to take into account the new SAP instance and associated architecture.

## **System Of Internal Control**

### **Self Assessment of Controls (SAC) Process**

Central to the Company's system of internal control is its SAC process and the backbone of this process is a key control checklist known as

the Control Navigator. The Control Navigator sets out various key controls and process requirements across all functions in the Company. The Company's SAC process requires controls and processes to be assessed by responsible managers for effectiveness on an annual basis. Where control gaps/weaknesses are identified, corrective actions and timelines are identified and agreed. The findings from the SAC and year-on-year trend analysis are reported to the Audit Committee annually. Notably in 2014, the Company implemented a revised Control Navigator process. A new SAP enabled tool was deployed, which provided a standardised central solution that automates and monitors key risks and controls at the business level. The new tool allows the business to use a combination of automated work flows, certification, manual controls and interactive reports to monitor and control compliance activities across the Company. This has resulted in an improved visibility of assessment throughout the business, improved transparency of issues management and remediation, together with streamlining of reporting.

### **Financial Reporting Controls**

The Company has a series of policies, practices and controls in place in relation to the financial reporting and consolidation process, which are designed to address key financial reporting risks, including risks arising from changes in the business or accounting standards. The Finance Director is required to confirm annually that all information relevant to the Company audit has been provided to the Board of Directors through the Audit Committee and that reasonable steps have been taken to ensure full disclosure in response to requests for information from the external auditor.

In addition, it is standard practice for the Finance Director to fully review account reconciliations on a bi annual basis. The effectiveness of the Company's financial reporting controls is assessed through self-certification as part of the Control Navigator exercise described above. The integrity of the Company's public financial reporting is further supported by a number of processes and steps to provide assurance over the completeness and accuracy of the content including review and recommendation by the Audit Committee and review and approval by the Board.

## Internal Audit

The role of the Internal Audit for the Company is designed in line with local laws as well as the Global Audit functions of British American Tobacco p.l.c. This approach ensures a high level of independence and gives access to more skilled and specialised resources, particularly in respect of Information Technology (IT), than would otherwise be available within the Company. The annual audit planning cycle takes direct input from both the risk register described above and the Audit Committee. In turn, the Audit Committee formally approves the scope of work for the year.

Furthermore, with approval of the Audit Committee, the Internal Audit Manager can request assistance from Global Audit if required for any matter it considers appropriate. Within the Company three types of audits exist: Entity Audits, Process Audits and Project & Programmes Audits. Entity audits are focused on one entity or business unit with a scope of more than one process. Process Audits have a scope of one process covered over one or more entities or business units (potentially including the Global and Regional management of the process), and Project & Programmes audits are focused on an ongoing project, programme or portfolio. A Company Audit is organised into both central and regional teams and also include a specialised IT Audit capability.

More details on the audit activities conducted during the year can be found in the Audit Committee Report in this Annual Report.

## External Audit

In the course of conducting the annual statutory audit of the Company's financial statements, the external auditors review and where applicable based on judgement, highlights to the Board and Audit Committee any significant audit, accounting and internal control matters which require attention. A report on the above is given to the Audit Committee and to the management once a year after substantial completion of the year-end audit. Additionally, the external auditors attend the quarterly Audit Committee meetings, and where applicable provide views on any related matters for the attention of the Audit Committee. At least once a year, the Audit Committee shall meet the external auditors without the Executive Directors and management

being present. This year, the Audit Committee has met twice with the external auditors without the Executive Directors and management being present. During the year, as part of the annual statutory audit, the external auditors were involved in performing certain reviews over the controls and processes affecting financial reporting relating to the implementation of the new SAP instance to support the audit of the financial statements. There is no significant matter with material financial impact arising from the review of these related controls and processes, although certain improvement recommendations were highlighted to the Board and Audit Committee.

## Other Key Elements of the System of Internal Control

Apart from the above, the other key elements of the Company's internal control and risk management system which have been reviewed and approved by the Board are described below:

### Policies, Procedures and Limits of Authority

- Clearly defined delegation of responsibilities to committees of the Board and to Management, including organisation structures and appropriate authority levels.
- Clearly documented internal policies, standards and procedures are in place and regularly updated to reflect changing risks or resolve operational deficiencies. All policies are approved by the Board and cases of noncompliance to policies and procedures which are in place are reported to the Board and Audit Committee by exception.

### Immediately Reportable Incidents

- The Company adheres to a control procedure termed 'Immediately Reportable Incidents' to capture breakdowns in basic controls and expedite the reporting and immediate action thereof. The basic areas of control that are considered here are : (1) Delegation of Authority (2) Profit and Loss Account (3) Balance Sheet (4) Pricing & Excise; (5) Risk management (6) System Controls; (7) External Audit (8) Procurement Controls, and (9) Tax and Treasury Committee.



## Strategic Business Plan, Budget and Performance Review

- Regular and comprehensive information provided by Management for monitoring of performance against the strategic plan, covering all key financial and operational indicators. On a quarterly basis, the Managing Director reviews with the Board all key performance metrics and highlights any issues;
- Annually, a detailed budgeting process is completed for the year ahead which is discussed and approved by the Board; and
- Effective reporting systems are in place to highlight significant variances against

## Insurance and Physical Safeguard

- Adequate insurance and physical security of major assets are in place to ensure that the assets of the Company are sufficiently covered against any mishap that will result in material losses to the Company.

## Written Declarations

- Written declaration from all management personnel confirming their compliance with the Company's Standards of Business Conduct and where applicable conflicts of interest situations are disclosed.

- Written declarations from the Finance Director and Managing Director are obtained confirming their compliance with the Company's Standards of Internal Control.
- Written confirmation of due diligence by the CEO and CFO as required under the BSEC guidelines.

## Board Assessment

The Board is of the view that the Company's overall risk management and internal control system is operating adequately and effectively, and have received the same assurance from both the Managing Director and Finance Director of the Company. The Board confirms that the risk management process in identifying, evaluating and managing significant risks faced by the Company has been in place throughout 2014 and up to the date of approval of this statement. The Board is also of the view that the Company's system of internal control is sufficient and is able to detect any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report.

This Statement is made in accordance with the resolution of the Board of Directors on 19 February 2015.



The Steering group who are responsible to drive key business and commercial agendas including TaO stabilization, Employee Engagement, Your Voice and Employee Recognition Program. The team:

From left to right: Irfan Aziz Qureshi, Affan Ahmed Siddiqi, Rasna Hasan, Zakir Hossain, Syed Mahbub Ali, Zubayed-Ul Islam, Naved Manzoor, Afzal Mahboob, Asif Khan and Mehedi Arif Mozammel (Not in the Picture)

# BOARD AUDIT COMMITTEE



From Right to Left : Mr. Md. Azizur Rahman (Secretary) | Mr. Golam Mainuddin (Member) | Mr. Md. Fayekuzzaman (Member)  
Mr. Md. Mosharraf Hossain Bhuiyan ndc (Chairman, Effective from 19th February, 2015) | Mr. K. H. Masud Siddiqui (Chairman,  
upto 19th February, 2015) | Mr. Towhid Akbar (Internal Auditor)

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee Report presented under condition #3.5 of the BSEC Guidelines provides an insight on the functions of the Audit Committee during 2014.

As mentioned in the Compliance Statement, the Board has formed an Audit Committee, required under the codes of Corporate Governance of BSEC, with some specific assignments under its Terms of Reference. The Committee is comprised of Md. Mosharraf Hossain Bhuiyan ndc, Mr. K. H. Masud Siddiqui, Mr. Golam Mainuddin and Mr. Md. Fayekuzzaman, of them Mr. K. H. Masud Siddiqui is an Independent Director. As part of good governance, the Board has decided for rotation of the position of Chairman of the Audit Committee. Accordingly, Mr. Mosharraf Hossain Bhuiyan ndc, was appointed Chairman of the Audit Committee with effect from 19th February 2015. Earlier, he was appointed as an Independent Director under the BSEC guidelines. Mr. Md. Azizur Rahman, Company Secretary, performs as Secretary to the Audit Committee. All members of the Committee are Non-Executive Directors.

As required, all members of the Audit Committee are 'financially literate' and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee.

## Purpose Of Audit Committee

The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review and, when appropriate, make recommendations to the Board on business risks, internal controls and compliance. The Committee satisfies itself, by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place to identify and contain business risks and that the Company's business is conducted in a proper and financially sound manner. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

## Responsibilities and Duties

The responsibilities and duties of the Audit Committee are:

### Financial Reporting

- To review the quarterly and annual financial statements of the Company, focusing particularly on:
  - any significant changes to accounting policies and practices;
  - significant adjustments arising from the audits;
  - compliance with applicable Financial Reporting Standards and other legal and regulatory requirements; and
  - the going concern assumption.

### Related Party Transactions

- To review any related party transactions and conflict of interest situations that may arise within the Company, including any transaction, procedure or course of conduct that may raise questions of management integrity.

### Audit Reports

- To prepare the annual Audit Committee report and submit to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of internal audit services and summary of the activities for inclusion in the Annual Report; and
- To review the Board's statements on compliance with the BSEC Codes of Corporate Governance for inclusion in the Annual Report.

### Internal Control

- To consider annually the Risk Management Framework adopted within the Company and to be satisfied that the methodology deployed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will

allow the Company to minimise losses and maximise opportunities;

- To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;
- To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures including, for example, the Company's Standards of Business Conduct;
- To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the Company; and
- To recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit Committee itself.

#### Internal Audit

- To be satisfied that the strategies, plans, manning and organisation for internal auditing are communicated down through the Company. Specifically:
  - to review the internal audit plans and to be satisfied as to their consistency with the Risk Management Framework used and adequacy of coverage;
  - to be satisfied that the Internal Audit has the competency and qualifications to complete its mandates and approved audit plans;
  - to review status reports from the Internal Audit and ensure that appropriate actions have been taken to implement the audit recommendations;
  - to recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified;
  - to ensure that Internal Audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties; and
  - to request and review any special audit which it deems necessary.

#### External Audit

- To review the external auditor's audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditor. The Audit Committee will consider a consolidated opinion on the quality of external auditing at one of its meetings;
- To review with the external auditor the Statement on Risk Management and Internal Control of the Company for inclusion in the Annual Report;
- To review any matters concerning the appointment and re-appointment, audit fee and resignation or dismissal of the external auditor;
- To review and evaluate factors related to the independence of the external auditor and assist them in preserving their independence;
- To be advised of and decide to or not to make significant use of the external auditor in performing non-audit services within the Company, considering both the types of services rendered and the fees, so that its position as auditor is not deemed to be compromised; and
- To review the external auditor's findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Company in order to be satisfied that appropriate action is being taken.

#### Other Matters

- To act on any other matters as may be directed by the Board.

### Reporting Of The Audit Committee

#### Reporting to the Board of Directors

The Audit Committee reports on its activities to the Board of Directors. The Audit Committee immediately reports to the Board of Directors on the following findings, if any:

- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect in the internal control system;



- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter that it deems necessary.

In compliance with condition no. 6 of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of British American Tobacco Bangladesh Company Limited, have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended 31 December 2014, and state that :

- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
- these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws, and
- to the best of their knowledge and belief, the Company has not entered into any transaction during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.

This certificate has been reviewed by the Audit Committee before submitting to the Board.

### Reporting to the Authorities

If the Audit Committee reports to the Board of Directors about anything which has material impact on the financial condition and results of operation and discusses with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee reports such findings to the Bangladesh Securities & Exchange Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

### Reporting to the Shareholders and General Investors

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) of the BSEC Corporate Governance Notification above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company.

### Authority

The Audit Committee is authorised by the Board to review any activity within the business as per its terms of reference. It is authorised to seek any information or attendance it requires from any director or member of management at any of its meetings. All employees are expected to cooperate with any request made by the Committee. The Committee is also authorised to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The terms of reference of Audit Committee may be amended from time to time as required for the business in line with BSEC notifications subject to approval by the Board.

### Meeting Attendance

The Audit Committee met four times during the year 2014. All the members were present in all meetings of the Committee. The details of attendance of each member at the Audit Committee meetings during 2014 are as follows:

The Managing Director, Finance Director, Internal Auditors of British American Tobacco Bangladesh Company limited and representatives of the external auditors had attended the meetings upon invitation by the Audit Committee. From time to time, other senior members of management have also been invited by the Audit Committee to attend Audit Committee meetings.

The Audit Committee met with the external auditors separately, and with the internal auditors, on an annual basis without any Executive Director being present. The Company Secretary is the Secretary of the Audit Committee, who facilitates the Chairman and other members for effective functioning of the Committee as per its terms of reference as well as corporate governance notification of BSEC.

Number of Audit Committee Meetings			
Composition of Audit Committee	Held	Attended	%
Mr. Md. Mosharraf Hossain Bhuiyan ndc Chairman, Audit Committee, (Independent Director) Appointed as Chairman, Audit Committee on 19 February 2015			
Mr. K. H. Masud Siddiqui Chairman, Audit Committee up to 19 February 2015 Member, Audit Committee, (Independent Director)	4	4	100
Mr. Md. Fayekuzzaman Member, Audit Committee (Non-Executive Director)	4	4	100
Mr. Golam Mainuddin Member, Audit Committee (Non-Executive Director)	4	4	100
Mr. Md. Azizur Rahman FCS Secretary, Audit Committee	4	4	100

## Terms Of Reference Calendar 2014

The abridged version of the Terms of Reference of the Audit Committee is mentioned in Calendar 2014.

	March	May	July	Oct
<b>1 Financial Statements</b>				
- Monitor the integrity of the financial statements	√			
- Review un-audited quarterly accounts		√	√	√
- Review the external auditors' representation letter	√			
- Review the draft statement on internal control that is included in the Company's Annual Report and Accounts	√			
- Review of accounting policies on a year to year basis	√			
<b>2 Internal Controls and Business Risks</b>				
- Review risk management framework		√		√
- Review compliance with policies and processes	√	√	√	√
- Monitor compliance with Standards of Business Conduct	√			
- Review control navigator to ensure due process is available for monitoring effectiveness and efficiency of internal controls	√	√	√	√
- Monitor procedure for safeguarding assets and ensuring the Company has adequate policies for prevention and detection of fraud. Done through loss reporting and whistle blowing reports	√	√		√
- Monitor and discuss with external auditors on the adequacy of accounting and internal reports	√	√	√	√
- Review the Environment, Health & Safety Report		√		√
<b>3 Internal Audit</b>				
- Monitor and review the effectiveness of the Company's internal audit function	√	√	√	√
- Review reports received from Head of Audit	√	√	√	√
- Review and approve internal audit plan				√
<b>4 External Audit</b>				
- Annually evaluate the performance of the auditors and recommend their reappointment or change	√			
- Approve terms of engagement and level of fees payable		√		
- Review fees charged by external audit	√			
- Review scope of audit and results (year-end/interim)	√			√
- Review the external auditor's management letter (year-end/interim)	√			√
- Review the External Auditors planning memorandum				√
<b>5 Reporting to the Securities and Exchange Commission</b>				
- Review compliance with BSEC guidelines and other applicable regulations	√	√	√	√
<b>6 General</b>				
- Review Terms of Reference of Audit Committee			√	
- Private Audience with External Auditors	√		√	
- Private Audience with Internal Auditors		√		√

## Summary Of Activities During The Year

In 2014 the Audit Committee reviewed its terms of reference in line with requirements of BSEC notification on corporate governance. The Committee carried out its duties in accordance with the terms of reference of the Audit Committee. Moreover, an Audit Committee effectiveness survey had been carried out for the year 2014 which reflected full compliance to the effectiveness guidelines. However, the Committee emphasised on continuation of the tenure of service of the internal audit manager for a reasonable time. The Audit Committee carried out its responsibilities and duties in accordance with the terms of reference and carried out the following activities in 2014:

### Financial Reporting

- Reviewed the quarterly and annual financial statements of the Company with the Finance Director and Managing Director, focusing particularly on significant changes to accounting policies and practices, adjustments arising from the audit compliance with accounting standards and other legal requirements before recommending them to the Board of Directors for approval, and concluded that the financial statements presented a true and fair view of the Company's financial performance.

### Internal Control

- Reviewed the Company's Risk Management Programme, including deep drive into the key functional risks for the Company and Risk Management Programme work plan.
- Reviewed and recommended to the Board steps to improve the Company's changes to accounting policies and practices, adjustments arising from the audits.
- Received updates on breaches of the Standards of Business Conduct and whistle blowing incidents.

### Internal Audit

- Reviewed internal audit plans as to their consistency with the Risk Management Framework used and adequacy of coverage.
- Reviewed status reports from internal audit to ensure that appropriate actions had been taken to implement the audit recommendations.

- Reviewed and enhanced the internal control processes. Where appropriate, the Audit Committee instructed to rectify and improve the internal control processes based on internal audit.

### External Audit

- Reviewed with the external auditor the Company's quarterly and annual financial statements with the Finance Director and Managing Director focusing on findings arising from audits, particularly comments and responses in the management letter as well as assistance given by the employees of the Company before recommending them to the Board of Directors for approval.
- Reviewed the external auditor's audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditor.
- Reviewed the external auditor's findings arising from audits, particularly comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.
- Exercised its right to hold meetings with the external auditor (private audience with statutory auditor) without the presence of the Executive Directors or management. These private sessions help to reinforce the independence of the external audit function of the Company.
- Reviewed the overall performance of the external auditor for the year 2014. However the Board recommended to appoint a new auditor for the year 2015 as per standing order of BSEC.

### Related Party Transactions

- Reviewed reports of related party transactions and possible conflict of interest transactions to ensure that all related party transactions are undertaken on an arm's length basis and on normal commercial terms, consistent with the Company's usual business practices and policies, which are generally not more favourable than those generally available to the public and other suppliers and are not detrimental to the minority shareholders.
- Periodically reviewed recurrent related party transactions to ensure that they are undertaken on an arm's length basis and on normal commercial terms.



- Reviewed the estimated recurrent related party transactions mandate for the ensuing year and recommended to the Board to seek shareholders mandated at the upcoming Annual General Meeting of the Company.

### Ethical and Integrity Areas

- Deliberated on reports on Whistle Blowing and Standards of Business Conduct Breach incidents.
- Deliberated on the security and safety matters and loss reports.
- Deliberated on the Environmental Health and Safety review reports.

### Annual Reporting

- Reviewed disclosures required by the Statement on Corporate Governance, Audit Committee Report, Standards of Business Conduct, Statement on Risk Management and Internal Control for the financial year ended 31 December 2014 for inclusion in the Annual Report 2014 and recommended their adoption by the Board.

### Internal Audit

The role of Internal Audit for the Company is designed in line with local laws as well as the Global Audit function of British American Tobacco p.l.c (British American Tobacco p.l.c Group Internal Audit). This approach ensures a high level of independence and gives access to more skilled and specialised resources than would otherwise be available within the Company. The Internal Audit Manager is a professional accountant and Master of Business Administration who has cross functional work experience in the Company. Within the Company's Internal Audit, three types of audits exist: Entity Audit, Process Audit and Project and Programmes Audit. Entity audits are focused on one entity or business unit with a scope of more than one process. Based on the history of a sound control environment, the Company is in scope for a full entity audit periodically. Process audit has scope of one process covered over one or more entities or business units (potentially including the Global and Regional management of the process). Programmes Audit is focused on an ongoing project or programme. If required, British American Tobacco p.l.c assists the Audit Committee in reviewing the effectiveness of the Company committee in control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Company in achieving its

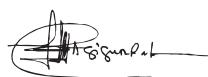
business objectives. Any inappropriate restrictions on audit scope are to be reported to the Audit Committee. Internal Audit provides an independent assessment on the effectiveness and efficiency of internal controls utilising a robust audit methodology and tool to support the Company and the effectiveness and efficiency of inter-efficient and effective risk management framework to provide assurance over the Company's strategy delivery and change management initiatives. The annual audit planning cycle takes direct input from both the risk register and the Audit Committee. In turn, the Audit Committee formally approves the internal audit plan during the first Audit Committee meeting each year and reviews the plan on a quarterly basis. Any subsequent changes to the internal audit plan are approved by the Audit Committee. The scope of Internal Audit covers the audits of all units and operations. Internal Audit adopts a risk-based approach towards the planning and conduct of audits which is consistent with the Company's established framework in designing, implementing and monitoring its control systems. Other main activities performed by the Internal Audit are as follows:

- Review of the approval procedures in respect of recurrent related party transactions.
- Review the revisions to the credit policy and procedures for trade debtors and inter company balances.
- Undertake special reviews requested by the Audit Committee and/or management.
- Review the findings and action plans resulting from internal audits.

During the financial year, the audits conducted by Internal Audit are as follows:

- Procurement Processing & Supplier Management
- Health & Safety (Dhaka Factory)

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 19 February 2015.



Md. Azizur Rahman FCS  
Secretary, Audit Committee  
(Company Secretary, BATB)



K.H. Masud Siddiqui  
Chairman, Audit Committee  
(Independent Director)

# STANDARD OF BUSINESS CONDUCT

BAT Bangladesh employees are governed by the Standards of Business Conduct (SoBC) which form an integral part of the Company's corporate governance. It is a fundamental policy of the Company and the Standards require all employees to observe and comply with the laws and regulations applicable to them as well as operate in accordance with high standards of business integrity. Employees must exercise honesty, objectivity and diligence in doing their work and must ensure that the Standards are never compromised for the sake of results. As such, the Standards continue to underpin our commitment to high standards of corporate responsibility.

The Standards are designed to:

- (a) help employees who are faced with making difficult judgements in the course of doing their work and ensure that all decisions and judgements made by employees are lawful and comply with high ethical standards;
- (b) set a tone and culture for the organisation which will enable it to be regarded as a good corporate citizen; and
- (c) give reassurance to BAT Bangladesh's stakeholders, with whom the Company comes into business contact.

The areas covered by the Standards are:

- 1) Whistle Blowing
- 2) Conflicts of Interest
- 3) Bribery and Corruption
- 4) Entertainment and Gifts
- 5) Respect in Workplace
- 6) Human Rights and Our Operations
- 7) Charitable Contributions
- 8) Accurate Accounting and Record Keeping
- 9) Protection of Corporate Assets
- 10) Confidentiality and Information Security
- 11) Insider Dealing and Market Abuse
- 12) Competition and Anti-Trust
- 13) Money Laundering
- 14) Illicit Trade
- 15) Sanctions

To ensure compliance, all management employees, including the Board of Directors, are required to declare their compliance with the SoBC and disclose any conflicts of interest on a yearly basis. Conflicts of interest to be declared in the compliance are in relation to whether the employee and/or immediate family have an interest in or association with the operations of the companies/business which may lead to a conflict of interest. Immediate family here includes parents, spouses, children, brothers and sisters as well as step and adoptive relations.

Compliance with the Standards is monitored regularly by the Board of Directors and the Audit Committee of the Company. The Legal Department/Company Secretary of the Company is charged with the responsibility of reporting to the Board of Directors on an annual basis, the compliance of these Standards by BAT Bangladesh and its employees. Employees have a duty to report incidences of non-compliance with the Standards and any other incidences of wrongdoing at work.

This year, we have two new additions in our SoBC which are: Respect in the Workplace, and Human Rights & Operations. We are committed to providing a safe working environment for our employees and treat all our colleagues and business partners inclusively with dignity and with respect. Bullying colleagues is strictly prohibited in 'Respect in the Workplace'. We do not employ child labour which is highlighted in the 'Human Rights & Operations' segment. Training sessions in different regions including the Head Office have been conducted by the Company Secretary & Head of Legal department to ensure that our employees have precise understanding about the Company's principles and standards covering all the sections of SoBC 2014 in their activities and behaviour.

The Standards are made available to our employees and Board of Directors on the Company's intranet (Interact website) and the Company's corporate website at [www.batbangladesh.com](http://www.batbangladesh.com)

# SHARING THE PURITY OF LIFE

Having recognised the vital importance of water and sanitation in the context of the Millennium Development Goals, BAT Bangladesh has stepped forward with a safe drinking water project. As a part of this safe drinking water initiative, BAT Bangladesh has installed fifty-three filtration plants to make water free from arsenic and other harmful contents in arsenic prone areas of the country. All fifty-three filtration plants now purify 270,000 litres of drinking water, meeting the needs of 135,000 people every day. The plants are maintained by members of local communities. More than hundred communities in rural areas can enjoy a better livelihood than ever before because of access to safe drinking water. BAT Bangladesh is humbled to be able to respond to such an important need of the people and hopes that its efforts can help bring relief and more positive changes in the country.





# BOARD CSR COMMITTEE



Seated Right to Left: Mr. Kamrul Hasan, Chairman CSR Committee (Non-Executive Director)  
Mr. Mohammad Moinuddin Abdullah, Member CSR Committee (Independent Director)

Standing Right to Left: Md. Azizur Rahman (Company Secretary) | Mr. Jalal Ahmed, Member CSR Committee (Non-Executive Director) | Mr. Shehzad Munim (Managing Director) | Mr. Shahed Zubaair (Head of CORA)  
Mr. Anowarul Amin (Corporate Affairs Manager)



# BOARD CSR COMMITTEE

Corporate Social Responsibility (CSR) is core to the 'Responsibility' strategy of British American Tobacco Bangladesh Company Limited ('BATB' or 'BAT Bangladesh' or 'The Company'). It is integral to the business sustainability and enhancement of long-term shareholder value. The Company has a role to play in helping society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress.

## Purpose Of CSR Committee

The purpose of the Board CSR Committee is to ensure management of the Company's CSR initiatives in a way that ensures business sustainability and creates and maintains positive impact for the reputation of the Company among its stakeholders.

## Authority

The Board CSR Committee is authorised by the Board of Directors to evaluate activities within the business with respect to CSR. The terms of reference of the Committee may be amended from time to time as required, subject to approval by the Board of Directors of the Company.

## Committee and its Meetings

There were three meetings scheduled in 2014, but considering the increasing importance of the Company's CSR activities, the Committee Met four times in 2014 and most of the Committee members were present in the meetings. The committee comprised of the following members;

<p><b>Mr. Kamrul Hasan</b> Chairman Non-Executive Director Former Secretary of Bangladesh Govt.</p>
<p><b>Mr. Mohammad Moinuddin Abdullah</b> Member Independent Director Secretary, Ministry of Housing &amp; Public Works</p>
<p><b>Mr. Jalal Ahmed</b> Member Non-Executive Director Additional Secretary, Ministry of Finance</p>
<p><b>Mr. Shehzad Munim</b> Member Managing Director, BATB</p>
<p><b>Mr. Md. Azizur Rahman</b> Secretary Company Secretary, BATB</p>

Mr. Shahed Zubair, Head of Corporate and Regulatory Affairs, and Mr. Anowarul Amin, Corporate Affairs Manager, are the permanent invitees of the CSR Committee meetings. Other relevant Managers and stakeholders may attend the meeting by invitation.

## Activities Summary

In 2014, the CSR Committee highlighted the following matters:

- BAT Bangladesh CSI (Corporate Social Investment) portfolio** includes three flagship CSI programmes driving the corporate reputation all under the sustainable agriculture and environment theme. These are Afforestation, Safe Drinking Water and Solar Home Systems.
- Water Filtration Project:** Having recognised the gravity of water and sanitation, specifically in the context of the Millennium Development Goals, BAT Bangladesh has stepped forward with a safe drinking water project for its community people. 9 units of Probaho plants in Kushtia and Manikganj regions have been installed during 2014 for safe arsenic-free drinking water.
- Solar Home System Project:** BAT Bangladesh is providing Solar Home Systems in hill tract communities which are currently out of the scope of electricity supply. In 2014, the Company installed 350 units of solar home power systems in Chittagong hill tracts, especially in off-grid areas to provide electricity for rural people.
- Afforestation Project:** British American Tobacco Bangladesh initiated its afforestation programme in 1980 when the forest department of the Government of Bangladesh called on the private sector to support its endeavour to conserve the forests. So far, BAT Bangladesh has contributed around 83.5 million saplings to the country's afforestation initiative in the last 34 years. In 2014, the Company distributed another total of 4 million free saplings to 10 lac recipients throughout Bangladesh. Saplings varieties consisted of

fast growing, timber, native fruits and medicinal types. In 2014, as a Company we have participated in all local level tree fairs by the invitation of local administrations and won 16 first prizes. This is so far, the highest number of awards received from local level administration in recent years.

- Aligning our CSI with Government and Group requirements, its business relevance, and focus on contributing to Government's agenda on Millennium Development Goals (MDGs).
- Engaging with local and national level stakeholders, highlighting the fact that BAT Bangladesh's Supports many other national and local agendas like agriculture, health, and infrastructure which impacts positively on Nation Building.

- Evaluation of impact of CSI initiatives by an independent and renowned professional expert and make necessary adjustments according to the findings and recommendations of the evaluation report by 2015.

Total amount of CSR expenses in 2014 was BDT 18.67 million. As a responsible Company, British American Tobacco Bangladesh believes that the business has a key role to play in helping society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress. Therefore, its CSR activities are designed to contribute to the economic, social and environmental sustainability of the community in which it operates.

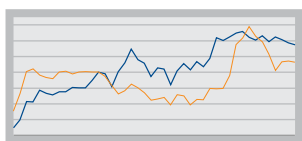


# EXPORT EARNINGS MAKING AN IMPACT ON THE ECONOMY

In 2014 alone, BAT Bangladesh earned USD 32.59 million through leaf export - contributing to Bangladesh's export earnings. Though 10% increase of leaf exporting tax hurdles the process of escalating our contributions, BAT Bangladesh has carried out to the development of nation's economy, infrastructure and thousands of farmer families. The farming community of BAT Bangladesh has a great deal to be proud of as the company's leaf exports have reached distant places and continents such as Europe and North America. Bangladesh's export products not only earn foreign currency for the country but also help to establish its identity in the world arena. As exports strengthen a country's economy and make it's products more competitive globally, BAT Bangladesh is proud to share its export success with the farmers, who are the true force behind this achievement.



**104**  
years of legacy



MARKET CAPITALISATION

**2<sup>nd</sup>**

in Bangladesh



**52,000**

employees & business partners  
across the country

## PERFORMANCE

Gross **turnover**  
BDT **126,804,602**  
(in '000)

tax paid  
BDT **9,932**  
(in crores)

Net **profit**  
BDT **6,281,922**  
(in '000)

**Shareholders' fund**  
BDT **11,463,511**  
(in '000)

**Earnings per share**  
BDT **104.70**

**Dividend per share**  
BDT **55**



# DIRECTORS' REPORT

It is a pleasure and privilege on the part of the Board of Directors to place herewith the Directors' Report and Auditors' Report together with the audited financial statements of British American Tobacco Bangladesh Company Limited (BAT Bangladesh) for the year ended 31 December 2014.

## Key Strategic Pillars Of Business

2014 was a prolific business year for BAT Bangladesh. Despite stubborn competition and manifold other challenges, the Company continued to enhance the value for its shareholders' investments. During the year, as before, the Company was governed under the strategic pillars of Growth, Productivity, Sustainability and Winning Organisation as the main driving force for its outstanding attainments. The notable achievements of the business under each pillar, together with the salient features of such performance are described and depicted in the succeeding parts of this report.

## Growth

### Economic & Industry Outlook

The year 2014 witnessed a turn around and performance revival in most sectors. In spite of two sluggish years, Bangladesh has yet again staged a rapid response in her economic initiatives, registering a modest recovery. The business initiatives alongside also got the right prop up to rise. The overall cigarette industry came back to growth momentum in 2014 with a relatively stable macroeconomic country context. However, segment growth varied across the segments during the year. The Low segment came back to growth path after the stable 2013, the Medium and High segments experienced decline driven by the price increase in June 2014. However, both the segments took a sharp decline in the second half driven by the tax led price increase which could not cover-up the first half positive growth thrust. As a result the Company faced challenges in second half of 2014. The Premium segment also remained under pressure and experienced a gradual decline after the mid-year price increase. Looking ahead, we expect growth in the cigarette industry to be further subdued by the prevailing market dynamics.

## Company Performance

Despite challenges from regulatory uncertainty, external environment and competition, your Company achieved share growth in 2014 which delivered excellent business results. This growth was achieved through a focused marketing strategy that was supported and implemented by our employees across all business functions. Our brand portfolio was strengthened through insights on the preferences of adult tobacco end-users. The focus throughout the year was to match consumer expectations with the right quality in the selected segments.

Like previous years, 2014 featured a stronger first half-year performance as the market recovered from the impact of the annual mid-year tax led price increase. Sales volume increased by 12% with higher growth in the low segment offsetting the decline in the upper three segments. The indexing gap between the low segment and other upper segments has widened further which is causing down trading in the cigarette industry. This trend continues to be a matter of concern as it negatively impacts not only BAT Bangladesh but also on Government revenue earning capacity from the cigarette industry. Therefore, we continue to engage with policy makers to ensure that balanced taxation policies are implemented and the down trading is stopped for the sustainability of the industry. A review on the performance of each of the cigarette segments follows:

**Premium Segment:** Once again Benson & Hedges faced tough challenges in the market with high price increases in 2012, 2013 and 2014 resulting in a gradual volume decline. Nevertheless, the Company continues to focus on building the equity of Benson & Hedges and has made consumer-centric investments which have enabled the brand to achieve the volume in this year. This segment is facing competition due to the increased availability of the smuggled cigarette in the market due to the price differentiation between local cigarettes and duty free foreign cigarettes.

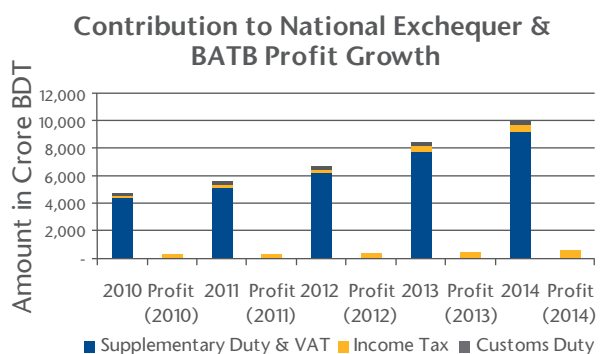
**High Segment:** John Player Gold Leaf sales volume was satisfactory in 2014 despite volume decline for post price increases in June. Consistent investment and consumer-relevant innovation behind this brand have helped to reinforce its strong brand equity and to retain its leading brand status within this segment.

**Medium Segment:** While the Company share of this segment has strengthened, the segment has experienced a decline in 2014. As a result, our volume has also experienced decline. We have plans of regular market investment behind this segment's brands by consistently improving quality to meet consumer preference. We are engaging with National Board of Revenue to adopt fiscal measures in order to avoid further segment share reduction.

**Low Segment:** The low segment continues strong growth momentum. With the strong growth momentum, the Company now holds second biggest share of this segment. This segment is extremely competitive and your Company continues to implore for the establishment of a level playing field for all market players.

### Contribution to National Exchequer

British American Tobacco Bangladesh continues to contribute 2/3rd of the total tax collection from the cigarette industry. In 2014, the Company contributed BDT 9,932 crores as Supplementary duty, Value added tax and other taxes and levies. This represents an increase of BDT 1,496 crores. The Company will continue to support Government proposals that help establish a sustainable level of tax contribution to the National Exchequer while ensuring a sustainable growth for the industry and promoting a level playing field among market players. Since this is a mature industry, it must not be stretched too far without considering the market segment dynamics and its ability to absorb price increases.



The Company recognises the Government's revenue growth targets and the industry has been working with the National Board of Revenue (NBR) over the years to ensure sustainable revenue growth from the cigarette industry in the form of indirect tax. However, the Company strongly feels that by targeting the corporate tax structure of a listed cigarette manufacturer, it significantly impacts the shareholders' return (which includes the Government of Bangladesh as well as the local shareholders) and takes away the urge and interest of other tobacco companies to be listed with stock exchanges. BAT Bangladesh is the only public listed cigarette manufacturing company whereas competitors are operating as non-listed private limited companies. The Company firmly hopes that the Government will reinstate investment-friendly corporate tax rate structures while considering the upcoming National Budget.

### Financial Performance

BATB enhanced its gross turnover to BDT 12,680 crore, up by BDT 1,722 crore from the previous year. This increase was driven by volume growth and tax-led price increase. Profit after tax improved by 28% from BDT 492 crores last year to BDT 628 crores in 2014. The higher profit after tax reflects higher volumes and increased prices, as well as cost savings and productivity initiatives driven across the Company. There is no significant variance between the quarterly and the annual financial performance of your Company for the year 2014. Also, there is no extra-ordinary gain or loss in revenue during 2014. However, we have adjusted provisions in this year which were provided due to various claims of the tax authorities in different years. The notes to the annual financial statements explain the variations against the previous year.

### Productivity

In line with 12% growth in sales volume, the overall supply chain has been challenged to deliver on-time in full production. As a result manufacturing capacity scaled up and also modified to cater to different pack formats. This required significant investment and meticulous planning so that the growing diverse market demand could be met with minimum disruption in the manufacturing process. A series of productivity initiatives were undertaken not only to improve machine efficiency but compensating for the disruption in production while scaling up the factory. 2014 also marks the highest ever buying and processing of green leaf. Our leaf growing area was also revamped through various productivity initiatives to process this incremental leaf volume while ensuring the right quality.

## Pattern of Shareholdings

Names of the shareholders along with their position of the shares are listed below:

NAME OF SHAREHOLDER		SHARES HELD	% OF HOLDING
i)	Parent/subsidiary/associate/related parties: Raleigh Investment Co. Ltd.	43,745,358	72.91%
ii)	Directors/CEO/CS/CFO/Audit Head and their spouses and minor children	100	0.00016%
iii)	Executives (HOD) nil nil		
iv)	Shareholders, who hold 10% or more: Investment Corporation of Bangladesh	5,005,392	8.34%
v)	Other Shareholders, who hold less than 10%		
	• Sadharan Bima Corporation	1,694,047	2.82%
	• Bangladesh Development Bank Limited	197,866	0.33%
	• President of the People's Republic of Bangladesh	386,824	0.64%
	• Others	8,970,413	14.95%
		<b>60,000,000</b>	<b>100%</b>

## Board Meetings

The Board met 12 (Twelve) times during the year 2014. The Company Secretary and Chief Financial Officer (Finance Director) were present in the Board meetings. The attendance by each Director is mentioned below:

<u>Present Directors' Name</u>	<u>No. of Attendance</u>	
Mr. Golam Mainuddin	11	
Mr. Shehzad Munim	12	
Mr. K.H. Masud Siddiqui	12	
Mr. Kamrul Hasan	12	
Mr. Mohammad Moinuddin Abdullah	11	
Mr. Md. Mosharraf Hossain Bhuiyan <sup>ndc</sup>	2	(Appointed on 20 November 2014)
Mr. Jalal Ahmed	12	
Mr. Md. Fayekuzzaman	12	
Mr. Anthony Yong	3	(Resigned on 23 April 2014)
Mr. William Francis Pegel	6	(Appointed on 23 April 2014)

**Status of compliance with the conditions imposed  
by BSEC's Notification on Corporate Governance**  
(Report under Condition No. 7.00)

**Annexure 2**

Condition No.	Title	Status	Remarks
1.1	Board Size: The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty)	Complied	The BATB Board is comprised of 9 Directors.
1.2(i)	Independent Directors: At least one fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors	Complied	There are three Independent Directors in the BATB Board, namely: Mr. Md. Mosharraf Hossain Bhuiyan, Mr. K.H. Masud Siddique and Mr. Mohammad Moinuddin Abdullah
1.2(ii) a)	Independent Director does not hold any share or holds less than 1% shares of the total paid-up capital	Complied	The Independent Directors have declared their compliances.
1.2(ii) b)	Independent Director or his family members are not connected with the Company's any sponsor or Director or Shareholder who holds 1% or more shares	Complied	DO
1.2(ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated companies	Complied	DO
1.2(ii) d)	Independent Director is not a member, Director or officer of any Stock Exchange	Complied	DO
1.2(ii) e)	Independent Director is not a shareholder, Director or officer of any member of Stock Exchange or an intermediary of the capital market	Complied	DO
1.2(ii) f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm	Complied	DO
1.2(ii) g)	Independent Director shall not be an Independent Director in more than 3 (three) listed companies	Complied	DO
1.2(ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	Complied	DO
1.2(ii) i)	Independent Director has not been convicted for a criminal offence involving moral turpitude	Complied	DO
1.2(iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM	Complied/ (In Process)	The appointments of 2 Independent Directors were duly approved at last AGM. The appointment of new Independent Director would be approved at 42nd AGM
1.2(iv)	The Post of Independent Director(s) can not remain vacant for more than 90 (ninety) days	Complied	No vacancy occurred
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	Complied	The Company has laid down a detailed code of conduct for all known as 'Standards of Business Conduct' which is applicable for the Directors as well. Every Director has signed a confirmation as to its compliance.
1.2(vi)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	Complied	The Independent Directors (IDs) are in their first term of office.
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	Complied	The qualification and background of IDs justify their abilities as such.



Condition No.	Title	Status	Remarks
1.3 (ii)	Independent Director should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The Independent Director must have at least 12 (twelve) years of corporate management/professional experiences	Complied	Existing Independent Directors are mostly bureaucrats with more than 12 years of experience.
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	Not Applicable	
1.4	Chairman and CEO shall be filled by different individuals. Chairman shall be elected from among the Directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO.	Complied	Chairman of the Board and CEO are different individuals and Chairman is elected from amongst the Directors. The roles and responsibilities of the Chairman of the Board and the CEO are approved in the Board meeting.
1.5	The Directors' Report to Shareholders on:		
1.5 (i)	Industry outlook and possible future developments in the industry	Complied	The Directors' report complies with the guideline.
1.5 (ii)	Segment-wise or product-wise performance	Complied	The Directors' report complies with the guideline.
1.5 (iii)	Risks and concerns	Complied	Discussed at 'System of Internal Control' and 'Other Regulatory Disclosures'.
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	Complied	The Directors' report complies with the guideline.
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	Complied	Discussed at 'Financial Performance' and 'Other Regulatory Disclosures'.
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	Complied	Mentioned at 'Other Regulatory Disclosures'. A statement of all related party transactions are disclosed under Notes to the Financial Statements no. 30
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	Complied	Mentioned at 'Other Regulatory Disclosures'.
1.5 (viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	Complied	Mentioned at 'Other Regulatory Disclosures'.
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	Complied	Discussed at 'Financial Performance' and 'Other Regulatory Disclosures'.
1.5 (x)	Remuneration to Directors including Independent Directors	Complied	Mentioned at 'Other Regulatory Disclosures'.
1.5 (xi)	The financial statements prepared by the management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	Complied	Stated under section "Directors' Declaration as to the Financial Statements" in the Directors Report.

Condition No.	Title	Status	Remarks
1.5 (xii)	Proper books of account of the issuer Company have been maintained	Complied	DO
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	Complied	DO
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	Complied	DO
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	Complied	Stated under section 'The System of Internal Control' in the Directors Report.
1.5 (xvi)	There are no significant doubts upon the issuer Company's ability to continue as a going concern. If the issuer Company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	Complied	Stated under section 'Going Concern' in the Directors Report.
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof should be explained	Complied	Discussed in the Directors Report under section "Growth Pillar".
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	Complied	The Directors' Report complies with the guideline.
1.5 (xix)	No Declaration of Dividend	Complied	Interim and final dividend declared. The Directors' report complies with the guideline .
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed	Complied	Stated in Annexure -1 of the Directors' report which comply with the guideline .
1.5(xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-		DO
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	DO
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	Complied	DO
1.5 (xxi) c)	Executives	Complied	DO
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name wise details)	Complied	DO
1.5 (xxii)	In case of the appointment/re-appointment of a Director the Company shall disclose the following information to the shareholders:-  a) a brief resume of the Director; b) nature of his/her expertise in specific functional areas; c) names of companies in which the person also holds the Directorship and the membership of committees of the Board	Complied	The Directors' Report complies with the Guidelines as stated at "Board Composition Section" in the Annual Report.
2.1	The Company shall appoint a Chief Financial Officer(CFO), a Head of Internal Audit (internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of CFO, the Head of Internal Audit and the CS.	Complied	The Company has appointed CFO, CS and Head of Internal Audit. There are clearly defined roles, responsibilities and duties which have been approved by Board as per requirement of BSEC notification.

Condition No.	Title	Status	Remarks
2.2	Attendance of CFO and the Company Secretary in the Board meeting	Complied	In practice
3 (i)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors	Complied	Already in place. The TOR is available.
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business	Complied	In practice. The TOR is available.
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	Complied	In practice. The duties are clearly written in the TOR of the Audit Committee.
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	Complied	The Audit Committee is comprised of 4 (four) members.
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be Directors of the Company and shall include at least 1 (one) Independent Director	Complied	The members of the Audit Committee are appointed by the Board who are Directors and which includes two Independent Directors.
3.1 (iii)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience: The term Financially literate means the ability to read and understand the financial statements i.e. Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or Accounting/finance graduate with at least 12 (twelve) years of corporate management/professional experiences.	Complied	Based on the academic qualifications and professional experience, the Board reviewed and considered that all the existing members of the Audit Committee are 'financially literate' and they have 'related financial management experience' as per BSEC notification.
3.1 (iv)	Casual vacancy in Audit Committee shall be Filled by the Board	Complied	The Board appointed members in due time and no vacancy occurred.
3.1 (v)	The Company secretary shall act as the secretary of the Committee	Complied	In practice.
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director	Complied	In practice.
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director	Complied	Md. Mosharraf Hossain Bhuiyan and Mr. K. H. Masud Siddiqui have been appointed as Independent Director. Md. Mosharraf Hossain Bhuiyan has been appointed as the Chairman of Audit Committee effective from 19 February 2015.
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	Complied	In practice.
3.3 (i)	The Role of Audit Committee: Oversee the financial reporting process	Complied	In practice.
3.3 (ii)	Monitor choice of accounting policies and principles	Complied	In practice.
3.3 (iii)	Monitor Internal Control Risk management process	Complied	In practice.
3.3 (iv)	Oversee hiring and performance of external auditors	Complied	In practice.
3.3 (v)	Review along with the management, the annual financial statements before submission to the Board for approval	Complied	In practice.
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	Complied	In practice.
3.3 (vii)	Review the adequacy of internal audit function	Complied	In practice.

Condition No.	Title	Status	Remarks
3.3 (viii)	Review statement of significant related party transactions submitted by the management	Complied	In practice.
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	Complied	In practice.
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the Company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/ prospectus	Not Applicable	There was no IPO/RPO/Rights Issue in 2014 or in recent past. Stated in the Directors' Report under the section 'Other Regulatory Disclosure'.
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors	Complied	Audit Committee informs the Board periodically through its minutes which are placed at Board Meetings.
3.4.1(ii) a)	Report on conflicts of interests to the Board of Directors	Complied	There was no reportable case of conflict of interest in 2014.
3.4.1(ii) b)	Will report any suspected or presumed fraud or irregularity or material defect in the internal control system to the Board	Complied	There was no such case in the year.
3.4.1(ii) c)	Will report any suspected infringement of laws, including securities related laws, rules and regulations to the Board	Complied	DO
3.4.1(ii) d)	Will report any other matter which shall be disclosed to the Board of Directors immediately	Complied	DO
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	None	DO
3.5	Reporting to the Shareholders and General Investors: report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer Company	Complied	The Audit Committee report is disclosed in the Annual Report and signed by the Chairman of the AC
4 (i)	Non-engagement of external/statutory auditors in appraisal or valuation services or fairness opinions	Complied	In practice
4 (ii)	Non-engagement of external/statutory auditors in financial information systems design and implementation	Complied	In practice
4 (iii)	Non-engagement of external/statutory auditors in Book-keeping or other services related to the accounting records or financial statements	Complied	In practice
4 (iv)	Non-engagement of external/statutory auditors in Broker-dealer services	Complied	In practice
4 (v)	Non-engagement of external/statutory auditors in Actuarial services	Complied	In practice
4 (vi)	Non-engagement of external/statutory auditors in Internal audit services	Complied	In practice
4 (vii)	Non-engagement of external/statutory auditors in any other service that the Audit Committee determines	Complied	In practice
4 (viii)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company	Complied	The audit firm has declared as such that none of them hold any share in the Company.



Condition No.	Title	Status	Remarks
4 (ix)	Non- engagement of Auditor in audit/certification services on compliance of corporate governance as required under clause (i) of condition no. 7	Complied	In practice
5 (i)	Provisions relating to the composition of the Board of Directors of the holding Company shall be made applicable to the composition of the Board of Directors of the subsidiary Company	Not Applicable	BAT Bangladesh does not have any subsidiary Company
5 (ii)	At least 1 (one) Independent Director on the Board of Directors of the holding Company shall be a Director on the Board of Directors of the subsidiary Company	Not Applicable	BAT Bangladesh does not have any subsidiary Company
5 (iii)	The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding Company	Not Applicable	BAT Bangladesh does not have any subsidiary Company
5 (iv)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also	Not Applicable	BAT Bangladesh does not have any subsidiary Company
5 (v)	The Audit Committee of the holding Company shall also review the financial statements, in particular the investments made by the subsidiary Company	Not Applicable	BAT Bangladesh does not have any subsidiary Company
6 (i) a)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	Complied	CEO and CFO have certified to the Board during finalisation of Financial Statement which is stated in the 'Directors Declaration as to Financial Statements' in the Directors' Report.
6 (i) b)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws	Complied	CEO and CFO have certified to the Board during finalisation of Financial Statement which is stated in the 'Directors Declaration as to Financial Statements' in the Directors' Report.
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct	Complied	CEO and CFO have certified to the Board during finalisation of Financial Statement which is stated in the 'Directors Declaration as to Financial Statements' in the Directors Report.
7 (i)	The Company shall obtain a certificate from a Professional Chartered Secretary/Accountant (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis	Complied	Required certification has been obtained from M/s Al-Muqtadir Associates, Chartered Secretaries, for the year 2014 which is published as Annexure -4 to the Directors' Report.
7 (ii)	The Directors of the Company shall state, in accordance with the Annexure attached, in the Directors' Report whether the Company has complied with these conditions	Complied	Status of Compliance is published with the Directors' Report as required.

**BRITISH AMERICAN TOBACCO BANGLADESH COMPANY LIMITED**  
**CERTIFICATE OF DUE DILIGENCE BY CEO & CFO**  
(As required under the BSEC Guidelines)

To the Board of Directors of  
British American Tobacco Bangladesh Company Limited

In compliance with condition no. 6 of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, we the undersigned, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of British American Tobacco Bangladesh Company Limited, do hereby certify before the Board that we have thoroughly reviewed the Financial Statements of the Company for the year ended 31 December 2014, and state that :

- a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
- b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws, and
- c) to the best of our knowledge and belief, the Company has not entered into any transaction during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.



Shehzad Munim  
Chief Executive Officer



William Francis Pegel  
Chief Financial Officer

Dhaka  
19 February 2015



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## CERTIFICATE OF COMPLIANCE TO THE SHAREHOLDERS OF British American Tobacco Bangladesh Company Limited

(As required under the BSEC Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by British American Tobacco Bangladesh Company Limited for the year ended 31st December 2014. These guidelines relate to the Notification no.SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance. This is a scrutiny and verification only and not an expression of opinion or audit on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that, subject to the remarks and observations as reported in the attached Compliance Statement, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

We also state that such compliance is neither an assurance as to the future viability of the Company, nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**AL-MUQTADIR ASSOCIATES**  
Chartered Secretaries & Consultants

Dhaka  
19 February, 2015



## ICSB AWARD FOR CORPORATE GOVERNANCE EXCELLENCE

The Institute of Chartered Secretaries of Bangladesh (ICSB), awarded BAT Bangladesh for its excellence in Corporate Governance. The Company topped the list in the manufacturing sector. Mr. Abul Maal A Muhith, honorable Finance Minister, handed over the award to the Chairman and Managing Director of the Company in a graceful event. The former caretaker government's Finance Adviser Mr. AB Mirza Azizul Islam and Mr. M Khairul Hossain, Chairman of the Bangladesh Securities and Exchange Commission, along with most of the management members of the reputed corporates and Chartered Secretary professionals, were present on the occasion.





Mr. Golam Mainuddin, Chairman and Mr. Shehzad Munim, MD of BAT Bangladesh receiving award from the honorable Finance Minister Mr. Abul Maal A Muhith. Former Finance Adviser Mr. AB Mirza Azizul Islam and Mr. M Khairul Hossain, Chairman of the Bangladesh Securities and Exchange Commission were also present in the ceremony



BAT Bangladesh Board of Directors and Management





## ICMAB AWARD FOR BEST CORPORATE

BAT Bangladesh has grabbed the 'Best Corporate Award' in the multinational category from the Institute of Cost and Management Accountants of Bangladesh. The award was given in 14 categories to organisations across Bangladesh for their excellence in business practice. The award and certificate were received by the Chairman and Managing Director of the Company from the honorable Finance Minister, Mr. Abul Maal A Muhith, in presence of Mr. M Khairul Hossain, Chairman, Bangladesh Securities and Exchange Commission, along with most of the management members of the reputed corporates and Cost & Management Accountant professionals.





Mr. Golam Mainuddin, Chairman and Mr. Shehzad Munim, MD of BAT Bangladesh receiving award from the honorable Finance Minister, Mr. Abul Maal A Muhith



BAT Bangladesh Board of Directors and Management

# ENSURING RESPONSIBILITY IN OUR OPERATIONS

Industrial advancement is a process that must be allowed to flourish, yet at the same time closely monitored and managed. To ensure sustainable success and an investor friendly business environment, most multinational and local enterprises in Bangladesh are placing more and more importance on safety, compliance and environmentally friendly practices. BAT Bangladesh is a committed supporter for responsible business operations and makes regular investments to comply with world-class environment, health and safety standards in its operations. It has also taken major steps to achieve proper waste management and energy saving approaches in all its work settings. BAT Bangladesh leads the industry in its efforts to create a safe and highly productive work environment and is committed to fulfill its share of social responsibilities towards the nation and its people.





# ENVIRONMENT HEALTH AND SAFETY

British American Tobacco as a group believes in creating an inspiring, motivating and high performing working environment for all its employees across the world. As a socially responsible organisation BAT puts a lot of effort and resources in maintaining a world class standard of Environment, Health and Safety practices. As BAT Bangladesh's market is growing impressively, the betterment of Environment, Health and Safety standard is even more important for the welfare of its employees and sustainability of the environment. During the period of 2013-2014, several initiatives were taken to further improve the facility and build awareness level of EHS among employees and improve work practices.

BAT Bangladesh is fully committed to ensure safety and health of the people who come into BAT Bangladesh premises as well as minimise its impact on the environment. We expect our people inside our premises to stay safe so that they can get back home safe and sound. To remain safe while carrying out various business activities, it is extremely important for all of us to be aware of the risks associated with any activity and act/ behave safely.

A pedestrian walkway has been further improved to segregate the movement of people and vehicles inside the premise.



■ Walkway inside BATB



To minimise risk from machines and to prevent finger injury, we have further improved safety guards and interlocks around the moving parts of machines following the 'Pencil Rule'. Pencil rule symbolises that a pencil cannot be inserted through the openings of the guards so no one can insert fingers in their running condition and that will protect people from finger injury.



■ Pencil Rule

To safely access and perform maintenance work we have assessed and introduced equipment which will help our people to work in a safe manner. We have improved the quality of automations in handling cartons, as well as eased movement in gangways. To keep our people aware we carried out various forms of communication, awareness programs for managers, employees, and contractors throughout the year. We arranged a month long campaign titled 'Zero Entrapment Campaign' focusing on safe work practices on the production floor and in the warehouses.



■ Zero Entrapment Campaign Banner

Push SMSs conveying various safety messages were sent every day to all shop floor employees' cell phones.

To prevent travel accidents, we have imparted training titled 'Defensive Driving' to drivers and managers. We have covered almost 300 people under this program. Also, we have introduced vehicle safety kit which contain items such as fire extinguishers, flash lights, first aid kits, wheel chokes, reflecting jackets and triangles which can be utilised during emergency.

On the environmental front several initiatives were taken to reduce energy, water and waste consumption. Optimised usage of compressed air by reducing air pressure at the point of usage, as well as proactive air leak management with leak detectors have been introduced. We have installed energy efficient rated motors for compressors.

We have installed a 11 kw capacity solar panel to run office lights and AC's. We have installed wind turbines and exhaust fan outlet to gain electricity. All these initiatives have contributed



■ Gangway Inside Factory

in reducing energy consumption as well as saving a lot of money.



■ Solar Panel (Capacity 11 kw)

BAT Bangladesh has been the pioneer in practicing biodiversity. Our leaf and CORA team are continuously undertaking afforestation and green manuring programs. We have established a sanctuary in Kushtia where rare species of plants are being nurtured.

British American Tobacco Bangladesh will continue to spread out EH&S among its suppliers in the future and will continuously improve the awareness and work standards while growing with less environmental impact.

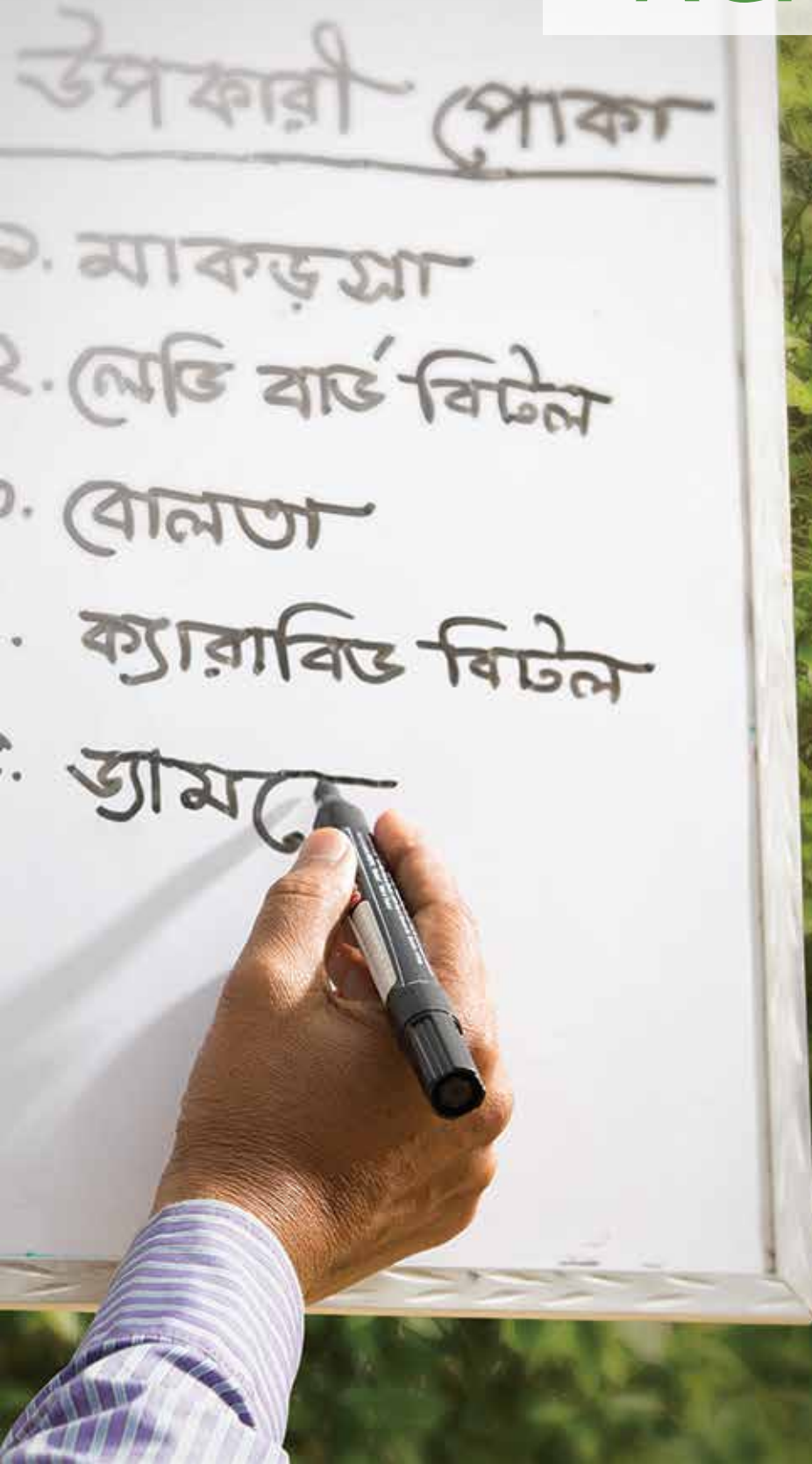


■ EH&S Training Programme



# EXPANDING THE PRODUCTIVITY OF SUSTAINABLE AGRICULTURE

BAT Bangladesh has pioneered a revolution in agriculture, marking the introduction of sustainable agricultural practices and working closely with farmers from the very beginning. The organisation helped establish and expand Integrated Pest Management (IPM) Clubs in collaboration with the Department of Agricultural Extension to educate farmers about pest management and strengthening crop production. Furthermore, Farmers' Field Schools (FFS) were established to teach farmers environmentally friendly farming techniques and to create awareness of the impact farming techniques have on the environment. BAT Bangladesh hopes that these pioneering initiatives will usher in a new era of productivity and prosperity for farmers throughout the nation, inspiring others to establish ventures that will develop the skills of farmers even further.



# SUSTAINABLE AGRICULTURE

Improving soil fertility and conserving water are integral elements of good agricultural practices. BAT Bangladesh provides the know-how and bears full costs to install compost pits in the homesteads of our registered farmers. This significantly reduces dependence on the use of chemical fertilizers and also reduces the cost of production. We plan to establish 80 compost pits in leaf cultivation areas every year and till 2014.

BAT Bangladesh acknowledges its impact as well as dependency on biodiversity and makes farming communities aware about the importance of different elements in nature and their contribution to the eco system. So far, 48 biodiversity corners have been established and they are located in the Kushtia, Meherpur, Chuadanga, Jhenaidah, Rangpur, Manikganj, Bandarban, Khagrachari and Cox's Bazar districts. Our Company supports sensible tobacco regulations that balances the preferences of consumers with the interests of society and enables the business to continue to compete and prosper. All of the marketing activities are governed by Smoking and Tobacco Usage

(Control) Act, 2005 and Amendment Act, 2013 and their subsequent rules along with the BAT Group's own International Marketing Principles. A corroboration of the Tobacco Laws and International Marketing Principles combines the Company's Marketing Communications Guideline. These principles embody the commitment to marketing Company products appropriately and only to adult smokers, as well as compliance to local laws and regulations. The tobacco control groups are however continuously agitating against the production and marketing of tobacco.

The tobacco industry has an economic impact both in terms of revenue generation for the Government and employment generation by appointing 1,500 direct employees, and 52,000 indirect employees in the form of farmers, distributors and suppliers and over 1.3 million retailers. The Company therefore, seeks that the Government takes an inclusive and participative approach about tobacco regulations, so that the regulatory policies reflect the views of all relevant stakeholders and are practical and enforceable on ground realities.





# SOWING SEEDS OF PROSPERITY

BAT Bangladesh initiated its afforestation programme in 1980 when the forest department called on the private sector to support its endeavour to conserve the nation's forests. In the last 34 years, BAT Bangladesh has contributed approximately 80 million saplings to the country's afforestation initiative. It is presumably the largest private sector driven afforestation effort in the nation. Bangladesh is highly vulnerable to the impacts of climate change. Therefore government, non-government and private organisations - as well as individuals - have been working to preserve the country's biodiversity and increase carbon absorption by expanding forest areas. BAT Bangladesh's afforestation programme is an initiative which is the source of much pride to the Company and is one way through which the organisation gladly gives back to Bangladesh as a partner in its journey towards prosperity.





# SUSTAINABLE AGRICULTURE BATB SOIL HEALTH MANAGEMENT INITIATIVES

## Green Manuring

The organic matter content of Bangladeshi soil is low (>1%) due to high crop intensity (180%). Lack of knowledge on negative impact among farmers leads to increased and imbalanced use of inorganic fertilizers, adding additional threat to soil health. The government is very keen to improve soil fertility by means of bio-friendly approaches. In support of this national agenda, BAT Bangladesh has introduced a couple of initiatives amongst its farmers with a view to reduce dependency on chemical fertilizers & essentially replenish the nitrogen content and organic matter level in the soil.



Green Manuring with 'Dhaincha' (Sesbania sp.) cultivation is one of the most effective bio-friendly approaches. Dhaincha, being a member of the leguminous family, fixes atmospheric nitrogen through its root nodules and once it is ploughed back to the soil, the nitrogen as well as organic content matter of the soil is enhanced. Dhaincha in its vegetative growth stage (45-55 days after seed sowing) are ploughed back and incorporated into the soil and irrigated for faster decomposition (normally it takes 10-15 days to mix up with the soil).

Through strong motivation of the farmers, educating them on its benefits, free seed distribution and demonstrating the cultivation processes, BAT Bangladesh has successfully introduced and implementing this initiative among the farmers since 2000. Every year BAT Bangladesh distributes 250 MT Daincha seeds free of cost with a plan to cover 75% of registered farmers by 2014 and have achieved 76% farmers coverage.

Moreover, Dhaincha seed is directly purchased from the farmers at market price which also encourages farmers to grow Dhaincha on a commercial basis. Considering its benefit in light of sustainable agriculture, BAT Bangladesh will continue this initiative in future days.

## Compost Pit

Compost is an organic matter that is decomposed in the soil and recycled as a fertilizer and plant nutrient. Compost is a key ingredient in organic farming. At the simplest level, the process of composting requires making a heap of wet organic matter known as green waste (leaves, food waste, animal excreta etc.) and allowing the materials to break down into humus after a period of weeks and months. To expedite the decomposition process, generally a lump of urea is added to the heap. The decomposition process is aided by shredding the plant matter, adding water and ensuring proper aeration by regularly turning the mixture.

As a part of bio-friendly agricultural practices, the Company provides the technical know-how to install compost pits in the homesteads of the tobacco farmers and to use the decomposed organic manure. This significantly reduces dependency on the use of chemical fertilizers for agricultural production and also decreases the cost of production. Till 2014, BAT Bangladesh farmers have established 6,900 compost pits in leaf growing areas and another 750 compost pits will be established in 2015.





# LIGHTING THE WAY TO THE FUTURE

BAT Bangladesh is providing Solar Home Systems free of cost to rural communities of the country which are currently out of electricity. So far, the Company has installed 1,666 units of solar home systems in 20 villages of the Bandarban and Khagrachari districts, illuminating the community in the off grid areas of the country. More than 10,000 rural people are connected with electricity for the first time. This initiative will continue its journey to kindle hope in remote rural communities by introducing a completely new dimension in people's lives and enhancing their livelihood with the power of energy. BAT Bangladesh believes this is the way to the future, with small investments in electricity and connectivity helping to bring about immense changes in people's outlooks – inspiring them to dream of brand new possibilities and take action to achieve more for themselves and for their communities.



# SOCIAL RESPONSIBILITY INITIATIVES

Our Company believes that the business has a key role to play in helping society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress in ways that will build value for all our stakeholders. The Standards of Business Conduct sets out what is required of each employee in terms of responsible corporate behaviour and personal integrity. Our Company is conducting its activities in line with the amended Smoking and Tobacco Products Usage (Control) Act, 2013.



The flagship activity of our Company, the Afforestation Programme, began in 1980. So far, BAT Bangladesh has distributed approximately 8.35 crore saplings in and around our operational areas, including 4 million saplings in 2014. This relentless effort makes the programme the largest private sector driven afforestation programme in the country. Our Company is committed to continue this programme in the wake of a global and national drive, as well as to support the Government of Bangladesh's initiative to combat the adverse effects of climate change. In 2014, BAT Bangladesh received a number of national and international awards and accolades for the afforestation drive across the country. Our company received Asia's top ranked business award "Asia Responsible Entrepreneurship Award" on Green Leadership, for the largest afforestation project in the private sector of Bangladesh.

Millions of people in Bangladesh face scarcity of safe drinking water due to arsenic contamination. BAT Bangladesh has taken the initiative through a community project to provide 300,000 liters of safe drinking water free from arsenic and other impurities to arsenic-prone rural communities every day. This initiative is aligned with the Government's aim to achieve the Millennium Development Goals of securing sustainable access to safe drinking water. So far, 59 water filtration plants have been installed, using government approved community based water filtration technology in Jhenaidah, Chuadanga, Meherpur, Kushtia, Tangail, Manikganj, Satkhira, Gopalganj, Lalmonirhat, Kurigram, Jamalpur, Madaripur and Natore ensuring pure drinking water for approximately 150,000 people every day.





To complement the Government of Bangladesh's efforts in the renewable energy sector, BAT Bangladesh has undertaken a project to install solar home systems in village homes that are in remote, off-grid areas of the Chittagong Hill Tract districts of the country. The solar home system initiative of BAT Bangladesh has already installed 300 units of solar home systems in 2014, which totals to 1,666 units in four remote villages in the Bandarban and Khagrachari districts, giving more than 10,000 rural people their first access to electricity at home and the use of mobile phones.



BAT Bangladesh has had a fruitful partnership with farmers across the country through its various programmes dedicated to improving agricultural practices and standards. Our Company's supply chain starts with the hard work of around 32,400 registered farmers within the village community. BAT Bangladesh's contract farming model has been a proven and renowned model for years. We ensure that the sources are sustainable and responsible by proactively setting high standards for agricultural practices. The initiatives include green manuring with Dhaincha (*Sesbania Aculeata*) - an effective approach to enrich soil health and fertility. Dhaincha is also promoted as alternate fuel in leaf growing areas. In 2014, BAT Bangladesh has distributed more than 251 metric tons of free Dhaincha seeds amongst farmers, which ensured 75% coverage of our registered farmers. Moreover, Integrated Pest Management (IPM) Clubs have also been expanded in collaboration with the Department of Agricultural Extension to educate the farmers about the adoption of good agricultural practices. As a result of this continuous education programme farmers became more cautious about the use of chemicals as pesticide in farming.



Solar Home Systems installed in off-grid areas of Chittagong hill tract district.



**ASIA  
RESPONSIBLE  
ENTREPRENEURSHIP  
AWARDS**

# ASIA RESPONSIBLE ENTREPRENEURSHIP AWARDS FOR GREEN LEADERSHIP

Enterprise Asia's Asia Responsible Entrepreneurship Awards (AREA) program recognises and honours Asian businesses for championing sustainable and responsible entrepreneurship in the categories: Green Leadership, Investment in People, Health Promotion, Social Empowerment, SME CSR and Responsible Business Leadership. BAT Bangladesh has won Asia's top ranked business award 'Asia Responsible Entrepreneurship Award' for Green Leadership. The award was handed over to the Chairman of the Audit Committee of BAT Bangladesh in a grand program in New Delhi, India recently.







# Centenary Award

Presented to **BRITISH AMERICAN TOBACCO BANGLADESH COMPANY LIMITED**

*for their exemplary role in Corporate Social Responsibility in Bangladesh*

Dhaka  
18 October, 2014

Rokia Afzal Rahman  
President

METROPOLITAN CHAMBER OF COMMERCE  
AND INDUSTRY, DHAKA

**MCCI CENTENARY AWARD FOR CSR**



## MCCI CENTENARY AWARD FOR CSR



BAT Bangladesh received an award for their outstanding contribution in the arena of Corporate Social Responsibility from the Metropolitan Chamber of Commerce and Industry, the oldest and most representative trade organisation of Bangladesh, on its 110th founding anniversary. Shehzad Munim, Managing Director of BAT Bangladesh, received the award and said, "This award and recognition will encourage us to advance our CSR initiatives and further improve the lives of people".



## Socially Responsible Tobacco Production

“ BAT Bangladesh replacing the conventional variety by hybrid varieties which has the potential to increase yield by 25% and this will result in less occupancy of land for tobacco cultivation. Currently less than 1% of agricultural land is used for tobacco cultivation with a tenure of 3 to 4 months in a year. ”



# CREATING WORLD CLASS LEADERS

BAT Bangladesh is honoured to play its part in creating dynamic professionals ready for leadership anywhere in the world. Thanks to its long standing international outlook, 25 individuals of BAT Bangladesh are now working in 10 countries across three continents. Seeing these individuals flourish on the global stage is a reward all in itself. Indeed many of Bangladesh's professionals have made a mark in some of the leading global business, development and humanitarian organisations as well as political and financial institutions. BAT Bangladesh has played its part in creating an impact on the global arena. The organisation continues to put a focused and rigorous effort into the learning and development of its employees across all levels, and is excited by the prospect of introducing a steady stream of global leaders to the world for many years to come.



# BATTLE '14 OF MINDS

## BRING YOUR DIFFERENCE

What started off with a road-show last October in Dhaka University's prestigious Institute of Business Administration, concluded with a grand finale on December 8 that befitted the grandeur of this year's Battle of Minds, BAT Bangladesh's flagship talent recruitment programme.

Holding road-shows at 8 universities, BAT Bangladesh brought out their Managing Director, Head of HR, Head of Supply Chain and BAT Bangladesh managers who are respective university alumni (and BoM alumni in some cases).

### BoM 2014 Exposition

And so began the journey of this year's Battle of Minds. What made the experience unique this time was not merely one reason, but a few. 'What makes the Battle of Minds unique is that it recruits future leaders, as the best of the best in Bangladesh encounter real life business challenges and delve into plausible solutions for overcoming them,' said Adrita Datta, Talent Manager at BAT Bangladesh, 'but this year, we thought of organising road shows, where we would have our department and top management heads speak their minds in front of the ambitious students. And the response was tremendous', she added.



This emotion was echoed by Rumana Rahman, Head of HR, in the opening speech of the Grand Finale. 'Battle of Minds has not only evolved,

but it has evolved in terms of its magnitude,' she said, 'It is not only a competition for graduates, but a platform for showcasing their talents and letting them have a taste of real life work experience. It is because of our effort that not only business students are applying for Battle of Minds, but also students from the engineering background. This year we have had over 2200 applications, which show how students feel about this competition. Here at BAT Bangladesh we not only develop people through coaching and training, but make them go into the real depth of working at different roles inside the company. This competition brings out the best of mind and might,' she added.

### The Main Event

The judges for this year were S.M. Khaled, Head of Supply Chain, Rumana Rahman, Head of HR and Shahed Zubair, Head of Corporate and Regulatory Affairs. They were given the arduous task of disseminating business plans that the teams had chalked up in order to give George's Café a lifestyle brand makeover. From marketing strategies, financial expenditure to SWOT analyses, the contestants had to figure out ways on how to boost revenues and brand exposure for American expatriate chef George Smith's beloved creation.



Various ideas were pitched in front of the judges. From changing the entire theme and concept of George's Café, to possible





expansion plans and modification of target group identification, they pitched every possible concept and gave it their all with their ideas. The passion and zeal with which they spoke was awe-inspiring, and more importantly, the majority of the ideas were practical. That is testament to the quality benchmark that BAT Bangladesh maintained while selecting the BoM finalists, something not found in other business competitions.

Amitabh Roy, one of the finalists from IBA, said that they had every detail scrutinised before they were sure about them. 'Since we had not worked together as a team before, we were unsure about our ability to perform as a unit. But as soon as we started working, we critically analysed each other's points and supported each other whenever it was necessary,' he said. 'I was really impressed with these students today,' said George Smith, chef and owner of his namesake café.



'Some of their ideas were not what I would call feasible, but some of them are really worthy of trying. This competition will help them to understand how to develop and improve upon established business institutions and also to work with challenges that they must learn to overcome under any given circumstances. That is something that there is no running away from.'

## Take-Home from BoM

But as the presentations came to a close, the students were engulfed with a sense of sadness, as their experience of working in a business competition, that too in a reputed multinational company, came to an end. 'Battle of Minds is easily one of the best business competitions that I have been a part of,' said Nahian Rochi, another proud IBA finalist, 'every single task of the competition challenged my capabilities and analytical strength.' 'Every round had its own surprise factor,' said Farhan Khaled, another member.

## The Grand Awaiting!

The chairman of BAT Bangladesh, Golam Mainuddin and the Board of Directors were present in the occasion – namely Industries secretary M Mosharraf Hossain Bhuiyan, former Defense secretary Kamrul Hasan, former Liberation War Affairs secretary K.H. Masud Siddiqui and Managing Director of Investment Corporation of Bangladesh, M. Fayekuzzaman.



This gave way for some more inspirational speeches for those in the audience and the student body present in the finale. 'It had been a refreshing privilege to watch the students present their cases before the judges,' said Golam Mainuddin.



Shehzad Munim, Managing Director at BAT Bangladesh, had equally inspiring words of wisdom and appraisal for both Battle of Minds and its contestants. 'BAT Bangladesh is way ahead in the game in terms of talent recruitment,' he said, 'Our managers go on to have international careers, which tells us that we as Bangladeshis have the capability to take on the global stage. Similarly, Battle of Minds

grew significantly in 11 years. From humble beginnings, it is now the largest talent platform, with everybody supporting us. I would ask the students and the future leaders to be confident in their abilities, as well as their team working abilities, as it is the key to success.' 'You must learn to face the future with an open mind, otherwise the world will just run past you, without waiting for you to get on track,' he advised.

## Moment of Truth

As the name of the winning team was in the offing, there was no doubt in the audience's mind that this was a close contest. Islamic University of Technology (IUT) was announced second runner up and Bangladesh University of Engineering and Technology (BUET) was declared runner's up for this year's Battle of Minds competition. It all came to an end when Golam Mainuddin announced IBA as the victors of this year's Battle of Minds.



First Runner Up BUET



Second Runners Up IUT





BATTLE OF MINDS Winner- IBA

### Keys to Success

‘Battle of Minds provided us the grandest stage to show our potential and it required us to use every bit of practical knowledge we had acquired all these years to win the competition,’ said Amitabh Roy, another member of IBA’s winning team. ‘We were given a real life café to brand and we could literally visualise our solutions and ideas. The competition was a great experience for us not only because of the competition itself, but also for the courtesy and hospitality of the organisers. Throughout the five days, we never felt like just the participants of a competition, we were blessed with the warmth and cooperation of the BAT

Bangladesh managers. Battle of Minds will always therefore have a place in my heart for the exciting journey it has provided us.’

‘Stress and competition helps people to rise to the occasion, which we realised on our journey to success,’ said Wahida Mashrura Shukh, another winning member. ‘I take back with me the practical lessons of life. I learned to work under pressure, relentlessly, in uncertainty and to work with a team for a team. Winning was certainly the most pleasant aspect but the battle before it, was the real takeaway,’ she said. This year’s Battle of Minds was a journey that none of the final contestants will ever forget.



Board of Directors and Management Team with the participants at the Grand Finale of BoM



# EMPLOYEE WELFARE AND DEVELOPMENT

A world renowned multinational organisation such as BAT Bangladesh is always considered one of the most preferable workplaces in the country. More than 1,350 people are directly and about 50,000 people indirectly employed here as farmers, distributors and local suppliers are. A number of talented people work passionately to bring changes in the working environment and make the company a better place to work in.

employees irrespective of their hierarchical position. A full-fledged 24/7 dispensary is located inside the factory premise to serve 900 unionized employees with medical services in affiliation with the renowned hospitals of the country.

To strengthen the bond between the company and its employees, BAT Bangladesh organises events such as Family Day, Kids Carnival,



Family Day inauguration by Mikail Shipper; Secretary, Ministry of labour

As a responsible and strict corporate entity, BAT Bangladesh is complying with the laws and regulations of the country and broadening the range of responsibilities for specific services such as social welfare which has a further function within a country's social development. The social responsibility activities contribute to the development of the country and ensure effective mobilisation and deployment of human and material resources of the country.

Employee welfare has been a core focus of the development process of BAT Bangladesh. The company has a food facility located inside BAT Bangladesh premise which is open for all the

Annual Sports, Picnic, Eid-e-Miladunnabi, Annual Iftar and MD's Trophy alongside others to provide motivation and recreation for the BAT Bangladesh employees and their families.

The organisation also honoured scholarships to 137 children of the employees to motivate them for higher education in the last year. In 2014, BAT Bangladesh awarded Long Service Award to 170 employees with a gold coin to value their efforts to the company and they go on to recognise their long term dedication to the company.

Another significant area of welfare activity is Occupational Health & Safety (OHS) where the

focus is to educate the employees and staff on health and safety measures to ensure the well-being of the employees. The benefits of maintaining good health, a proper diet and workplace safety are mostly highlighted for the physical, mental and social well-being of the workers.

The scope of OHS includes working environment, surrounding environment and health & safety measures. Hence, BAT Bangladesh educates its personnel with appropriate knowledge for OHS's relevance and importance, risk awareness,



Kids Carnival: for the children of BAT Bangladesh Family  
significance of hygiene and cleanliness ensuring all safety policies and rules are adhered to. The company also ensures periodic health checkups and improved diet, engaging renowned doctors and nutrition experts to follow up and build awareness.

To address these issues, BAT Bangladesh organised events such as "Sabdhaner Mair Nai" (A Bengali proverb meaning there is nothing better than being safe), "Show Your Hand", and "EHS Awareness Week" last year.

BAT Bangladesh also looks into the development of workers by providing them with relevant trainings with extrinsic rewards. We take



Training and Development

apprentices and invest in their learning and development so that they can be retained at the end of their apprenticeship or can become fit for employment outside.

Trainings are not only limited to national levels but also to international levels as per need. About 41,322 Man-hour training was provided in different sections such as technical training (37,744 MH), quality assuring training (786 MH), EHS training (2,792 MH), Firefighting etc. In addition, the employees are taught about self-motivation, team work, advanced communication and skill development along with safety issues.



MD's Trophy



Milad Mahfil at Eid-e-Miladunnabi



Training Program





## Bird Perching

“ Bird perching is a biological approach of pest control which facilitates the resting places for birds & birds eat up different pests & act as predator. By the process pests are controlled naturally & reduces agrochemical usage. This is one of the cheapest IPM approaches. ”



# OUR DISTRIBUTORS

BAT Bangladesh has one of the strongest distribution networks in Bangladesh, that enables us to make our brands available to consumers in convenient places, at the best quality. BATB's strong network of distributors, spread across the country, ensures distribution of its brands in more than half a million outlets. Our great Journey of business is built on our distributors' ability and passion to deliver strong business performance- with 2014 being another successful chapter in that journey.



**RAJSHAHI  
REGION**

**SYLHET  
REGION**



**CHITTAGONG  
REGION**

**KHULNA  
REGION**



**DHAKA  
REGION**





RICHARD BURROWS  
**GLOBAL  
CHAIRMAN  
VISIT**



Dinner with BoDs & ExCo's of BAT Bangladesh in the honour of BAT group Chairman Richard Burrows.  
 (Bottom left to right) Mubina Asaf, Kamrul Hasan, Golam Mainuddin, Richard Burrows, Masud Siddiqui, Shehzad Munim, Rumana Rahman  
 In the Picture: (upper left to right) Md. Azizur Rahman, Shahed Zubair, Felicio Ferraz, Md. Fayekuzzaman, William Pegel, Usman Zahur, SM Khaled, Mohammad Abdullah, Graeme Amey



"I found my visit to BAT Bangladesh very stimulating as I came to appreciate the quality of the results you are all achieving."





# ACHIEVEMENTS

## ICSB Award for Corporate Governance Excellence

The Institute of Chartered Secretaries of Bangladesh (ICSB), awarded BAT Bangladesh for its excellence in Corporate Governance. The Company topped the list in the manufacturing sector. Mr. Abul Maal A Muhith, honorable Finance Minister, handed over the award to the Chairman and Managing Director of the Company in a graceful event. The former caretaker government's Finance Adviser Mr. AB Mirza Azizul Islam and Mr. M Khairul Hossain, Chairman of the Bangladesh Securities and Exchange Commission, along with most of the management members of the reputed corporates and Chartered Secretary professionals, were present on the occasion.



## MCCI Centenary Award for CSR

BAT Bangladesh received an award for their outstanding contribution in the arena of Corporate Social Responsibility from the Metropolitan Chamber of Commerce and Industry, the oldest and most representative trade organisation of Bangladesh, on its 110th founding anniversary. Shehzad Munim, Managing Director of BAT Bangladesh, received the award and said, "This award and recognition will encourage us to advance our CSR initiatives and further improve the lives of people".





## ICMAB Awards for Best Corporate

BAT Bangladesh has grabbed the 'Best Corporate Award' in the multinational category from the Institute of Cost and Management Accountants of Bangladesh. The award was given in 14 categories to organisations across Bangladesh for their excellence in business practice. The award and certificate were received by the Chairman and Managing Director of the Company from the honorable Finance Minister, Mr. Abul Maal A Muhith, in presence of Mr. M Khairul Hossain, Chairman, Bangladesh Securities and Exchange Commission, along with most of the management members of the reputed corporates and Cost & Management Accountant professionals.

## Asia Responsible Entrepreneurship Awards for Green Leadership

Enterprise Asia's Asia Responsible Entrepreneurship Awards (AREA) program recognises and honours Asian businesses for championing sustainable and responsible entrepreneurship in the categories: Green Leadership, Investment in People, Health Promotion, Social Empowerment, SME CSR and Responsible Business Leadership. BAT Bangladesh has won Asia's top ranked business award 'Asia Responsible Entrepreneurship Award' for Green Leadership. The award was handed over to the Chairman of the Audit Committee of BAT Bangladesh in a grand program in New Delhi, India recently.







CORA

MARKETING

CBA REPRESENTATIVE

FINANCE

IT



# OUR PEOPLE





LEAF

LEGAL & SECRETARIAL

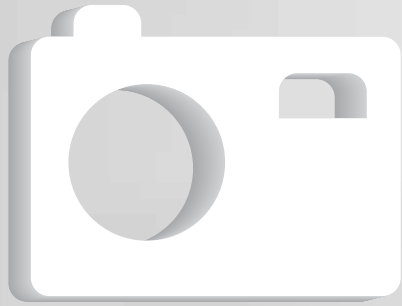
HR

SUPPLY CHAIN

SECURITY

# OUR STRENGTH





## 2014 in Glimpse

Mr. K.H. Masud Siddiqui, Independent Director  
receiving Asia Responsible  
Entrepreneurship Award



Inauguration of Secondary  
Manufacturing Department 2



Kids Carnival



B&H Cup Champion Team



Mr. Shehzad Munim receiving  
MCCI Centenary Award for CSR  
from A.M.A. Muhith, Honourable Finance Minister



Communication Day 2014

Mr. Golam Mainuddin  
Receiving ICSB Award for  
Corporate Governance Excellence



Annual General Meeting 2014



Mr. Golam Mainuddin  
Receiving ICMAB Award for  
Corporate Governance Excellence



TaO Inauguration Programme



Battle of Minds Grand Finale



Launching of B&H Fine Cut



# CREATING A STAKE IN THE NATION'S DEVELOPMENT

BAT Bangladesh has the distinction of being one of the first multinational companies to be listed on the Stock Exchange and is currently listed on both Dhaka and Chittagong Stock Exchanges. It is also the highest taxpayer among many companies in Bangladesh and has paid over BDT 25,000 crores as tax in the last 5 years. The current market capitalisation of the company now stands at a staggering value of more than BDT 14,000 crores. Over the years, BAT Bangladesh has valued its relationship with the Government of Bangladesh. Domestic investments and earnings from revenue collection have been used to develop Bangladesh's infrastructure, from the construction of schools, hospitals, roads and bridges as well as the provision of water and electricity. BAT Bangladesh is therefore proud of its contribution to the development of Bangladesh's economy and infrastructure.





★ Since 1953 ★

# A. Qasem & Co.

Chartered Accountants

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Fax : 880-2-8881822  
E-mail : aqasem@aqcbd.com

## AUDITORS' REPORT TO THE SHAREHOLDERS of

### British American Tobacco Bangladesh Company Limited

We have audited the accompanying financial statements of **British American Tobacco Bangladesh Company Limited**, which comprises the Statement of Financial Position as at 31 December 2014, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected, depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of the results of its operations and cash flows for the year then ended and comply with applicable section of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- The Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and returns; and
- The expenditure incurred was for the purposes of the Company's business.

Auditors  
Dhaka, 19 February 2015

# British American Tobacco Bangladesh Company Limited

## Statement of Financial Position as at 31 December 2014

	Notes	2014 Taka '000s	2013 Taka '000s
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	4	12,018,576	8,513,167
<b>Current assets:</b>			
Inventories	5	9,098,197	6,626,703
Trade and other receivables	6	1,766,817	770,917
Advance, deposit and pre-payments	7	2,451,127	634,885
Cash and cash equivalents	8	1,740,302	1,918,126
<b>Total current assets</b>		<b>15,056,444</b>	<b>9,950,631</b>
<b>Total assets</b>		<b>27,075,019</b>	<b>18,463,798</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company :</b>			
Share capital	9	600,000	600,000
Capital reserve	10	64,896	64,896
Retained earnings	11	10,798,615	8,236,694
<b>Total equity</b>		<b>11,463,511</b>	<b>8,901,590</b>
<b>Non-current liabilities:</b>			
Gratuity	12	368,112	364,063
Deferred tax liability	13	1,140,562	883,376
<b>Total non-current liabilities</b>		<b>1,508,674</b>	<b>1,247,439</b>
<b>Current liabilities:</b>			
Bank overdraft		347,610	-
Short term bank loans		2,800,000	-
Provisions for expenses	14	1,354,891	2,338,056
Trade and other payables	15	6,870,420	3,701,889
Income tax liability	16	2,729,914	2,267,283
Obligation under finance lease (due within one year)		-	7,541
<b>Total current liabilities</b>		<b>14,102,835</b>	<b>8,314,769</b>
<b>Total equity and liabilities</b>		<b>27,075,019</b>	<b>18,463,798</b>

The annexed notes 1 to 38 form an integral part of these financial statements.

*S. Munim*

Shehzad Munim  
Managing Director

*Md. Fayekuzzaman*

Md. Fayekuzzaman  
Director

*Md. Azizur Rahman*

Md. Azizur Rahman  
Company Secretary

As per our report of same date

Dhaka, 19 February 2015

*A. Qasem & co.*

A. Qasem & co.  
Chartered Accountants



# British American Tobacco Bangladesh Company Limited

## Statement of Comprehensive Income for the year ended 31 December 2014

	Notes	2014	2013
		Taka '000s	Taka '000s
Gross turnover		126,804,602	109,581,710
Supplementary duty & VAT		(91,162,616)	(78,356,273)
<b>Net turnover</b>	17	<b>35,641,986</b>	<b>31,225,437</b>
Cost of Sales	18	(19,332,215)	(17,501,330)
<b>Gross profit</b>		<b>16,309,771</b>	<b>13,724,107</b>
Operating expenses	19	(4,775,119)	(4,219,739)
<b>Operating profit</b>		<b>11,534,652</b>	<b>9,504,368</b>
Other Income	20	60,882	89,661
Net financial Income/ (expense)	21	(157,346)	(11,215)
		<b>11,438,188</b>	<b>9,582,814</b>
Workers' profit participation fund		(571,909)	(479,141)
<b>Profit before income tax</b>		<b>10,866,278</b>	<b>9,103,673</b>
Income tax expense:			
Current tax	22.1	(4,327,170)	(3,988,381)
Deferred tax	22.2	(257,186)	(191,165)
		<b>(4,584,357)</b>	<b>(4,179,546)</b>
<b>Profit for the Year</b>		<b>6,281,922</b>	<b>4,924,127</b>
Actuarial revaluation for employee benefit		-	(86,910)
Deferred tax arising from actuarial revaluation		-	31,432
Other comprehensive income		-	(55,478)
<b>Total comprehensive income for the Year</b>		<b>6,281,922</b>	<b>4,868,649</b>
		Taka	Taka
<b>Earnings Per Share</b>	23	<b>104.70</b>	<b>82.07</b>

The annexed notes 1 to 38 form an integral part of these financial statements.



Shehzad Munim  
Managing Director



Md. Fayekuzzaman  
Director



Md. Azizur Rahman  
Company Secretary

As per our report of same date

Dhaka, 19 February 2015



A. Qasem & co.  
Chartered Accountants

# British American Tobacco Bangladesh Company Limited

## Statement of Changes in Equity for the year ended 31 December 2014

	Share capital	Retained earnings	Capital reserve	Total
	Taka '000s	Taka '000s	Taka '000s	Taka '000s
<b>Balance at 1 January 2013</b>	600,000	6,368,044	64,896	7,032,940
Dividend paid in 2013:	-	(3,000,000)	-	(3,000,000)
Final Dividend for 2012	-	(2,400,000)	-	(2,400,000)
Interim Dividend for 2013	-	(600,000)	-	(600,000)
Profit for the year 2013	-	4,868,649	-	4,868,649
<b>Balance as at 31 December 2013</b>	<b>600,000</b>	<b>8,236,694</b>	<b>64,896</b>	<b>8,901,590</b>
<b>Balance at 1 January 2014</b>	<b>600,000</b>	<b>8,236,694</b>	<b>64,896</b>	<b>8,901,590</b>
Dividend paid in 2014:	-	(3,720,000)	-	(3,720,000)
Final Dividend for 2013	-	(3,120,000)	-	(3,120,000)
Interim Dividend for 2014	-	(600,000)	-	(600,000)
Profit for the year 2014	-	6,281,922	-	6,281,922
<b>Balance as at 31 December 2014</b>	<b>600,000</b>	<b>10,798,615</b>	<b>64,896</b>	<b>11,463,511</b>

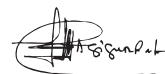
The annexed notes 1 to 38 form an integral part of these financial statements.



Shehzad Munim  
Managing Director



Md. Fayekuzzaman  
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As per our report of same date

Dhaka, 19 February 2015



A. Qasem & co.  
Chartered Accountants

# British American Tobacco Bangladesh Company Limited

## Statement of Cash Flows for the year ended 31 December 2014

	2014 Taka '000s	2013 Taka '000s
<b>Cash flows from operating activities:</b>		
Collection from distributors, leaf export and others	125,808,702	109,659,616
Payment for costs and expenses	(24,171,635)	(23,591,083)
Supplementary duty and VAT paid	(92,850,645)	(76,726,491)
Cash generated from operation	<b>8,786,422</b>	<b>9,342,042</b>
Income tax paid	(3,864,539)	(3,306,829)
Interest paid	(157,346)	(11,215)
<b>Net cash flows from operating activities</b>	<b>4,764,537</b>	<b>6,023,998</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(4,406,253)	(3,419,137)
Proceeds from sale of property, plant and equipment	33,806	42,345
<b>Net cash used in investing activities</b>	<b>(4,372,447)</b>	<b>(3,376,792)</b>
<b>Cash flows from financing activities:</b>		
Finance lease payment	-	(10,335)
Dividend paid	(3,717,524)	(2,997,835)
<b>Net cash used in financing activities</b>	<b>(3,717,524)</b>	<b>(3,008,170)</b>
Net increase/(decrease) in cash and cash equivalents for the period	(3,325,434)	(360,964)
Cash and cash equivalents at the beginning of the period	1,918,126	2,279,090
<b>Cash and cash equivalents at the end of the period</b>	<b>(1,407,308)</b>	<b>1,918,126</b>
Closing cash and cash equivalents have been arrived at as follows:		
Short term bank loan	(2,800,000)	-
Cash and bank balances	1,740,302	1,918,126
Bank overdraft	(347,610)	-
	<b>(1,407,308)</b>	<b>1,918,126</b>

The annexed notes 1 to 38 form an integral part of these financial statements.



Shehzad Munim  
Managing Director



Md. Fayekuzzaman  
Director



Md. Azizur Rahman  
Company Secretary



A. Qasem & co.  
Chartered Accountants

As per our report of same date

Dhaka, 19 February 2015



# British American Tobacco Bangladesh Company Limited

## Notes to the Financial Statements for the period

1st January to 31 December 2014

### 1. Reporting Entity

British American Tobacco Bangladesh Company Limited (the "Company") is a public limited company incorporated in Bangladesh and its shares are quoted in the Dhaka and Chittagong Stock Exchanges. The address of the Company's registered office is New DOHS Road, Mohakhali, Dhaka-1206, Bangladesh.

The Company manufactures and markets brands like Benson & Hedges, John Player Gold Leaf, Pall Mall, Capstan, Star, Derby, Pilot and Hollywood.

The Company has its Head Office and the cigarette factory in Dhaka, a green leaf threshing plant in Kushtia, a green leaf redrying plant in Manikganj and a number of leaf and sales offices throughout the country.

### 2. Basis of preparation

#### 2.1 Going concern assumption

The Directors are of the opinion that the Company is a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

#### 2.2 Statement of compliance

The financial statements have been prepared in accordance with the Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws in Bangladesh. Cash flows from operating activities are computed under direct method as prescribed by the Bangladesh Securities and Exchange Rules 1987.

#### 2.3 Authorization for issue

The financial statements were approved by the Board of Directors on 19 February 2015.

#### 2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### 2.5 Functional and presentational currency

These financial statements are prepared in Bangladesh Taka (BDT) which is the Company's functional currency. All financial information presented in Taka has been rounded to the nearest thousand.

#### 2.6 Use of estimates and judgments

The preparation of financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### 2.7 Comparative information

Comparative information has been disclosed in respect of the year 2013 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Certain figures for 2013 have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial and to comply with relevant BAS.

## 2.8 Off setting

In compliance to BAS 1 and BAS 32, offsetting is done for a particular vendor or customer when the following conditions are met:

- Each of the two parties owes the other determinable amounts.
- The entity has the right to set off against the amount owed by the other party.
- The entity intends to offset.
- The right of setoff is legally enforceable.

## 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 3.1 Foreign currency

Transactions in foreign currencies are translated to the functional currencies at an exchange rate applicable on the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognized in statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transactions.

### 3.2 Property, plant and equipment

#### 3.2.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment. Property, plant and equipment under construction are stated at cost. Fully depreciated assets except plant and machinery are carried in the books at one percent of their original cost. Fully depreciated plant and machinery are carried in the books at one BDT.

Buildings constructed by the Company on leasehold land are capitalized and included under the category of leasehold property.

Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized as gain or loss.

#### 3.2.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in statement of comprehensive income as incurred.

#### 3.2.3 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost less its residual value.

Depreciation is recognized in the statement of comprehensive income on the straight-line method with a pro-rata charge based on the month of acquisition. Land is not depreciated. The depreciation rates per annum and residual value applicable to different categories of property, plant and equipment are as follows:

	Useful life (in years)	Residual Value
Freehold buildings	40	1%
Leasehold buildings	Max 30 years, depreciation rates based on a case by case basis.	0%
Plant and machinery	14.3/4	0%/1%
Laboratory equipment	10	0%
Office equipment	5/10	0%
Furniture and fixtures	3/5/10	0%
Vehicles	4/5	1%

### 3.3 Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

### 3.4 Inventories

Inventories are measured at the lower of cost and net realizable value after making due allowance for slow moving and obsolete items. Cost is determined on a weighted average method. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sales.

### 3.5 Impairment

The carrying amount of non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment loss is recognized in the statement of comprehensive income.

### 3.6 Trade and other receivables

Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less any impairment losses due to uncollectibility of any amount so recognized.

### 3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and with bank including fixed deposits having maturity of three months or less and short term credit arrangements which are held and available for use by the Company without any restriction.

### 3.8 Retirement benefit schemes

#### 3.8.1 Defined Benefit Plans

##### Management Gratuity Scheme

As required by BAS 19, the Company operates a gratuity scheme for managers who joined with the Company up to February 2013. Members become eligible to receive Gratuity on completion of 5 years of continuous services with the Company. Provisions are made annually covering all its eligible managers other than the expatriates.

##### Management Pension Fund

The Company operates a pension scheme for the managers who joined the Company within 1st January 1987 to 31 August 2007. Members become eligible for the fund on completion of 5 year of continuous service with the Company. The fund is managed by a board of Trustees. The fund is applicable only for the Bangladeshi nationals managers.

An actuarial valuation of the gratuity and pension schemes are made to assess the adequacy of the liabilities provided for the schemes as per "BAS 19: Employee Benefits". In respect of any actuarial gains or losses arising from actuarial valuation of the Company's obligation in terms of retirement benefits under defined benefit plans, is fully recognized in the other comprehensive income.

#### 3.8.2 Defined Contribution Plans

##### Management Gratuity Scheme

The company operates a funded gratuity scheme for managers who joined the Company from 1 March 2013 onwards. Company contributes 15% of basic salary as contribution to the fund for the managers from the date of joining. The fund is managed by a board of Trustees. Members become eligible to receive Gratuity on completion of 5 years of continuous services with the Company.



## Provident Fund

Members, on confirmation, in regular employment of the Company, are required by the Company to join the provident fund to which members contribute 10% of their basic salaries and the Company makes a matching contribution. The Fund is administered by a board of Trustees. Members become eligible to receive Company contribution on completion of 5 years of continuous services with the Company.

## Employee Gratuity Scheme

The Company operates funded gratuity scheme for employees whereby Company contributes 15% of basic salary as contribution to the fund for the employees from the date of joining. The Fund is administered by a board of Trustees. Members become eligible to receive Gratuity on completion of 5 years of continuous services with the Company.

Company's contribution to the defined contribution plans are recognized as an expense in the Statement of Comprehensive Income when incurred.

## 3.9 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can reliably be estimated and, it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provision are reversed.

## 3.10 Revenue recognition policy

### 3.10.1 Sale of Goods

Revenue from sale of goods is recognized when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and amount of revenue can be measured reliably.

Gross turnover comprise domestic sales of cigarettes, export of leaf and include supplementary duty, export duty and value added tax paid to the Government of Bangladesh.

### 3.10.2 Interest income

Interest Income is derived from short-term investments and is recognized on an accrual basis.

## 3.11 Workers' profit participation fund (WPPF)

The Company provides 5% of its profit before charging such expense as WPPF in accordance with the Bangladesh Labor Act 2006.

## 3.12 Income tax

Income tax expense comprising of current tax and deferred tax, is recognized in the statement of comprehensive income.

### 3.12.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company qualifies as a "Publicly Traded Cigarette Manufacturing Company"; hence, the applicable tax rate is 40%.

### 3.12.2 Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **3.13 Earnings per share**

The Company presents basic earnings per share (EPS) data for its ordinary shares.

#### **3.13.1 Basic earnings per share**

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

### **3.14 Dividends**

Final dividend distributions to the Company's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are declared and paid.

### **3.15 Related party transactions**

Disclosures has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions over the other, irrespective of whether a price is charged.

### **3.16 Segment reporting**

A segment is a distinguishable component of the group/entity that is engaged in providing products of services within a particular economic environment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The entity regards its Board of Directors as its chief operating decision maker, as the Board is responsible for allocating resources, assesses performance, and makes strategic decision.

The Entity is a single product business primarily engaged in the manufacturing and sale of cigarettes in Bangladesh and this forms the focus of the Company's internal reporting system. While the Company has clearly differentiated brands, segmentation within a wide portfolio of brands is not part of the regular internally reported financial information to the chief operating decision maker. Therefore, it is not possible to segment the Company's results by brand without a high degree of estimation.

### **3.17 Materiality and aggregation**

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

### **3.18 Events after the reporting date**

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

#### 4. Property, plant and equipment

Particulars	Additions and transfers from WIP during the year		Disposal/adjustment during the year	Cost at 31 December 2014	Accumulated depreciation at 1 January 2014	Depreciation charge for the year	Disposal/adjustment during the year	Accumulated depreciation 31 December 2014	Cost less accumulated depreciation 31 December 2014
	Taka '000s	Taka '000s							
Freehold building	697,251	10,987	(6,997)	701,242	130,681	15,300	(375)	145,606	555,636
Freehold Land	343,685	-	-	343,685	-	-	-	-	343,685
Furniture and fixtures	311,089	12,982	(992)	323,079	156,348	65,603	(991)	220,960	102,119
IT equipment	231,199	68,095	(12,237)	287,057	145,204	50,178	(12,073)	183,309	103,748
Laboratory equipment	174,752	5,775	-	180,527	81,150	29,476	-	110,626	69,902
Leasehold building	376,071	-	(9)	376,062	101,660	33,819	(9)	135,471	240,591
Office equipment	199,774	33,297	(1,827)	231,244	93,970	35,847	(1,243)	128,575	102,669
Plant and machinery	7,846,518	2,368,512	(194,825)	10,020,205	4,082,515	572,671	(252,062)	4,403,124	5,617,081
Vehicles	634,089	277,156	(88,028)	823,217	351,286	145,425	(85,638)	411,073	412,144
	<b>10,814,428</b>	<b>2,776,804</b>	<b>(304,915)</b>	<b>13,286,318</b>	<b>5,142,814</b>	<b>948,318</b>	<b>(352,389)</b>	<b>5,738,744</b>	<b>7,547,574</b>
Buildings, plant and machinery etc. under construction	2,841,553	1,629,449	-	4,471,002	-	-	-	-	4,471,002
2014	<b>13,655,981</b>	<b>4,406,253</b>	<b>(304,915)</b>	<b>17,757,319</b>	<b>5,142,814</b>	<b>948,318</b>	<b>(352,389)</b>	<b>5,738,744</b>	<b>12,018,576</b>
2013	<b>11,073,579</b>	<b>3,419,137</b>	<b>(836,736)</b>	<b>13,655,981</b>	<b>5,211,952</b>	<b>768,565</b>	<b>(837,703)</b>	<b>5,142,814</b>	<b>8,513,167</b>

Note:

Reconciliation of depreciation charge for the year:

	2014	2013
	Taka '000s	Taka '000s
Charged to statement of comprehensive income (Note 19)	738,180	632,870
Charged to Crop	210,139	135,695
	<b>948,318</b>	<b>768,565</b>

\*\*Due to system upgradation asset classification has been revised and some of the assets were reclassified as per the new classification.



	2014	2013
	Taka '000	Taka '000
<b>5. Inventories</b>		
Leaf	4,673,094	4,165,565
Wrapping materials	631,015	623,328
Work in process	40,078	31,082
Finished goods	3,218,884	1,336,598
Consumable stores	535,126	470,130
	<b>9,098,197</b>	<b>6,626,703</b>
<b>6. Trade and other receivables</b>		
Letter of credit	19,192	16,733
Trade debtors	1,067,947	244,645
Intercompany receivables	105,523	27,427
Sundry debtors	28,925	16,861
Agricultural inputs	545,231	465,251
	<b>1,766,817</b>	<b>770,917</b>
These are all unsecured but considered good; as such no provision was required to be recognised against these debtors.		
<b>7. Advance deposit and pre-payments</b>		
Supplementary duty and VAT	781,538	96,299
VAT recoverable	(17,555)	184,562
Prepaid expenses	1,687,144	354,024
	<b>2,451,127</b>	<b>634,885</b>
<b>8. Cash and cash equivalents</b>		
Cash in hand	1,938	2,062
Cash at banks:		
Dividend accounts	35,527	33,051
Foreign currency accounts	818,226	329,051
Current accounts	884,611	1,369,446
Fixed and short term deposits	-	184,516
	<b>1,740,302</b>	<b>1,918,126</b>

Foreign currency account balances have been converted to Taka at the ruling rate at the reporting date.

## 9. Share capital

Authorised:

60,000,000 ordinary shares of Tk. 10 each

2014	2013
Taka	Taka

<u>600,000,000</u>	<u>600,000,000</u>
--------------------	--------------------

Issued, subscribed and paid up:

Issued for cash -

3 ordinary shares of Tk. 10 each

30

30

Issued for consideration other than cash -

59,999,997 ordinary shares of Tk. 10 each

599,999,970

599,999,970

600,000,000

600,000,000

The composition of shareholders at 31 December 2014 was:

The Raleigh Investment Co. Ltd., UK	72.91%	72.91%
Investment Corporation of Bangladesh	8.34%	10.16%
Sadharan Bima Corporation	2.82%	2.82%
Bangladesh Shilpa Rin Shagstha	0.33%	0.37%
Government of Bangladesh	0.64%	0.64%
Sena Kallyan Sangstha	0.00%	0.26%
Others	14.95%	12.83%
	<u>100.00%</u>	<u>100.00%</u>

A distribution schedule of the shares as at 31 December 2014 is given below as required by listing regulations:

Number of shares	No. of holders	Total no. of shares	Total holdings
Less than 500 shares	2,701	186,006	0.31%
500 to 5,000 shares	215	273,975	0.46%
5,001 to 10,000 shares	17	115,534	0.19%
10,001 to 20,000 shares	11	156,378	0.26%
20,001 to 30,000 shares	11	285,425	0.48%
30,001 to 40,000 shares	1	35,000	0.06%
40,001 to 50,000 shares	5	231,250	0.39%
50,001 to 100,000 shares	9	662,450	1.10%
100,001 to 1,000,000 shares	14	4,360,953	7.27%
Over 1,000,000 shares	6	53,693,029	89.49%
<b>Total</b>	<u>2,990</u>	<u>60,000,000</u>	<u>100.00%</u>

	2014	2013
	Taka '000s	Taka '000s
<b>10. Capital reserve</b>	64,896	64,896

Capital reserve represents non-remittable reserve of Tk 64,896 thousands which are 90% of the cumulative post tax profit on disposal of property, plant and equipment as defined and directed by Bangladesh Bank. The requirement to create such special reserve on profit from sale of property, plant and equipment has been withdrawn since 1993.

	2014	2013
	Taka '000s	Taka '000s
<b>11. Retained earning</b>		
Opening balance	8,236,694	6,368,044
Less: Dividend paid	3,720,000	3,000,000
	<u>4,516,694</u>	<u>3,368,045</u>
Add: Total comprehensive income transferred to retained earnings	6,281,922	4,868,649
<b>Closing balance</b>	<u><u>10,798,615</u></u>	<u><u>8,236,694</u></u>

<b>12. Gratuity</b>		
Opening balance	364,063	240,592
Actuarial revaluation for the year 2012	-	78,575
Restated opening balance	<u>364,063</u>	<u>319,167</u>
Provision for the year	61,170	70,684
Payment	(57,121)	(25,788)
<b>Closing Balance</b>	<u><u>368,112</u></u>	<u><u>364,063</u></u>

<b>13. Deferred tax liability</b>		
Opening balance	883,376	723,643
Add : Provision the year (note 22.2)	257,186	159,733
<b>Closing balance</b>	<u><u>1,140,562</u></u>	<u><u>883,376</u></u>

<b>14. Provision for expenses</b>		
Departmental accruals	928,427	940,856
VAT & duty related provision	144,719	1,243,607
Other provisions	281,745	153,593
	<u><u>1,354,891</u></u>	<u><u>2,338,056</u></u>



			2014	2013
			Taka '000s	Taka '000s
<b>15. Trade and other payables</b>				
Trade creditors			3,262,797	1,552,406
Workers' profit participation fund			11,911	141
Wages and other benefits			222,091	340,151
Unclaimed dividend (note 24)			35,527	33,051
Intercompany			3,106,701	1,732,939
Sundry creditors			231,394	43,201
			<b>6,870,420</b>	<b>3,701,889</b>
<b>16. Income tax liability</b>				
Opening balance			2,267,283	6,800,124
Charged during the year			4,327,170	3,988,381
			6,594,453	10,788,505
Less: Advance payment of corporate tax (Note 16.1)			(3,864,539)	(8,521,222)
Closing balance			<b>2,729,914</b>	<b>2,267,283</b>
<b>16.1 Advance payment of Corporate Tax</b>				
Opening balance			8,521,222	5,214,393
Add: Paid during the year			3,864,539	3,306,829
Closing balance			<b>12,385,761</b>	<b>8,521,222</b>
<b>17. Net turnover</b>				
	Unit	Qty		
Gross Turnover	Million sticks	<b>39,011</b>	124,082,289	107,492,258
Supplementary duty and VAT			(90,883,856)	(78,144,165)
			<b>33,198,433</b>	<b>29,348,093</b>
Turnover from leaf tobacco export	Million Kg	<b>11,126</b>	2,722,313	2,089,451
Export duty			(278,760)	(212,107)
			<b>2,443,553</b>	<b>1,877,344</b>
			<b>35,641,986</b>	<b>31,225,437</b>
<b>18. Cost of sales</b>				
Raw material consumed			15,934,662	14,390,034
Production overhead (Note 19)			3,397,553	3,111,296
			<b>19,332,215</b>	<b>17,501,330</b>

	2014	2013
	Taka '000s	Taka '000s
<b>19. Operating expenses</b>		
Operating expenses include the following items:		
Salaries and wages	1,790,983	1,416,995
Contribution to retirement benefit scheme	107,680	110,575
Staff welfare	141,861	164,882
Brand marketing expenditure	742,331	730,474
Trade marketing expenditure	958,210	718,122
Utilities	406,984	383,207
Rent, services and distribution expenses	385,183	355,805
Repairs and maintenance	965,297	574,324
Travelling and training	218,602	277,474
Vehicle running expenses	74,324	85,474
Legal and Secretarial	19,238	9,457
Information Technology	395,484	274,009
Office and administrative expenses	135,028	144,542
Social responsibility	18,672	31,696
Security and safety	113,208	50,368
Market information	250,110	329,114
Freight and handling	327,378	296,970
Insurance	83,470	62,655
Depreciation	738,180	632,870
Technical assistance fees	892,964	631,051
Auditors remuneration:		
Audit fees	800	800
Other fees (certification and other fees)	700	760
Other expenses*	(594,014)	49,411
	8,172,672	7,331,035
Less: Charged to production overhead	3,397,553	3,111,296
	<u>4,775,119</u>	<u>4,219,739</u>
* Other expense include BDT 861m reversal of Provisions created between 2009 and 2012 on account of some demand from Govt agencies. After reviewing all the provisions and consultation with external legal advisors, Management is of the opinion that it is no longer probable that the outcome of these will go against the Company.		
<b>20 Other Income</b>		
Profit/(Loss) on disposal of fixed assets	16,991	34,946
Other miscellaneous income	43,891	54,715
	<u>60,882</u>	<u>89,661</u>
<b>21 Net Financial Income/(Expense)</b>		
Interest income	30,158	77,581
Interest expense	(187,504)	(88,796)
	<u>(157,346)</u>	<u>(11,215)</u>
<b>22. Tax</b>		
<b>22.1 Current Tax</b>		
Provision for current year	4,327,170	3,988,381
	<u>4,327,170</u>	<u>3,988,381</u>

## 22.2 Deferred Tax

Charged to statement of profit and loss  
 Deferre tax asset shown under other  
 comprehensive income provision for the year

	2014	2013
	Taka '000s	Taka '000s
	257,186	191,165
	-	(31,432)
	<u>257,186</u>	<u>159,734</u>

### Taxable/(deductible) temporary difference

	2014	2013
	Taka '000s	Taka '000s
<b>Assets</b>		
Property, plant and equipment	3,306,004	2,662,510
Inventory and debtors	(86,483)	(90,009)
	<u>3,219,521</u>	<u>2,572,501</u>
<b>Liabilities</b>		
Provision for gratuity	368,112	364,063
Net taxable temporary difference	<u>2,851,409</u>	<u>2,208,439</u>
Effective deferred tax rate	40%	40%
Deferred tax liability	<u>1,140,563</u>	<u>883,377</u>
Charge for the year	<u>257,186</u>	<u>159,734</u>

## 22.3 Reconciliation of Effective Tax Rate

	2014		2013	
	%	Taka '000s	%	Taka '000s
Profit before tax		10,866,278		9,103,673
Current tax expense	39.82%	4,327,170	43.81%	3,988,381
Deferred tax expense	2.37%	257,186	1.75%	159,733
<b>Total tax expense</b>	<b>42.19%</b>	<b>4,584,357</b>	<b>45.57%</b>	<b>4,148,114</b>
Expected income tax using applicable tax rate	40.00%	4,346,511	40.00%	3,641,469
Prior year adjustment	0.44%	47,552	3.93%	357,893
Tax on non deductible expenses	-0.62%	(66,893)	0.12%	(10,981)
Effective current Tax	39.82%	4,327,170	44.05%	3,988,381
Effective deferred tax	2.37%	257,186	1.52%	159,733
	<b>42.19%</b>	<b>4,584,357</b>	<b>45.57%</b>	<b>4,148,114</b>

## 23. Earnings per share

### 23.1 Basic earnings per share

Basic earning per share has been calculated taking a capital base of 60,000,000 ordinary share of Tk. 10 each as issued up to 31 December 2014.

	2014	2013
	Taka '000s	Taka '000s
Total comprehensive income for the year	6,281,922	4,924,127
No of shares outstanding at 31Dec 2014	60,000,000	60,000,000
Earnings per share*	<u>104.70</u>	<u>82.07</u>

\*EPS of 2013 has been restated from 81.14 to 82.07 upon revision of the numerator from "Total Comprehensive Income" to "Profit for the year" in light of further interpretations of BAS 33

### 23.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.



## 24. Dividend paid

	Aging Analysis of unclaimed dividend					Taka '000s
	Prior to					2013
	2012	2012	2013	2014	Total	
Opening balance of unclaimed dividend	24,577	6,310	2,165	-	33,052	30,887
Add: Dividend Declared	-	-	-	3,720,000	3,720,000	3,000,000
Final dividend for 2013	-	-	-	3,120,000	3,120,000	2,400,000
Interim dividend for 2014	-	-	-	600,000	600,000	600,000
Less: Closing balance of unclaimed dividend	24,577	6,310	2,165	2,475	35,527	33,052
<b>Dividend paid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,717,525</b>	<b>3,717,525</b>	<b>2,997,835</b>

## 25. Numbers employed

The Company had 1,353 permanent employees as at 31 December 2014 vs. 1,251 employees in 2013 and a varying number of seasonal and temporary workers as required.

## 26. Remuneration of Directors

	2014 Taka '000s	2013 Taka '000s
Attendance fee	79	38
Meeting expenses	1,508	918
Remuneration	54,290	35,034
Retirement benefit scheme	3,757	3,360
Medical and welfare	75	144
Housing	7,776	7,600
	<b>67,485</b>	<b>47,094</b>

## 27. Remittances of foreign currency

	2014 Taka '000s	2013 Taka '000s
Charge for the year:		
Royalty	459,280	446,844
Technical assistance fee	892,964	631,051
Above expenses were remitted after converting them into foreign currency at the spot rate on the remittance date.		
	USD '000s	USD '000s
Payment made during the year:		
Royalty (after deduction of withholding tax as per law)	3,966	-
Technical fees (after deduction of withholding tax as per law)	-	7,530
Dividend	31,353	25,313

T&A of 2013 & 2014 will be paid in 2015. Royalty of 2012 was paid in 2014 and of 2013 will be paid in 2015

## 28. Capacity

The Company works on continuous operation basis and given the current installed machine configurations and planned expansions, there is sufficient capacity to meet forecast future demand on a variety of specifications (e.g. filter) and packaging (e.g. Hinge lid, Shell and Slide) configurations. The Directors regularly review the production capability of the Company and are satisfied that the current and future capacities are adequate.

Actual production	2014	2013
Cigarettes (in million sticks)	<b>39,098</b>	<b>35,338</b>

## 29. Value of leaf export earnings received

USD (in 000s)	2014	2013
	<b>35,122</b>	<b>32,587</b>

### 30. Related Party Transactions

During the year, the Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of related parties, nature of these transactions and their total value have been set out in accordance with the provisions of BAS 24 : Related Party Disclosure.

Name of the parties	Nature of relationship	Amount of	Receivable/(Payable)
		Transaction in 2014, Taka '000s	as at 31 December 2014, Taka '000s
<b>Income</b>			
<b>a. Leaf Export</b>			
The Company sold leaf to:			
BAT (GLP) Limited*	BAT Group company	2,110,407	(30,373)
Pakistan Tobacco Company Limited	BAT Group company	531,984	55,199
<b>b. Management Fee</b>			
Management Fee received/to be received from:			
BAT Holdings Limited	Holding company	15,546	3,024
BAT Malaysia	BAT Group company	59,636	3,505
BAT Marketing Singapore	BAT Group company	874	830
<b>Expenses</b>			
<b>c. Procurement of services</b>			
Recharge			
Procurement of information technology, product and other services:			
BASS GSD UK	BAT Group company	543,973	(456,089)
BAT Holdings Limited	Holding company	1,672	(4,018)
BAT Asia-Pacific Region Limited	BAT Group company	24,093	(14,725)
BAT Aspac Service Centre	BAT Group company	297,853	(139,517)
BAT Korea	BAT Group company	526	(126)
BAT SAA Area Office	BAT Group company	6,706	-
BAT Western Europe	BAT Group company	539	(490)
BAT Singapore	BAT Group company	21,227	(21,555)
<b>d. Purchase of goods</b>			
WM Purchase			
Purchase of leaf and wrapping materials from:			
BAT (GLP) Limited**	BAT Group company	1,113,252	65,837
BAT Singapore	BAT Group company	112,886	(69,352)
<b>e. Royalty</b>			
Royalty paid/payable to:			
BAT Holdings Limited***	Holding company	413,352	(711,098)
<b>f. Technical and advisory fee</b>			
T&A			
Payment of fees for technical and advisory support services to:			
BAT Holdings Limited	Holding company	892,964	(892,694)
<b>g. Purchase of equipment</b>			
Capex			
Purchase of equipment from:			
BAT Tobacco Importers and Manufacturers	BAT Group company	470,032	(46,902)
<b>h. Sale of Fixed Asset to Key Management Personnel</b>			
		275	-

One partially depreciated vehicle was sold to a non-executive key management person through proper competitive bidding procedure. The transaction has been fully settled.

\* Advance received

\*\* Advance paid

\*\*\*Closing balance consists of Royalty of 2013 and 2014

	2014	2013
	Taka '000s	Taka '000s
<b>31. Capital expenditure commitments</b>		
Contracted but not provided for in these financial statements in the areas of property, plant and office equipments	<u>159,782</u>	<u>308,639</u>

### 32. Segment Reporting

The Company is domiciled in Bangladesh. The revenue from external customers is BDT 126,125,306 thousand (2013: BDT 108,394,687 thousand). The Company does not have any non current assets that are located outside Bangladesh. There are also no revenue arising from transactions with a single external customer that comprises 10% or more of the Group's revenue for the years ended 31 December 2014 and 31 December 2013.

The Company is a single product business primarily engaged in the manufacturing and sale of cigarettes in Bangladesh and this forms the focus of the Company's internal reporting system. While the Company has clearly differentiated brands, segmentation within a wide portfolio of brands is not part of the regular internally reported financial information to the chief operating decision maker. Therefore, it is not possible to segment the Company's results by brand without a high degree of estimation.

Apart from cigarette manufacturing, the Company exports leaf outside of Bangladesh, which contributes less than 10% of gross and net turnover. However, the break up of cigarette and export sales has been provided in Note 18.

### 33. Consumption of imported and local raw materials

	2014		2013	
	Wrapping materials	Leaf	Wrapping materials	Leaf
	Taka '000s	Taka '000s	Taka '000s	Taka '000s
<b>Imported:</b>				
Opening stock	474,807	462,996	242,742	488,366
Purchases	2,700,137	1,319,045	2,890,530	1,421,024
Consumption	(2,583,136)	(1,302,945)	(2,658,465)	(1,446,395)
Closing stock (a)	<u>591,808</u>	<u>479,095</u>	<u>474,807</u>	<u>462,996</u>
<b>Domestic:</b>				
Opening stock	148,521	3,702,569	170,986	2,843,500
Purchases	4,257,435	7,749,135	4,006,921	7,045,016
Consumption	(4,366,749)	(5,255,187)	(4,029,386)	(4,758,243)
Export	-	(2,002,517)	-	(1,427,705)
Closing stock (b)	<u>39,207</u>	<u>4,193,999</u>	<u>148,521</u>	<u>3,702,569</u>
<b>Closing stock (a+b)</b>	<u><u>631,015</u></u>	<u><u>4,673,094</u></u>	<u><u>623,328</u></u>	<u><u>4,165,565</u></u>

As the Company deals in large number of items which vary in units, item-wise quantity statement of raw materials could not be given.

### 34. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by a risk management committee under policies & procedure approved by the audit committee. The committee identifies and evaluates financial risks in close co-operation with the Company's Treasury function. The Treasury function is governed by the Treasury committee, headed by the Finance Director and within the requirements of an approved treasury policy.



## Market Risk

### i) Foreign Exchange Risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Euro and the British Pound. Foreign exchange risk arises from future commercial transactions of recognized assets and liabilities. Management complies with the treasury policy to manage foreign exchange risk against the functional currency.

The Company's exposure to foreign currency risk was as follows on the reporting dates:

	2014			2013		
	'000s BDT			'000s BDT		
	EUR	GBP	USD	EUR	GBP	USD
<b>Foreign currency denominated assets</b>						
Receivable from related parties	-	7,769	-	-	15,715	11,289
Accounts receivable		-	9,677	82,082	2,574	102,808
Cash at bank	-	-	818,226	-	-	329,051
	<u>-</u>	<u>7,769</u>	<u>827,903</u>	<u>82,082</u>	<u>18,289</u>	<u>443,148</u>
<b>Foreign currency denominated liabilities</b>						
Payable to related parties	539	586,731	1,077,678	-	63,954	137,308
Trade and other payables	1,208,787	2,157	347,648	13,143	46,761	253,522
	<u>1,209,326</u>	<u>588,888</u>	<u>1,425,327</u>	<u>13,143</u>	<u>110,715</u>	<u>390,830</u>
<b>Net exposure</b>	<u>(1,209,326)</u>	<u>(581,120)</u>	<u>(597,424)</u>	<u>68,939</u>	<u>(92,426)</u>	<u>52,318</u>

The following significant exchange rates are applied during the year:

	Exchange rates as at	
	31 Dec 2014	31 Dec 2013
US Dollar (USD)	77.93	77.67
Great Britain Pound (GBP)	121.50	128.63
Euro (EUR)	94.29	107.02

The Company considers a 5% strengthening or weakening of the functional currency against non-functional currencies as a reasonably possible change. At December 31, 2014 if the functional currency had weakened/strengthened by 5% against foreign currencies, with all other variables held constant, the profit after taxation for the year would not show any material changes.

### ii) Price risk

Price risk represents the risk that the fair value of future cash flows of a financial statement will fluctuate because of a change in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is not exposed to equity price risk since there are no investments in equity securities. The Company is also not directly exposed to commodity price risk.

### iii) Cash flow and fair value interest rate risk

As the Company has no long term interest bearing assets or liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rate.

### Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge a contractual obligation. Credit risk mainly arises from trade debtors, advances and prepayments and cash at bank. Group treasury guidelines are followed for managing cash and cash equivalents while short term investment decisions are

taken after proper review by Treasury committee ensuring compliance with group guidelines. The Company operates almost on a 100% cash sales modality while credits are extended for a very short period to selected distributors during extended bank holidays after taking proper approval from the Finance & Marketing functions. As a security for the credit given, cheques for the equivalent amount of credit are collected from customers and kept under the custody of the Company. The maximum exposure to credit risk at the reporting date in terms of carrying value of assets are as follows:

	<u>2014</u>	<u>2013</u>
	Taka '000s	Taka '000s
Receivables from trade debtors (Note 6)	1,067,947	244,645
Receivables from intercompany (Note 6)	105,523	27,427
Receivables from sundry debtors (Note 6)	48,117	16,861
Agricultural input adjustment (Note 6)	545,231	465,251
	<u>1,766,817</u>	<u>754,184</u>
Cash at banks (note 8)	1,738,364	1,916,064
	<u>3,505,182</u>	<u>2,670,248</u>
	<u>31 Dec 2014</u>	<u>31 Dec 2013</u>
The aging of receivables		
0-30 days	1,187,644	310,795
31-60 days	276,360	262,285
61-90 days	42,271	157,494
91-180 days	61,289	20,679
181-365 days	199,253	2,932
More than 365 days	-	-
	<u>1,766,817</u>	<u>754,184</u>

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to honour its financial obligations as they fall due.

The Company's management monitors rolling forecasts of the liquidity position, expressed in cash and cash equivalents on the basis of expected cash flow and ensure access to short term credit as per the credit limit approved by the Board whenever needed in order to meet the high working capital funding requirements and implement investment decisions. As at 31 December 2014, the Company's entire borrowing facility remained unutilized and also the Company had BDT 1.74 billion cash and bank balances. Considering the foregoing, and also the fact that the Company was in a positive working capital position as at the year end, management considers the liquidity risk to be low.

Relevant non-derivative financial liabilities at the reporting date are as follows:

	<u>2014</u>	<u>2013</u>
	Taka '000s	Taka '000s
Trade creditors (Note 15)	3,262,797	1,552,406
Provident/Pension funds (Note 15)	-	-
Unclaimed dividend (Note 15)	35,527	33,051
Intercompany (Note 15)	3,106,701	1,732,939
Sundry creditors (Note 15)	231,394	43,201
	<u>6,636,418</u>	<u>3,361,597</u>
a) Aging of relevant non-derivative financial liabilities		
0-30 days	5,342,484	525,426
31-60 days	607,722	1,067,277
61-90 days	446,747	622,205
91-180 days	157,880	146,058
181-365 days	84,888	608,774
More than 365 days	-	379,378
	<u>6,639,720</u>	<u>3,349,118</u>

#### Fair value estimation

The carrying values of applicable financial instruments represent their fair values.

### 35. Sale of property, plant and equipment

	<u>Original cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>	<u>Sale value</u>	<u>Mode of disposal</u>	<u>Purchaser</u>
	Taka '000s	Taka '000s	Taka '000s	Taka '000s		
Freehold Building	6,997	375	6,622	-	As per company policy	Third party
Furniture and fixtures	992	991	2	-	Do	Third party
It equipment	12,237	12,073	165	158	Do	Third party
Leasehold building	9	9	0	-	Do	Third party
Office Equipment	1,827	1,243	584	7	Do	Third party
plant and machinery	97,278	90,224	7,053	-	Do	Third party
Vehicles*	88,028	85,638	2,390	33,641	Do	Employees of the Company
<b>2014</b>	<b>207,368</b>	<b>190,552</b>	<b>16,816</b>	<b>33,806</b>		
<b>2013</b>	<b>924,081</b>	<b>827,927</b>	<b>96,154</b>	<b>42,346</b>		

\*All vehicles were sold in auction as per policy of the company

### 36. System Upgradation

From 2014, the Enterprise Resource Planning (ERP) software "SAP" has been upgraded from previous "Symphony" version to the latest "OneSAP" version.

### 37. Events after the reporting date

For the year 2014, an interim cash dividend of 100% i.e. BDT. 10 per share amounting to BDT. 600,000,000 was paid in November 2014. The Board of Directors recommended a final cash dividend of 450% i.e. BDT. 45 per share amounting to BDT. 2,700,000,000 at the board meeting held on 19 February, 2015. As a result, total 550% cash dividend for the year 2014, inclusive of 100% interim cash dividend, is recommended by the Board of Directors for approval in the 42nd Annual General Meeting of the Company.

### 38. Contingent liabilities

There are certain pending legal, tax and VAT claims made against the Company, which will be settled through the legal process in due course. These are being vigorously defended by the Company. The management have not considered it necessary at the reporting date to make provisions in the financial statements in respect of any of these claims.



Shehzad Munim  
Managing Director



Md. Fayekuzzaman  
Director



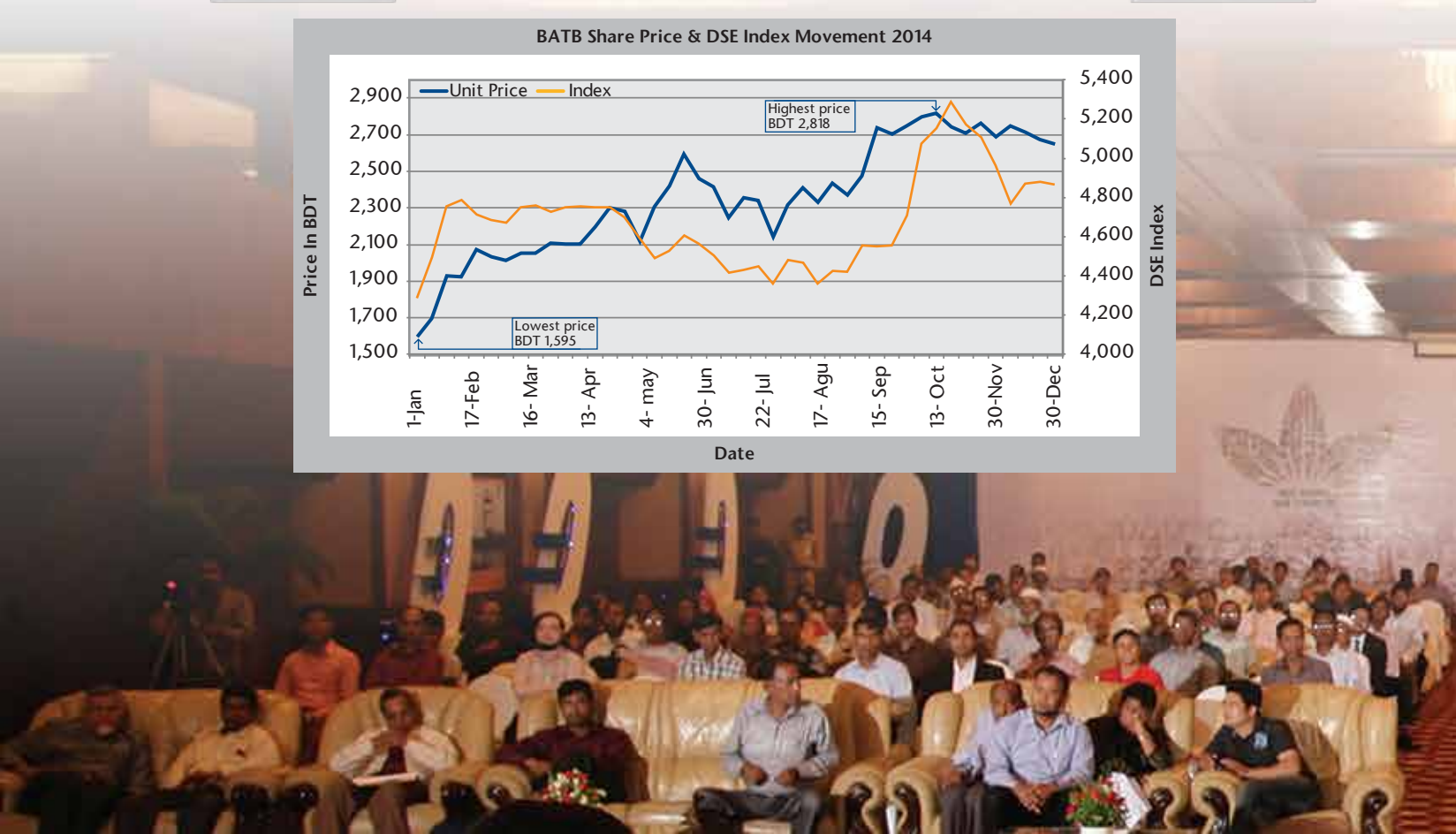
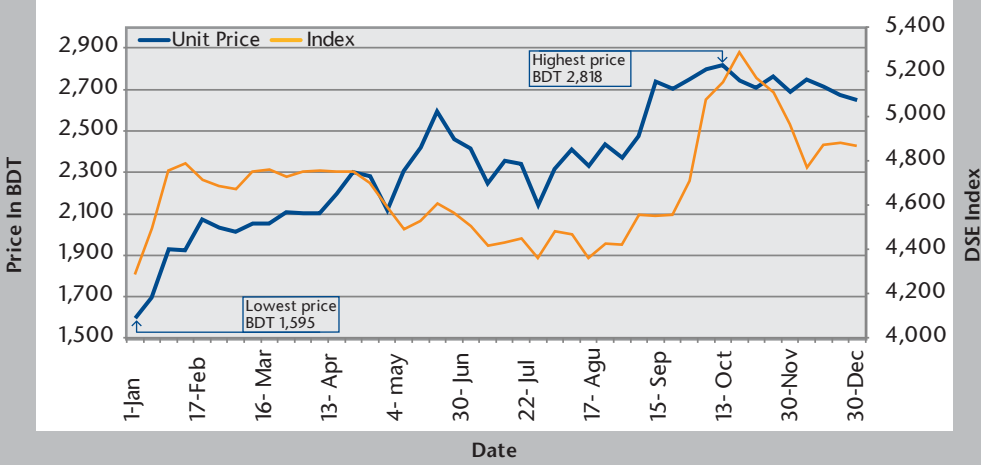
Md. Azizur Rahman  
Company Secretary



# SHAREHOLDERS

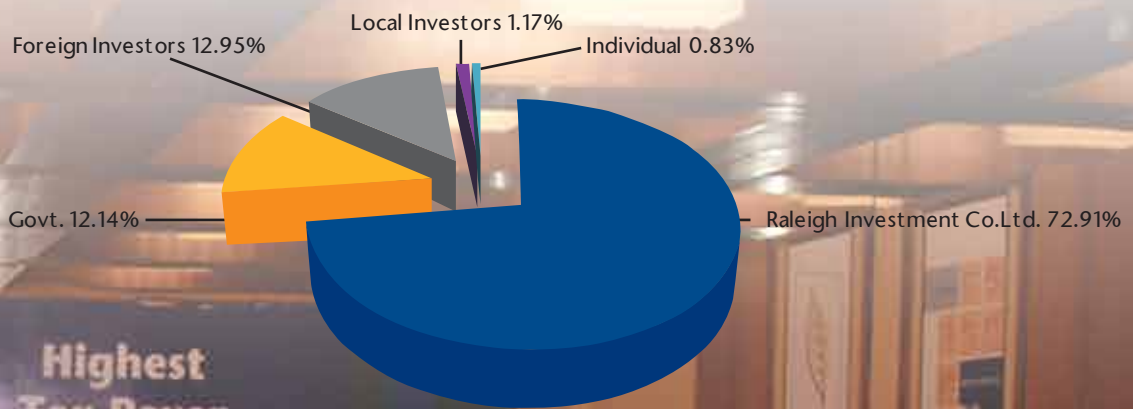


BATB Share Price & DSE Index Movement 2014





Shareholding Position as on 31 Dec 2014







## বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড-এর ৪২তম বার্ষিক সাধারণ সভা নিম্নে বর্ণিত বিষয়াদি সম্পাদনকল্পে আগামী ১২ এপ্রিল ২০১৫ রোজ রবিবার সকাল ১০:৩০ মিনিটে সোনারগাঁও হোটেল, ১০৭ কাজী নজরুল ইসলাম এভিনিউ, ঢাকা-১২১৫-এর বলরুমে অনুষ্ঠিত হবে:

১. ডিসেম্বর ৩১, ২০১৪ তারিখে সমাপ্ত বছরের আর্থিক বিবরণী, পরিচালকমণ্ডলীর প্রতিবেদন এবং নিরীক্ষকবৃন্দের প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।
২. ডিসেম্বর ৩১, ২০১৪ তারিখে সমাপ্ত বছরের লভ্যাংশ ঘোষণা।
৩. পরিচালকমণ্ডলীর নির্বাচন এবং ইন্ডিপেন্ডেন্ট পরিচালক নিয়োগের অনুমোদন।
৪. ২০১৫ সালের জন্য বিধিবদ্ধ নিরীক্ষক নিয়োগ এবং তাঁদের পারিশ্রমিক নির্ধারণ।

বোর্ডের নির্দেশ অনুসারে

ঢাকা

২২ মার্চ ২০১৫

মোঃ আজিজুর রহমান এফসিএস  
কোম্পানি সচিব

### দৃষ্টব্য:

- যে সকল শেয়ারহোল্ডারগণের নাম কোম্পানির সদস্য বহি কিংবা ডিপোজিটরি বহিতে রেকড ডেটে (৫ মার্চ ২০১৫) বৈধভাবে লিপিবদ্ধ থাকবে, উক্ত শেয়ারহোল্ডারগণ ৪২তম বার্ষিক সাধারণ সভায় যোগদান এবং লভ্যাংশ প্রাপ্তির যোগ্য বলে বিবেচিত হবেন।
- যদি কোনো শেয়ারহোল্ডার প্রতিনিধি নিয়োগ করতে চান, তবে উক্ত শেয়ারহোল্ডারকে অবশ্যই স্ট্যাম্পসহ প্রতিনিধি ফরমটি কোম্পানির রেজিস্টার্ড অফিসে ১০ এপ্রিল ২০১৫ তারিখ সকাল ১০:৩০ মিনিটের মধ্যে জমা দিতে হবে।
- শুধুমাত্র শেয়ারহোল্ডারগণ অথবা আইন অনুযায়ী তাদের মনোনীত প্রতিনিধিরাই এই সভায় অংশ নিতে পারবেন।
- বিজ্ঞপ্তির সাথে পাঠানো হাজিরা স্লিপ প্রদর্শনের পর সভায় প্রবেশের অধিকার দেয়া হবে।
- সভায় শিশুদের প্রবেশাধিকার নেই।





★ Since 1953 ★

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## ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

### শেয়ারহোল্ডারদের প্রতি নিরীক্ষকবৃন্দের প্রতিবেদন

আমরা ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড-এর আর্থিক বিবরণীসমূহ নিরীক্ষা করেছি যার মধ্যে উল্লেখ রয়েছে ৩১ ডিসেম্বর ২০১৪ তারিখে আর্থিক অবস্থা, সম্মিলিত আয়ের বিবরণী, মালিকানা স্বত্বের পরিবর্তন বিবরণী ও সমাপ্ত বছরের নগদ অর্থ প্রবাহ বিবরণী এবং গুরুত্বপূর্ণ হিসাবরক্ষণ নীতির সারাংশ ও অন্যান্য ব্যাখ্যামূলক তথ্য।

#### আর্থিক বিবরণীতে ব্যবস্থাপনা কর্তৃপক্ষের দায়িত্ব

বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস), কোম্পানি আইন ১৯৯৪, সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ রুলস ১৯৮৭ এবং আইন ও বিধানের সাথে সঙ্গতি রেখে এসব আর্থিক প্রতিবেদন প্রস্তুতকরণ ও সুষ্ঠুভাবে উপস্থাপনা কর্তৃপক্ষের দায়িত্ব। এছাড়াও ব্যবস্থাপনা কর্তৃপক্ষ অভ্যন্তরীণ নিয়ন্ত্রণের মাধ্যমে বস্তগত ত্রুটিবিচ্যুতি মুক্ত আর্থিক প্রতিবেদন উপস্থাপনা নিশ্চিত করে।

#### নিরীক্ষকদের দায়িত্ব

আমাদের দায়িত্ব হচ্ছে, আমাদের নিরীক্ষার ওপর ভিত্তি করে প্রস্তুতকৃত এই আর্থিক প্রতিবেদনের ওপর মতামত প্রকাশ করা। আমাদের এই নিরীক্ষা, বাংলাদেশ স্ট্যান্ডার্ডস অন অডিটিং (বিএসএ) এর নীতিমালা অনুসারে পরিচালনা করা হয়েছে। এই সকল আবশ্যিকীয় চাহিদার মধ্যে গুরুত্বপূর্ণ হলো নীতিমালা মেনে চলা এবং নিরীক্ষাটি এমনভাবে পরিকল্পনা এবং পরিচালনা করা যেন আর্থিক প্রতিবেদনে কোনোরূপ বস্তগত অসঙ্গতি তৈরি না হয়।

একটি নিরীক্ষার প্রধান কার্যাবলির মধ্যে রয়েছে আর্থিক প্রতিবেদনের অর্থের অংক সংক্রান্ত উপাত্তসমূহের যথেষ্ট প্রমাণাদি সংগ্রহ করা। নিরীক্ষার পন্থা নির্ধারণের দায়িত্ব নিরীক্ষকের ওপর অর্পিত, যার মধ্যে রয়েছে ইচ্ছাকৃত বা অনিচ্ছাকৃতভাবে সৃষ্ট বস্তগত অসঙ্গতির ঝুঁকি নির্ণয় করা। এই সকল ঝুঁকি নির্ধারণের ক্ষেত্রে পরিস্থিতির ওপর ভিত্তি করে আর্থিক প্রতিবেদন প্রস্তুত করা হয় অভ্যন্তরীণ নিয়ন্ত্রণের ওপর নির্ভর করে। তবে এক্ষেত্রে অভ্যন্তরীণ নিয়ন্ত্রণের যথার্থতা নিয়ে মতামত প্রকাশ করা এর উদ্দেশ্য নয়। নিরীক্ষায়, হিসাবরক্ষণে ব্যবহৃত পন্থাসমূহের যথার্থতা এবং ব্যবস্থাপনা কর্তৃক নির্ধারণকৃত আনুমানিকতার যৌক্তিক অংশসমূহ নিশ্চিত করা হয় এবং আর্থিক প্রতিবেদনের প্রকাশনার মানদণ্ড বিচার করা হয়।

আমাদের বিশ্বাস, এই নিরীক্ষার ওপর আমাদের মতামত প্রকাশের জন্য আমরা যথেষ্ট ও যথার্থ তথ্যাদি অর্জন করেছি।

#### মতামত

আমাদের মতে, বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস) অনুযায়ী তৈরি আর্থিক বিবরণীসমূহ ৩১ ডিসেম্বর, ২০১৪ তারিখে কোম্পানির আর্থিক অবস্থান ও সেই তারিখে সমাপ্ত বছরের কর্মকাণ্ডের ফলাফল ও নগদ অর্থ প্রবাহের সত্য ও যথার্থ চিত্র প্রদান করে এবং কোম্পানি আইন ১৯৯৪, সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ রুলস ১৯৮৭ এবং অন্যান্য আইন ও বিধানের সাথে সঙ্গতি রাখে।

#### আমরা আরও উল্লেখ করছি যে-

- ক) আমাদের জানা মতে এই নিরীক্ষাকার্যের জন্য যাবতীয় তথ্যাদি ও ব্যাখ্যাসমূহ আমরা পেয়েছি এবং যথাযথভাবে যাচাই করেছি।
- খ) আমাদের অভিমত ও পরীক্ষণ অনুযায়ী, কোম্পানি হিসাবরক্ষণের জন্য আইন অনুযায়ী যথাযথ বই সংরক্ষণ করা হয়ে থাকে।
- গ) কোম্পানির আর্থিক অবস্থার বিবরণী এবং সম্মিলিত আয়ের বিবরণী হিসাবরক্ষণ বইয়ের সাথে সঙ্গতিপূর্ণ এবং
- ঘ) যাবতীয় ব্যয় সংঘটিত হয়েছে কোম্পানির ব্যবসায়িক উদ্দেশ্যে।

এ. কাসেম এন্ড কোং

নিরীক্ষক

ঢাকা, ১৯ ফেব্রুয়ারি ২০১৫

# ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

আর্থিক অবস্থার বিবরণী ৩১ ডিসেম্বর ২০১৪ অনুযায়ী

সম্পদ	টাকা	২০১৪	২০১৩
		টাকা '০০০	টাকা '০০০
<b>স্থায়ী সম্পদ:</b>			
সম্পত্তি, কারখানা এবং যন্ত্রপাতি	৪	১২,০১৮,৫৭৬	৮,৫১৩,১৬৭
<b>চলতি সম্পদ:</b>			
মজুদ	৫	৯,০৯৮,১৯৭	৬,৬২৬,৭০৩
বাণিজ্য ও অন্যান্য প্রাপ্য	৬	১,৭৬৬,৮১৭	৭৭০,৯১৭
অগ্রিম, জমা ও অগ্রিম পরিশোধ	৭	২,৪৫১,১২৭	৬০৪,৮৮৫
নগদ অর্থ ও সমতুল্য	৮	১,৭৪০,৩০২	১,৯১৮,১২৬
মোট চলতি সম্পদ		১৫,০৫৬,৪৪৪	৯,৯৫০,৬৩১
<b>মোট সম্পদ</b>		<b>২৭,০৭৫,০১৯</b>	<b>১৮,৪৬৩,৭৯৮</b>
<b>মালিকানাশ্বত্ব এবং দায়</b>			
<b>কোম্পানির স্বত্বাধিকারী ওপর আরোপিত মালিকানাশ্বত্ব:</b>			
শেয়ার মূলধন	৯	৬০০,০০০	৬০০,০০০
সংরক্ষিত মূলধন তহবিল	১০	৬৪,৮৯৬	৬৪,৮৯৬
সংরক্ষিত মুনাফা তহবিল	১১	১০,৭৯৮,৬১৫	৮,২৩৬,৬৯৪
মোট মালিকানাশ্বত্ব		১১,৪৬৩,৫১১	৮,৯০১,৫৯০
<b>অ-চলতি দায়:</b>			
গ্র্যান্টস	১২	৩৬৮,১১২	৩৬৪,০৬৩
বিলম্বিত কর দায়	১৩	১,১৪০,৫৬২	৮৮৩,৩৭৬
<b>মোট অ-চলতি দায়</b>		<b>১,৫০৮,৬৭৪</b>	<b>১,২৪৭,৪৩৯</b>
<b>চলতি দায়:</b>			
ব্যাংক জমাতিরিক্ত		৩৪৭,৬১০	-
স্বল্প মেয়াদি ব্যাংক লোন		২,৮০০,০০০	-
সংরক্ষিত ব্যয়	১৪	১,৩৫৪,৮৯১	২,৩৩৮,০৫৬
ব্যবসা ও অন্যান্য দায়	১৫	৬,৮৭০,৪২০	৩,৭০১,৮৮৯
আয়কর এর দায়	১৬	২,৭২৯,৯১৪	২,২৬৭,২৮৩
আর্থিক ইজারার বাধ্যবাধকতা (এক বছরের মধ্যে প্রযোজ্য)		-	৭,৫৪১
মোট চলতি দায়		১৪,১০২,৮৩৫	৮,৩১৪,৭৬৯
<b>মোট মালিকানাশ্বত্ব ও দায়</b>		<b>২৭,০৭৫,০১৯</b>	<b>১৮,৪৬৩,৭৯৮</b>

সংযোজিত ১-৩৮ টাকাসমূহ এই হিসাবের অবিচ্ছেদ্য অংশ।

*S. Mumin.*

শেহজাদ মুনিম  
ব্যবস্থাপনা পরিচালক

*M. Faruk*

মোঃ ফায়েকুজ্জামান  
পরিচালক

*M. A. R. Rahman*

মোঃ আজিজুর রহমান  
কোম্পানি সচিব

আমাদের একই তারিখের প্রতিবেদন অনুযায়ী প্রস্তুতকৃত।

*Adas*

এ. কাশেম এন্ড কোং  
নিরীক্ষক

ঢাকা, ১৯ ফেব্রুয়ারি ২০১৫

# ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

সম্মিলিত আয়ের বিবরণী

৩১ ডিসেম্বর ২০১৪ তারিখে সমাপ্ত বছরের জন্য

	টাকা	২০১৪ টাকা '০০০	২০১৩ টাকা '০০০
বিক্রয়লব্ধ অর্থ		১২৬,৮০৪,৬০২	১০৯,৫৮১,৭১০
শুল্ক ও মূল্য সংযোজন কর		(৯১,১৬২,৬১৬)	(৭৮,৩৫৬,২৭৩)
নেট বিক্রয়লব্ধ অর্থ	১৭	৩৫,৬৪১,৯৮৬	৩১,২২৫,৪৩৭
বিক্রয় সংক্রান্ত ব্যয়	১৮	(১৯,৩৩২,২১৫)	(১৭,৫০১,৩৩০)
নেট মুনাফা		১৬,৩০৯,৭৭১	১৩,৭২৪,১০৭
পরিচালন ব্যয়	১৯	(৪,৭৭৫,১১৯)	(৪,২১৯,৭৩৯)
পরিচালন মুনাফা		১১,৫৩৪,৬৫২	৯,৫০৪,৩৬৮
অন্যান্য আয়	২০	৬০,৮৮২	৮৯,৬৬১
নেট আর্থিক আয়/ (ব্যয়)	২১	(১৫৭,৩৪৬)	(১১,২১৫)
কোম্পানির মুনাফায় শ্রমিকের অংশগ্রহণ তহবিল		১১,৪৩৮,১৮৮	৯,৫৮২,৮১৪
আয়কর পূর্ব মুনাফা		(৫৭১,৯০৯)	(৪৭৯,১৪১)
আয়কর সংক্রান্ত ব্যয়		১০,৮৬৬,২৭৮	৯,১০৩,৬৭৩
চলতি কর	২২.১	(৪,৩২৭,১৭০)	(৩,৯৮৮,৩৮১)
বিলম্বিত কর	২২.২	(২৫৭,১৮৬)	(১৯১,১৬৫)
বছরের মুনাফা		(৪,৫৮৪,৩৫৭)	(৪,১৭৯,৫৪৬)
কর্মীদের সুবিদার্থে এ্যাকচুরিয়াল মূল্যায়ন		৬,২৮১,৯২২	৪,৯২৪,১২৭
এ্যাকচুরিয়াল মূল্যায়ন থেকে বিলম্বিত কর		-	(৮৬,৯১০)
অন্যান্য সম্মিলিত আয়		-	৩১,৪৩২
সর্বমোট সম্মিলিত বাৎসরিক আয়		-	(৫৫,৪৭৮)
		৬,২৮১,৯২২	৪,৮৬৮,৬৪৯
		টাকা	টাকা
শেয়ার প্রতি আয়	২৩	১০৪.৭০	৮২.০৭

সংযোজিত ১-৩৮ টাকাসমূহ এই আর্থিক প্রতিবেদনের অবিচ্ছেদ্য অংশ।

*S. Munim.*

শেহজাদ মুনিম  
ব্যবস্থাপনা পরিচালক

*M. Faruk Khan*

মোঃ ফারুক খান  
পরিচালক

*M. A. R. Rahman*

মোঃ আজিজুর রহমান  
কোম্পানি সচিব

আমাদের একই তারিখের প্রতিবেদন অনুযায়ী প্রস্তুতকৃত।

*A. K. M. Ahsanul Haque*

এ. কাশেম এন্ড কোং  
নিরীক্ষক

ঢাকা, ১৯ ফেব্রুয়ারি ২০১৫



# ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

মালিকানা স্বত্বের পরিবর্তন বিবরণী  
৩১ ডিসেম্বর ২০১৪ তারিখে সমাপ্ত বছরের জন্য

	শেয়ার	সংরক্ষিত	সংরক্ষিত	মোট
	মূলধন	মূলধন তহবিল	মুনাফা তহবিল	
	টাকা '০০০	টাকা '০০০	টাকা '০০০	টাকা '০০০
১ জানুয়ারি ২০১৩ সালের ব্যালেন্স	৬০০,০০০	৬,৩৬৮,০৪৪	৬৪,৮৯৬	৭,০৩২,৯৪০
পরিশোধকৃত লভ্যাংশ ২০১৩:	-	(৩,০০০,০০০)	-	(৩,০০০,০০০)
চূড়ান্ত লভ্যাংশ ২০১২	-	(২,৪০০,০০০)	-	(২,৪০০,০০০)
অন্তর্বর্তীকালীন লভ্যাংশ ২০১৩	-	(৬০০,০০০)	-	(৬০০,০০০)
সর্বমোট সম্মিলিত বাৎসরিক আয় ২০১৩	-	৪,৮৬৮,৬৪৯	-	৪,৮৬৮,৬৪৯
৩১ ডিসেম্বর ২০১২ সালের ব্যালেন্স	৬০০,০০০	৮,২৩৬,৬৯৪	৬৪,৮৯৬	৮,৯০১,৫৯০
১ জানুয়ারি ২০১৩ সালের ব্যালেন্স	৬০০,০০০	৮,২৩৬,৬৯৪	৬৪,৮৯৬	৮,৯০১,৫৯০
পরিশোধকৃত লভ্যাংশ ২০১৪:	-	(৩,৭২০,০০০)	-	(৩,৭২০,০০০)
চূড়ান্ত লভ্যাংশ ২০১৩	-	(৩,১২০,০০০)	-	(৩,১২০,০০০)
অন্তর্বর্তীকালীন লভ্যাংশ ২০১৪	-	(৬০০,০০০)	-	(৬০০,০০০)
সর্বমোট সম্মিলিত বাৎসরিক আয় ২০১৪	-	৬,২৮১,৯২২	-	৬,২৮১,৯২২
৩১ ডিসেম্বর ২০১৪ সালের ব্যালেন্স	৬০০,০০০	১০,৭৯৮,৬১৫	৬৪,৮৯৬	১১,৪৬৩,৫১১

সংযোজিত ১-৩৮ টাকাসমূহ এই আর্থিক প্রতিবেদনের অবিচ্ছেদ্য অংশ।

*S. Munim*

শেহুজাদ মুনিম  
ব্যবস্থাপনা পরিচালক

*Munim*

মোঃ ফায়েকুজ্জামান  
পরিচালক

*Munim*

মোঃ আজিজুর রহমান  
কোম্পানি সচিব

আমাদের একই তারিখের প্রতিবেদন অনুযায়ী প্রস্তুতকৃত।

*Adar*

এ. কাশেম এন্ড কোং  
নিরীক্ষক

ঢাকা, ১৯ ফেব্রুয়ারি ২০১৫

# ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

নগদ অর্থ প্রবাহের বিবরণী

৩১ ডিসেম্বর ২০১৪ তারিখে সমাপ্ত বছরের জন্য

	২০১৪	২০১৩
	টাকা '০০০	টাকা '০০০
<b>পরিচালনা কার্যক্রম থেকে নগদ অর্থ প্রবাহ:</b>		
পরিবেশক, তামাক রপ্তানি এবং অন্যান্য আয় থেকে লব্ধ মূল্য এবং খরচাদি পরিশোধ	১২৫,৮০৮,৭০২	১০৯,৬৫৯,৬১৬
সম্পূরক শুল্ক এবং মূল্য সংযোজন কর প্রদান	(২৪,১৭১,৬৩৫)	(২৩,৫৯১,০৮৩)
<b>পরিচালনা কার্যক্রম থেকে প্রাপ্ত নগদ অর্থ</b>	<b>৮,৭৮৬,৪২২</b>	<b>৯,৩৪২,০৪২</b>
পরিশোধকৃত আয়কর	(৩,৮৬৪,৫৩৯)	(৩,৩০৬,৮২৯)
পরিশোধকৃত সুদ	(১৫৭,৩৪৬)	(১১,২১৫)
<b>পরিচালনা কার্যক্রম থেকে নগদ অর্থ</b>	<b>৪,৭৬৪,৫৩৭</b>	<b>৬,০২৩,৯৯৮</b>
<b>বিনিয়োগ কার্যক্রম থেকে নগদ অর্থ প্রবাহ:</b>		
সম্পত্তি, কারখানা ও যন্ত্রপাতি ক্রয়	(৪,৪০৬,২৫৩)	(৩,৪১৯,১৩৭)
সম্পত্তি, কারখানা ও যন্ত্রপাতি বিক্রয়লব্ধ আয়	৩৩,৮০৬	৪২,৩৪৫
<b>বিনিয়োগ কার্যক্রমে নগদ অর্থের ব্যবহার</b>	<b>(৪,৩৭২,৪৪৭)</b>	<b>(৩,৩৭৬,৭৯২)</b>
<b>আর্থিক কার্যক্রম থেকে নগদ অর্থ প্রবাহ:</b>		
আর্থিক ইজারা পরিশোধ	-	(১০,৩৩৫)
পরিশোধকৃত লভ্যাংশ	(৩,৭১৭,৫২৪)	(২,৯৯৭,৮৩৫)
<b>আর্থিক কার্যক্রমে নগদ অর্থের ব্যবহার</b>	<b>(৩,৭১৭,৫২৪)</b>	<b>(৩,০০৮,১৭০)</b>
বছরের নেট নগদ অর্থ ও অর্থসদৃশ সম্পদের বৃদ্ধি/(হ্রাস)	(৩,৩২৫,৪৩৪)	(৩৬০,৯৬৪)
বছরের প্রারম্ভিক নগদ অর্থ ও অর্থসদৃশ সম্পদ	১,৯১৮,১২৬	২,২৭৯,০৯০
<b>বছরের সমাপনী নগদ অর্থ ও অর্থসদৃশ সম্পদ</b>	<b>(১,৪০৭,৩০৮)</b>	<b>১,৯১৮,১২৬</b>
বছরের সমাপনী নগদ অর্থ ও অর্থসদৃশ সম্পদ নিম্ন লিখিত ভাবে উপস্থিত হয়েছে:		
স্বল্প মেয়াদি ব্যাংক লোন	(২,৮০০,০০০)	-
নগদ ও ব্যাংক ব্যালেন্স	১,৭৪০,৩০২	১,৯১৮,১২৬
ব্যাংক জমাতিরিক্ত	(৩৪৭,৬১০)	-
	<b>(১,৪০৭,৩০৮)</b>	<b>১,৯১৮,১২৬</b>

সংযোজিত ১-৩৮ টীকাসমূহ এই আর্থিক প্রতিবেদনের অবিচ্ছেদ্য অংশ।

*S. Momin.*

শেহজাদ মুনিম  
ব্যবস্থাপনা পরিচালক

*Momin*

মোঃ ফায়েকুজ্জামান  
পরিচালক

*A. K. M. Rashed*

মোঃ আজিজুর রহমান  
কোম্পানি সচিব

আমাদের একই তারিখের প্রতিবেদন অনুযায়ী প্রস্তুতকৃত।

*A. K. M. Rashed*

এ. কাশেম এন্ড কোং  
নিরীক্ষক

ঢাকা, ১৯ ফেব্রুয়ারি ২০১৫

# ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

হিসাব সংক্রান্ত টীকা

ডিসেম্বর ৩১, ২০১৪ তারিখে সমাপ্ত বছরের জন্য

## ১. প্রতিষ্ঠানের আইনগত রূপ এবং ব্যবসার ধরন

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড একটি পাবলিক লিমিটেড কোম্পানি যা বাংলাদেশে নিবন্ধিত এবং এর শেয়ার ঢাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জসমূহে তালিকাভুক্ত। কোম্পানির রেজিস্ট্রিকৃত কার্যালয় হচ্ছে নিউ ডিওএইচএস রোড, মহাখালী, ঢাকা-১২০৬, বাংলাদেশ।

এই কোম্পানি বিভিন্ন আন্তর্জাতিক এবং স্থানীয় সিগারেট ব্র্যান্ড যেমন: বেনসন অ্যান্ড হেজেস, জন প্লেয়ার গোল্ড লিফ, পাল মাল, ক্যাপস্টান, স্টার, ডার্বি, পাইলট এবং হলিউড সিগারেট উৎপাদন এবং বাজারজাত করে থাকে।

কোম্পানির প্রধান কার্যালয় এবং সিগারেট তৈরির কারখানা ঢাকায় অবস্থিত। কুষ্টিয়াতে গ্রিনলিফ থ্রেসিং প্ল্যান্ট, মানিকগঞ্জে গ্রিনলিফ রিড্রাইং প্ল্যান্ট এবং দেশজুড়ে বেশ কয়েকটি লিফ এবং সেলস অফিস রয়েছে।

## ২. প্রস্তুতকরণের ভিত্তি

### ২.১. আনুমানিক ধারাবাহিক ব্যবসা নীতি

কোম্পানির বোর্ড অব ডিরেক্টরদের মতে কোম্পানি একটি ধারাবাহিক ব্যবসায় নীতি অনুসরণ করে। তাই আর্থিক বিবরণী ধারাবাহিক ব্যবসায় নীতি অনুসরণ করে তৈরি করা হয়েছে।

### ২.২ হিসাবরক্ষণের কাঠামো/সঙ্গতি

এই আর্থিক প্রতিবেদনটি বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস), কোম্পানি অ্যাক্ট ১৯৯৪, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ রুলস ১৯৮৭ এবং অন্যান্য আইন ও বিধানের সাথে সঙ্গতি বজায় রেখে প্রস্তুত করা হয়েছে। বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ রুলস ১৯৮৭ তে নির্দেশিত বিধি অনুযায়ী পরিচালনা কর্মকাণ্ডের নগদ অর্থ প্রবাহের হিসাব করা হয়েছে।

### ২.৩ অনুমোদন

পরিচালনা পর্ষদ কর্তৃক এই আর্থিক বিবরণীসমূহ ১৯ ফেব্রুয়ারি, ২০১৫ তারিখে অনুমোদিত।

### ২.৪ হিসাবরক্ষণের ভিত্তি

এই আর্থিক বিবরণীটি প্রকৃত খরচের খতিয়ানের আলোকে তৈরি করা হয়েছে।

### ২.৫ বিবরণীর আর্থিক মূল্যায়নের একক

এই আর্থিক বিবরণীটি বাংলাদেশী টাকার মানদণ্ডে হিসাব করা হয়েছে। আর্থিক বিবরণীতে প্রদর্শিত সকল অর্থমূল্যতা দশমিক যুক্ত সংখ্যার ক্ষেত্রে নিকটবর্তী পূর্ণ সংখ্যা ব্যবহার করা হয়েছে।

### ২.৬ অনুমিতির ব্যবহার এবং মূল্যায়ন

বিএফআরএস অনুসারে এই আর্থিক বিবরণী প্রস্তুতিতে হিসাবরক্ষণ নীতিতে দায়, আয় এবং খরচের ব্যবহারিক নীতির মূল্যায়ন, হিসাব এবং অনুমিতির আশ্রয় নেয়া হয়েছে। বাস্তবিক হিসাব এসব নিরীক্ষিত হিসাব থেকে ভিন্ন হতে পারে।

এ সকল মূল হিসাব ও অনুমিতিগুলো একটি চলমান প্রক্রিয়ায় পুনঃপর্যবেক্ষণ করা যায়। হিসাবের অনুমিতিগুলো তখনই চিহ্নিত করা হয় যে সময়ে অনুমিতিগুলো পুনর্মূল্যায়ন করা হয়।



## ২.৭ তুলনামূলক তথ্যাদি

২০১৩ সালের সকল আর্থিক তথ্যাদি এই আর্থিক বিবরণীতে প্রকাশ করা হয়েছে চলতি বছরের আর্থিক অবস্থানের সাথে তুলনামূলক বিচার সৃষ্টির উদ্দেশ্যে। চলতি বছরের সাথে যথাযোগ্য তুলনার উদ্দেশ্যে এবং প্রাসঙ্গিক বিএএস এর সাথে অনুবর্তী হওয়ার জন্য ২০১৩ সালের আর্থিক তথ্যসমূহকে প্রয়োজন অনুসারে নতুন করে সাজানো হয়েছে। বিস্তারিত অনুসন্ধানের জন্য ৩৮ নং টীকা দেখুন।

## ২.৮ মওকুফ

বিএএস ১ এবং বিএএস ৩২ অনুসারে নিম্নবর্ণিত শর্তাবলী পূরণসাপেক্ষে নির্দিষ্ট বিক্রেতা কিংবা ক্রেতাকে ক্ষতিপূরণ দেয়া হয়:

- উভয় পক্ষেরই পরস্পরের কাছে নির্ধারণযোগ্য অঙ্ক পাওনা থাকলে
- কোনো এক পক্ষের অন্য পক্ষের পাওনা টাকা মওকুফের অধিকার থাকলে
- এক পক্ষের মওকুফের ইচ্ছা থাকলে
- মওকুফের অধিকার আইনানুগ হলে।

## ৩. গুরুত্বপূর্ণ হিসাবরক্ষণ নীতি

যে সকল হিসাবরক্ষণ নীতি ব্যবহৃত হয়েছে তা পরের পাতায় বর্ণিত হলো এবং সে সকল নীতিসমূহ নিয়মিতভাবে বিবরণীর বিভিন্ন ধাপে ব্যবহৃত হয়েছে।

### ৩.১ বৈদেশিক মুদ্রা

বৈদেশিক মুদ্রা লেনদেনসমূহকে লেনদেনের নির্দিষ্ট দিনের বিনিময় মূল্যের ভিত্তিতে বাংলাদেশী টাকায় রূপান্তর করা হয়েছে। বৈদেশিক মুদ্রায় চিহ্নিত আর্থিক সম্পত্তি এবং দায়সমূহকেও নির্দিষ্ট দিনের বিনিময় মূল্যের ভিত্তিতে বাংলাদেশী টাকায় রূপান্তর করা হয়েছে। বৈদেশিক মুদ্রা বিনিময়ে তারতম্য লাভক্ষতি হিসাবে উল্লেখ করা হয়েছে। অনার্থিক জিনিসসমূহ যেগুলো বৈদেশিক মুদ্রায় হিসাব করা হয় সেগুলোকেও লেনদেনের নির্দিষ্ট দিনের বিনিময় মূল্যের ভিত্তিতে বাংলাদেশী টাকায় রূপান্তর করা হয়েছে।

### ৩.২ সম্পত্তি, কারখানা এবং যন্ত্রপাতি

#### ৩.২.১ স্বীকৃতি এবং পরিমাপ

সম্পত্তি, কারখানা এবং যন্ত্রাদিসমূহ নির্ণয় করতে ক্রয় মূল্য হতে বাদ দেওয়া হয় পুঞ্জিভূত অবচয় এবং পুঞ্জিভূত অকার্যকারিতা প্রসূত ক্ষয়ক্ষতি।

ক্রয়মূল্যের মধ্যে অন্তর্ভুক্ত খরচসমূহ হলো সম্পত্তি, কারখানা এবং যন্ত্রাদির সরাসরি ক্রয় খরচ। নির্মাণাধীন সম্পত্তি, কারখানা এবং যন্ত্রাদিগুলো প্রদর্শিত হয়েছে প্রকৃত খরচ অনুযায়ী। কারখানা এবং যন্ত্রাদি বাদে সম্পূর্ণ অবচয় হয়ে যাওয়া সম্পত্তিসমূহ হিসাবের বইতে আনা হয়েছে প্রকৃত খরচের এক শতাংশ হিসেবে। সম্পূর্ণ অবচয় হয়ে যাওয়া কারখানা এবং যন্ত্রাদিসমূহ হিসাবের বইতে দেখানো হয়েছে এক টাকা মূল্যে।

বিক্রিত সম্পত্তি, কারখানা এবং যন্ত্রাদি হতে আয় এবং ক্ষতি নির্ধারিত হয়েছে উক্ত সম্পত্তিসমূহের লিখিত মূল্য হতে বিক্রিত অর্থ বাদ দেওয়ার পর এবং যা কি না লাভ লোকসান হিসেবে দেখানো হয়েছে।

#### ৩.২.২ প্রাসঙ্গিক খরচ

কোনো সম্পত্তি, কারখানা এবং যন্ত্রাদির পুনঃসংযোজন খরচকে সম্পত্তির মূল্য হিসেবে চিহ্নিত করা হয়েছে, সেক্ষেত্রে যখন এটি বিবেচিত হয়েছে যে, এ সকল খরচ ভবিষ্যতে কোম্পানির জন্য অর্থনৈতিক উন্নতি সাধন করবে এবং যখন তা গ্রহণযোগ্যতার সাথে পরিমাপ করা গেছে।

সম্পত্তি, কারখানা এবং যন্ত্রাদির প্রাথমিক রক্ষণাবেক্ষণ খরচ সম্মিলিত আয়ের বিবরণীতে খরচকৃত হিসেবে দেখানো হয়েছে।

### ৩.২.৩ অবচয়

অবচয় নির্ণয় করা হয় অবচয়যোগ্য পরিমাণ হতে যা কোনো সম্পত্তির মূল্য অথবা খরচের প্রতিকল্পের পরিমাণ থেকে এর বিয়োগকৃত বাড়তি মূল্য।

অবচয় সম্মিলিত আয়ের বিবরণীতে দেখানো হয় এবং এর হিসাব স্ট্রেইট লাইন মেথডে করা হয়েছে এবং সম্পদ ক্রয়ের মাসের ওপর ভিত্তি করে আনুপাতিক হারে অবচয় ধার্য করা হয়েছে। ভূমিতে অবচয় ধার্য করা হয় নাই। বিভিন্ন ক্যাটাগরিতে, প্রতি বছর হিসেবে এবং অবশিষ্ট মূল্য সম্পদের অবচয়ের হিসাব নিম্নে দেয়া হলো:

	ব্যবহার সময়কাল (বছর)	অবশিষ্ট মূল্য
লাখেরাজ ভবন	৪০	১%
ইজারাতে নেয়া ভবন	সর্বোচ্চ ৩০ বছর, অবচয় হারের নির্ধারণ বিষয় ভিত্তিক	০%
কারখানা এবং মেশিনারি	১৪.৩/৪	০%/১%
ল্যাবরেটরি এবং যন্ত্রাদি	১০	০%
অফিস সরঞ্জাম	৫/১০	০%
আসবাবপত্র এবং সাজ-সরঞ্জাম	৩/৫/১০	০%
যানবাহন	৪/৫	১%

### ৩.৩ ইজারাকৃত সম্পত্তি

যে সকল ইজারার ক্ষেত্রে কোম্পানি মালিকানা বিষয়ক সকল ধরনের ঝুঁকি এবং পুরস্কারের দাবিদার হয় তাদেরকে আর্থিক ইজারা বলে। প্রাথমিক সনাক্তকরণের পর ইজারাকৃত সম্পত্তি তার ভাড়ার প্রকৃত মূল্য থেকে নিম্ন মূল্যে এবং ন্যূনতম ইজারা মূল্যের বর্তমান মূল্যে হিসাব করা হয়েছে। সেইসাথে হিসাবরক্ষণের নীতি অনুযায়ী এই সকল সম্পত্তিকে সম্পত্তি হিসেবে গণ্য করা হয়েছে।

### ৩.৪ মজুদ

সময় সাপেক্ষ বিক্রয় এবং অবাঞ্ছিত দ্রব্যাদির জন্য নির্দিষ্ট মূল্য নির্ধারণ করে তুলনামূলক স্বল্প মূল্য এবং নীট নিষ্পত্তিকৃত দরের ওপর ভিত্তি করে মজুদ নির্ধারণ করা হয়। মূল্য নির্ধারণ করা হয় ওয়েইটেড অ্যাভারেজ মেথড অনুসারে। পণ্যদ্রব্য ক্রয়ের সময়ে আনুষঙ্গিক খরচসমূহ, উৎপাদন অথবা রূপান্তরের খরচ এবং বর্তমান জায়গায় পণ্যদ্রব্য নিয়ে আসার জন্য যে সকল আনুষঙ্গিক খরচ হয়েছে সবই মজুদকৃত পণ্যের খরচ হিসেবে দেখানো হয়েছে।

পণ্যদ্রব্যের আনুমানিক বিক্রয়মূল্য থেকে নির্ধারিত ক্রয়মূল্য এবং উৎপাদনের আনুষঙ্গিক খরচ বাদ দিয়ে গড় মুনাফা মূল্য নির্ধারণ করা হয়।

### ৩.৫ ক্ষয়ক্ষতি

কোনো ক্ষয়ক্ষতির অস্তিত্ব আছে কি না তা বোঝার জন্য মজুদকৃত পণ্যদ্রব্য ব্যতীত অন্যান্য অ-আর্থিক সম্পদের বহনকৃত পরিমাণ প্রতি বছর প্রতিবেদন জমা দেওয়ার দিনে পর্যবেক্ষণ করা হয়। যদি এ ধরনের কিছু পাওয়া যায় তবে ঐ সম্পদের পুনরুদ্ধারযোগ্য পরিমাণ হিসাব করা হয় এবং এসব ক্ষয়ক্ষতি সম্মিলিত আয়ের বিবরণীতে দেখানো হয়।

### ৩.৬ ব্যবসা এবং অন্যান্য আদায়যোগ্য হিসাব

ব্যবসা এবং অন্যান্য আদায়যোগ্য হিসাবের মূল্য প্রাথমিকভাবে চিহ্নিত করা হয় সেসব খরচের ভিত্তিতে যা এদের বিনিময়ে দেয়া বস্তুর প্রকৃত মূল্যের সমান। প্রাথমিকভাবে সনাক্তকরণের পর প্রকৃত খরচ থেকে ক্ষতির পরিমাণ বাদ দিয়ে এদের মূল্য নির্ধারণ করা হয়, এসব ক্ষতি আদায়যোগ্য হিসাব অনাদায়ের কারণে হতে পারে।

### ৩.৭ নগদ অর্থ এবং তার সমতুল্য

এই প্রতিবেদন তৈরি করার সময় হাতে গচ্ছিত নগদ অর্থ ও ব্যাংকে রক্ষিত টাকা, যা কোনো ধরনের নিষেধ ছাড়াই কোম্পানির ব্যবহারের জন্য রাখা হয়েছে তাকে যথাক্রমে অর্থ এবং তার সমতুল্য হিসেবে ধরা হয়েছে।

## ৩.৮ অবসর গ্রহণ সুবিধা ক্ষিম

### ৩.৮.১ নির্ধারিত বেনিফিট পরিকল্পনাসমূহ

#### ম্যানেজমেন্ট গ্র্যাচুইটি ক্ষিম

বিএএস ১৯ অনুযায়ী, ২০১৩ সালের ফেব্রুয়ারি মাস পর্যন্ত কোম্পানিতে যোগদানকারী ম্যানেজারগণের জন্য কোম্পানির গ্র্যাচুইটি ক্ষিম রয়েছে। কোম্পানিতে একটানা ৫ বছর কর্মসম্পাদন-সাপেক্ষে সদস্যগণ গ্র্যাচুইটি পাবেন। সকল উপযুক্ত ম্যানেজারগণের জন্য প্রতিবছর এই সংক্রান্ত শর্তাবলী তৈরি করা হয়।

#### ম্যানেজমেন্ট পেনশন ফান্ড

১৯৮৭ সালের ১ জানুয়ারি থেকে ২০০৭ সালের ৩১ আগস্ট পর্যন্ত যে সকল ম্যানেজার কোম্পানিতে যোগদান করেছেন, তাদের জন্য কোম্পানির একটি পেনশন ক্ষিম চালু আছে। কোম্পানিতে একটানা ৫ বছর কর্মসম্পাদন-সাপেক্ষে সদস্যগণ এই ফান্ডের জন্য উপযুক্ত বলে বিবেচিত হবেন। একটি ট্রাস্টি বোর্ড-কর্তৃক এই ফান্ড পরিচালিত হয়। এই ফান্ড শুধুমাত্র সেসব ম্যানেজারের জন্য প্রযোজ্য যারা বাংলাদেশের নাগরিক।

‘বিএএস ১৯: কর্মচারী সুবিধা’ অনুযায়ী দেনার পরিমাণ মূল্যায়নের মাধ্যমে গ্র্যাচুইটি ও পেনশন ফান্ডের পরিমাণ গঠন করা হয়ে থাকে। নির্ধারিত প্ল্যানের আওতায় রিটার্নমেন্ট বেনিফিট-এর মতো কোম্পানির দায়-এর মূল্যায়ন থেকে উদ্ধৃত যেকোনো মূল্যায়নকৃত প্রাপ্তি বা ক্ষতি অন্যান্য সমন্বিত আয়ে সম্পূর্ণরূপে বিবেচিত হয়।

### ৩.৮.২ নির্ধারিত প্রদানজনিত প্ল্যানসমূহ

#### ম্যানেজমেন্ট গ্র্যাচুইটি ক্ষিম

২০১৩ সালের ১ মার্চ থেকে পরবর্তী সময়ে কোম্পানিতে যোগদানকারী ম্যানেজারগণের জন্য কোম্পানি-কর্তৃক একটি তহবিলকৃত গ্র্যাচুইটি ক্ষিম পরিচালিত হয়। যোগদানের তারিখ থেকে ম্যানেজারগণের জন্য নির্ধারিত এই ফান্ডে কোম্পানির পক্ষ থেকে মূল বেতনের ১৫% অর্থ জমা রাখা হয়। একটি ট্রাস্টি বোর্ড-কর্তৃক এই ফান্ড পরিচালিত হয়। কোম্পানিতে একটানা ৫ বছর কর্মসম্পাদন-সাপেক্ষে সদস্যগণ গ্র্যাচুইটি পাবেন।

#### প্রভিডেন্ট ফান্ড

কোম্পানিতে নিয়মিত চাকরির ক্ষেত্রে নিশ্চিতকরণের ভিত্তিতে সদস্যগণকে প্রভিডেন্ট ফান্ডে অংশগ্রহণ করতে হয়, যেখানে তাদেরকে মূল বেতনের ১০% প্রদান করতে হয়। পক্ষান্তরে, সেই ফান্ডে কোম্পানির পক্ষ থেকে সমপরিমাণ অর্থ জমা রাখা হয়। একটি ট্রাস্টি বোর্ড-কর্তৃক এই ফান্ড পরিচালিত হয়। কোম্পানিতে একটানা ৫ বছর কর্মসম্পাদন-সাপেক্ষে সদস্যগণ কোম্পানি-কর্তৃক প্রদানকৃত এই অর্থ পাবেন।

#### এনপ্লয়ি গ্র্যাচুইটি ক্ষিম

কোম্পানিতে কর্মচারীগণের যোগদানের দিন থেকে তাদের জন্য কোম্পানি-কর্তৃক একটি তহবিলকৃত গ্র্যাচুইটি ক্ষিম পরিচালিত হয়, যেখানে কোম্পানির পক্ষ থেকে কর্মচারীগণের মূল বেতনের ১৫% অর্থ জমা রাখা হয়। একটি ট্রাস্টি বোর্ড-কর্তৃক এই ফান্ড পরিচালিত হয়। কোম্পানিতে একটানা ৫ বছর কর্মসম্পাদন-সাপেক্ষে সদস্যগণ কোম্পানি-কর্তৃক প্রদানকৃত এই অর্থ পাবেন।

সমন্বিত আয়ের বিবরণীতে নির্ধারিত প্রদানজনিত প্ল্যানগুলোতে কোম্পানি-কর্তৃক প্রদানকৃত অর্থ ব্যয় হিসেবে বিবেচিত হয়।

## ৩.৯ সঞ্চিতি

যখন পূর্বের ঘটনার প্রেক্ষিতে কোম্পানির কোনো বর্তমান আইনি অথবা গঠনমূলক বাধ্যবাধকতা গ্রহণযোগ্যভাবে মূল্যায়ন করা যায় তখন সঞ্চিতির ব্যবস্থা করা হয় এবং এটি সম্ভাব্য যে ঐ বাধ্যবাধকতা নির্ধারণ করতে অর্থনৈতিক সুবিধাদির একটি বহিঃপ্রবাহ প্রয়োজন হবে।

প্রতি রিপোর্টিংয়ের সময় সঞ্চিতি পুনর্মূল্যায়ন করে দেখা হয় ও যুগোপযোগী হিসাব তৈরি করা হয়। এই শর্তগুলোর সঞ্চিতি হয় যখন বাধ্যবাধকতাগুলো মেটাতে আর্থিক লাভজনক সম্পদের বহিঃপ্রবাহের সম্ভাব্যতা থাকে না।



## ৩.১০ আয় শনাক্তকরণ নীতিমালা

### ৩.১০.১ পণ্য বিক্রয়

যখন মালিকানার ঝুঁকি এবং পুরস্কার ক্রেতার কাছে হস্তান্তর করা হয়, বস্তুর পুনরুদ্ধার যখন সম্ভব হয়, যখন বস্তুর আনুষঙ্গিক খরচের সম্ভাব্য লাভ গ্রহণযোগ্যভাবে নির্ণয় করা সম্ভব হয়, যখন দ্রব্যের সাথে কোনো অবিচ্ছিন্ন ব্যবস্থাপনা জড়িত থাকে না এবং যখন লাভের পরিমাণ গ্রহণযোগ্যভাবে নির্ণয় করা যায়, সেসব ক্ষেত্রে দ্রব্যের বিক্রয় থেকে লাভ শনাক্ত করা যায়।

মোট লেনদেনের পরিমাণ নির্ভর করে স্বদেশে সিগারেট বিক্রয়, তামাক রপ্তানি এবং বাংলাদেশ সরকারকে দেয়া সম্পূর্ণক শুল্ক, রপ্তানি শুল্ক এবং মূল্য সংযোজন করের ওপর ভিত্তি করে।

### ৩.১০.২ সুদ থেকে আয়

স্বল্প মেয়াদী বিনিয়োগের মাধ্যমে সুদ থেকে আয় হয়ে থাকে এবং উপচিতি ভিত্তিতে চিহ্নিত করা হয়ে থাকে।

### ৩.১১ কোম্পানির মুনাফায় শ্রমিকের অংশগ্রহণ তহবিল

বাংলাদেশ শ্রম আইন ২০০৬ অনুসারে কোম্পানির লাভের ৫% কোম্পানির মুনাফায় শ্রমিকের অংশগ্রহণ তহবিলে দিয়ে থাকে।

### ৩.১২ আয়কর

আয়কর ব্যয় চলতি এবং বিলম্বিত কর নিয়ে গঠিত। আয়কর ব্যয়কে সম্মিলিত আয়ের বিবরণীতে দেখানো হয়েছে।

#### ৩.১২.১ চলতি কর

চলতি কর হচ্ছে এ বছরের মোট করযোগ্য আয়ের ওপর কাঙ্ক্ষিত কর যা প্রতিবেদন তারিখে প্রযোজ্য কর হার ব্যবহার করে গণনা করা হয় এবং বিগত বছরগুলোতে প্রদেয় করের সাথে সমন্বয় করা হয়। যেহেতু এটি একটি “পাবলিকলি ট্রেডেড সিগারেট ম্যানুফ্যাকচারিং কোম্পানি” হিসেবে বিবেচিত, তাই এর প্রযোজ্য করের হার ৩৫%।

#### ৩.১২.২ বিলম্বিত কর

আর্থিক প্রতিবেদন তৈরির জন্য সম্পদ ও দায়সমূহের চলতি পরিমাণ এবং আয়কর নির্ধারণের জন্য ব্যবহৃত পরিমাণের মধ্যে সাময়িক পার্থক্য তৈরি করার মাধ্যমে বিলম্বিত কর বিবেচনা করা হয়। বিলম্বিত কর করের হারসমূহের আলোকে পরিমাপ করা হয়, যা সাময়িক পার্থক্যসমূহ বিপরীতভাবে প্রতিভাত হওয়ার প্রেক্ষিতে প্রয়োগ করা হয়, এক্ষেত্রে, যে সমস্ত আইন প্রণীত হয়েছে বা প্রতিবেদন প্রদানের তারিখ দ্বারা বাস্তবিকভাবে প্রণীত হয়েছে, সে সমস্ত আইনের ওপর ভিত্তি করে বিলম্বিত কর পরিমাপ করা হয়। বিলম্বিত কররোপিত সম্পদ এবং দায়সমূহের সমতা বিধান করা হয় যদি চলতি কররোপিত দায় ও সম্পদসমূহের সমতা বিধান করার লক্ষ্যে আইনগতভাবে প্রয়োগযোগ্য অধিকার থাকে এবং যদি সেগুলো একই ধরনের কর প্রদানযোগ্য প্রতিষ্ঠানে একই কর কর্তৃপক্ষ কর্তৃক আরোপিত করসমূহের সাথে সম্পর্কিত থাকে।

একটি বিলম্বিত কররোপিত সম্পত্তি ঐ সীমা অবধি স্বীকৃত হয় যাতে ভবিষ্যতে যে করযোগ্য মুনাফাসমূহ পাওয়া যাবে, তার বিপরীতে কর্তব্যযোগ্য সাময়িক পার্থক্য কাজে লাগানো যায়। বিলম্বিত কররোপিত সম্পত্তিসমূহ প্রত্যেক প্রতিবেদন প্রদানের তারিখে পুনঃবিবেচনা করা হয় এবং এগুলো এমন সীমা অবধি হ্রাস করা হয়, যার পরিপ্রেক্ষিতে সংশ্লিষ্ট কর-বিষয়ক মুনাফা আর বাস্তবায়ন করা সম্ভব হবে না।

### ৩.১৩ প্রতি শেয়ারে আয়

কোম্পানি সাধারণ শেয়ারের ওপর প্রতি শেয়ারে আয় (ইপিএস) হিসাব করে থাকে।

#### ৩.১৩.১ মৌলিক শেয়ার প্রতি আয়

মৌলিক শেয়ার প্রতি আয় মোট লাভ বা ক্ষতিকে (সাধারণ শেয়ারের ওপর) ভার আরোপিত শেয়ারহোল্ডারদের সংখ্যা (সাধারণ শেয়ারহোল্ডার) দ্বারা ভাগ করে হিসাব করা হয়।

### ৩.১৪ পক্ষ সম্পর্কিত লেনদেন

কোনো মূল্য ধার্য করা হোক বা না হোক, এক পক্ষের আর্থিক এবং পরিচালন নীতি/সিদ্ধান্তের ওপর নির্দিষ্ট প্রভাব খাটানোর অধিকার সম্পর্কিত যে সকল লেনদেন পরিচালিত সে সকল লেনদেনের বিস্তারিত প্রকাশ করা হয়েছে।

### ৩.১৫ লভ্যাংশ

বার্ষিক সাধারণ সভায় কোম্পানির অংশীদারগণ লভ্যাংশ অনুমোদন করাকালীন সময়ে আর্থিক বিবরণীতে তাদেরকে প্রদত্ত চূড়ান্ত লভ্যাংশকে দায় হিসেবে ধরা হয় এবং লভ্যাংশ ঘোষণা ও প্রদান করার সময়কালে অন্তর্বর্তীকালীন লভ্যাংশ হিসাবে আনা হয়।

### ৩.১৬ বিভাগীয় প্রতিবেদন

একটি নির্দিষ্ট অর্থনৈতিক পরিবেশে কোনো প্রকার পণ্যের সেবা পরিবেশনের ক্ষেত্রে কোনো প্রতিষ্ঠানের একটি উল্লেখযোগ্য অংশ হলো প্রতিষ্ঠানটির বিভাগসমূহ। প্রধান নির্বাহী সিদ্ধান্তগ্রহণকারীর কাছে পরিবেশিত অভ্যন্তরীণ প্রতিবেদনের সাথে সামঞ্জস্যপূর্ণ হয় নির্বাহী বিভাগগুলো। প্রতিষ্ঠানটি এর পরিচালক পর্ষদকে প্রধান নির্বাহী সিদ্ধান্তগ্রহণকারী হিসেবে গণ্য করে। কারণ সম্পদ বরাদ্দকরণ, কর্মকাণ্ডের পর্যালোচনা এবং কৌশলী সিদ্ধান্ত গ্রহণের দায়িত্ব এই পর্ষদের ওপর ন্যস্ত।

প্রতিষ্ঠানটির প্রাথমিক কর্মকাণ্ডের আওতায় রয়েছে বাংলাদেশে সিগারেট উৎপাদন এবং বিক্রয়। এর আওতায় প্রতিষ্ঠানটির অভ্যন্তরীণ প্রতিবেদন প্রকাশিত হয়। যদিও প্রতিষ্ঠানটির ব্র্যান্ডসমূহের মধ্যে পার্থক্য করা হয়, প্রধান নির্বাহী সিদ্ধান্তগ্রহণকারীর কাছে পরিবেশিত অভ্যন্তরীণ প্রতিবেদনে এই পার্থক্য উল্লেখ করা থাকে না। সেহেতু, উচ্চ পর্যায়ের প্রাক্কলন ছাড়া ব্র্যান্ডের ওপর ভিত্তি করে প্রতিষ্ঠানের ফলাফল ভাগ করা সম্ভব নয়।

### ৩.১৭ উপাদান তত্ত্ব এবং সমষ্টিকরণ

আর্থিক প্রতিবেদনে একই পণ্যের বিভিন্ন মানের উপাদান আলাদা করে পরিবেশন করা হয়। বিভিন্ন কার্যকারিতার পণ্য আলাদা করে পরিবেশন করা হয় যদি না সেগুলো তদসম্পর্কিত হয়।

### ৩.১৮ প্রতিবেদন প্রণয়নের পরের ঘটনাসমূহ

প্রতিবেদন প্রণয়নের পরের ঘটনাসমূহ যা কোম্পানি সম্পর্কে প্রয়োজনীয় তথ্য এবং চিত্র প্রদান করে তা আর্থিক বিবরণীতে তুলে ধরা হয়।

প্রতিবেদন প্রণয়নের পরের ঘটনাসমূহ যা সমন্বয় করা হয়নি তা নোটে প্রকাশিত হয়েছে যদি তা গুরুত্বপূর্ণ হয়ে থাকে।

## ৪. সম্পত্তি, কারখানা ও যন্ত্রপাতি

বিবরণ	১ জানুয়ারি ২০১৪		৩১ ডিসেম্বর ২০১৪ থেকে সংযোজন ও স্থানান্তর		৩১ ডিসেম্বর ২০১৪ তারিখে		৩১ ডিসেম্বর ২০১৪ তারিখে		৩১ ডিসেম্বর ২০১৪ তারিখে	
	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা
লাঞ্ছিত ভবন	৬৯৭,২৫১	১০,৯১০	৫৯৬,৩৪১	২২,২৮১	৪৭৪,০৬০	১১২,২৮১	১১২,২৮১	১১২,২৮১	১১২,২৮১	১১২,২৮১
লাঞ্ছিত ভূমি	৩৪৩,৬৭৫	-	৩৪৩,৬৭৫	-	৩৪৩,৬৭৫	-	-	-	-	৩৪৩,৬৭৫
আসবাবপত্রাদি	৩১১,০০৯	১২,৯৮২	৩২৩,৯৯১	(১০,০১০)	৩১৩,৯৮১	(১০,০১০)	(১০,০১০)	(১০,০১০)	(১০,০১০)	১০০,৭৪৮
আই.টি. সরঞ্জাম	২৩১,১৯৯	৬৮,০০৫	২৯৯,২০৪	(১০,০০৫)	২৮৯,২০৪	(১০,০০৫)	(১০,০০৫)	(১০,০০৫)	(১০,০০৫)	১০০,৭৪৮
ল্যান্ডেরটির সরঞ্জাম	১৭৪,৭৫২	৫,৭৭৫	১৮০,৭২৭	-	১৮০,৭২৭	-	-	-	-	৬৯,৯০২
ইজারাধীন ভবন	৩৭৬,০৭১	-	৩৭৬,০৭১	-	৩৭৬,০৭১	(৯)	(৯)	(৯)	(৯)	২৪০,৫৯১
অফিস সরঞ্জাম	১৯৯,৭৬৬	৩০,০০০	২২৯,৭৬৬	(৬,২৪০)	২২৩,৫২৬	(৬,২৪০)	(৬,২৪০)	(৬,২৪০)	(৬,২৪০)	১০২,৫৬৯
কারখানা ও যন্ত্রাদি	৭৯৯,৭৬৬	৭৯৯,৭৬৬	৭৯৯,৭৬৬	৭৯৯,৭৬৬	৭৯৯,৭৬৬	৭৯৯,৭৬৬	৭৯৯,৭৬৬	৭৯৯,৭৬৬	৭৯৯,৭৬৬	১০২,৫৬৯
যানবাহন	৬০৪,০৮৯	২,৬৬৬	৬০৬,৭৫৫	(২,৬৬৬)	৬০৪,০৮৯	(২,৬৬৬)	(২,৬৬৬)	(২,৬৬৬)	(২,৬৬৬)	১০২,৫৬৯
নির্মাণাধীন ভবন/স্থাপনা	২,৬৪২,৫৫৫	১,৬২৯,৪৪৯	৪,২৭১,০০৪	-	৪,২৭১,০০৪	-	-	-	-	৪,২৭১,০০৪
২০১৪	১৩,৬৫৫,৯৮১	৪,৪০৬,২৫০	১৮,০৬২,২৩১	(৩০৪,৯২৫)	১৭,৭৫৩,৩০৬	(৩০৪,৯২৫)	(৩০৪,৯২৫)	(৩০৪,৯২৫)	(৩০৪,৯২৫)	১২,৭৪৮,৫৮১
২০১৩	১১,০৭৩,৫৭৯	৩,৪১৯,১৩৭	১৪,৪৯২,৭১৬	(৮৩৬,৭৩৬)	১৩,৬৫৫,৯৮১	(৮৩৬,৭৩৬)	(৮৩৬,৭৩৬)	(৮৩৬,৭৩৬)	(৮৩৬,৭৩৬)	১২,৭৪৮,৫৮১

নোট:

অচম হারের এ বছরের রিকনসিলিয়েশন:

২০১৩	৪১০
২০১৪	৭০২,৭৭০
২০১৩	২১,০১৩
২০১৪	১০৫,৬৯৫
২০১৩	৭৬৫,৭৬৫
২০১৪	১,০৫৬,৭৬৫

সম্মিলিত আয়ের বিবরণীর ধারকৃত ফি (টাকা ১৯)  
ফসলের ধারকৃত ফি

	২০১৪ টাকা '০০০	২০১৩ টাকা '০০০
<b>৫. মজুদ</b>		
তামাক পাতা	৪,৬৭৩,০৯৪	৪,১৬৫,৫৬৫
মোড়ক সামগ্রী	৬৩১,০১৫	৬২৩,৩২৮
প্রক্রিয়াধীন কাজ	৪০,০৭৮	৩১,০৮২
উৎপাদিত পণ্য	৩,২১৮,৮৮৪	১,৩৩৬,৫৯৮
ভোগ্য মালামাল	৫৩৫,১২৬	৪৭০,১৩০
	<b>৯,০৯৮,১৯৭</b>	<b>৬,৬২৬,৭০৩</b>
<b>৬. বাণিজ্য এবং অন্যান্য প্রাপ্য</b>		
ঋণপত্র	১৯,১৯২	১৬,৭৩৩
ব্যবসায়িক দেনাদার	১,০৬৭,৯৪৭	২৪৪,৬৪৫
আন্তঃকোম্পানি আদায়যোগ্য	১০৫,৫২৩	২৭,৪২৭
অন্যান্য দেনাদার	২৮,৯২৫	১৬,৮৬১
কৃষি উপকরণ	৫৪৫,২৩০	৪৬৫,২৫১
	<b>১,৭৬৬,৮১৭</b>	<b>৭৭০,৯১৭</b>
উক্ত পাওনাগুলো জামানতবিহীন কিন্তু আদায়যোগ্য বলে বিবেচিত বিধায় উক্ত পাওনার বিপরীতে কোনো সঞ্চিতি রাখা হয়নি।		
<b>৭. অগ্রিম, জমা এবং অগ্রিম পরিশোধ</b>		
সম্পূরক শুল্ক ও মূল্য সংযোজন কর	৭৮১,৫৩৮	৯৬,২৯৯
পুনরুদ্ধার যোগ্য মূল্য সংযোজন কর	(১৭,৫৫৫)	১৮৪,৫৬২
অগ্রিম খরচ	১,৬৮৭,১৪৪	৩৫৪,০২৪
	<b>২,৪৫১,১২৭</b>	<b>৬৩৪,৮৮৫</b>
<b>৮. নগদ অর্থ ও তার সমতুল্য</b>		
নগদ অর্থ	১,৯৩৮	২,০৬২
ব্যাংকে জমা:		
লভ্যাংশ হিসাব	৩৫,৫২৭	৩৩,০৫১
বৈদেশিক মুদ্রার হিসাব	৮১৮,২২৬	৩২৯,০৫১
চলতি হিসাব	৮৮৪,৬১১	১,৩৬৯,৪৪৬
স্থায়ী জমা	-	১৮৪,৫১৬
	<b>১,৭৪০,৩০২</b>	<b>১,৯১৮,১২৬</b>

বৈদেশিক মুদ্রা হিসাবের জের আর্থিক অবস্থার বিবরণীর তারিখের হারে টাকায় রূপান্তর করা হলো।



## ৯. শেয়ার মূলধন

অনুমোদিত

৬০,০০০,০০০ সাধারণ শেয়ার প্রতিটি ১০ টাকা মূল্যের

ইস্যুকৃত, গৃহীত এবং পরিশোধিত:

নগদে ইস্যুকৃত

৩টি সাধারণ শেয়ার প্রতিটি ১০ টাকা মূল্যের

নগদ ব্যতীত ইস্যুর জন্য বিবেচিত

৫৯,৯৯৯,৯৯৭টি সাধারণ শেয়ার প্রতিটি ১০ টাকা মূল্যের

শেয়ার হোল্ডারদের বিন্যাস ৩১ ডিসেম্বর ২০১৪ পর্যন্ত:

রেলি ইনভেস্টমেন্ট কোং লিঃ ইউকে

ইনভেস্টমেন্ট কর্পোঃ অব বাংলাদেশ

সাধারণ বীমা কর্পোরেশন

বাংলাদেশ শিল্প ঋণ সংস্থা

বাংলাদেশ সরকার

সেনা কল্যাণ সংস্থা

অন্যান্য

২০১৪

টাকা

২০১৩

টাকা

৬০০,০০০,০০০

৬০০,০০০,০০০

৩০

৩০

৫৯৯,৯৯৯,৯৯০

৫৯৯,৯৯৯,৯৯০

৬০০,০০০,০০০

৬০০,০০০,০০০

৭২.৯১%

৭২.৯১%

৮.৩৪%

১০.১৬%

২.৮২%

২.৮২%

০.৩৩%

০.৩৭%

০.৬৪%

০.৬৪%

০.০০%

০.২৬%

১৪.৯৫%

১২.৮৩%

১০০.০০%

১০০.০০%

লিস্টিং রুলের চাহিদা অনুযায়ী উল্লিখিত শেয়ারের বণ্টনসূচি ডিসেম্বর ৩১, ২০১৪ পর্যন্ত দেয়া হলো:

শেয়ার সংখ্যা	শেয়ার হোল্ডারের সংখ্যা	মোট শেয়ার সংখ্যা	শতকরা হার
৫০০ এর কম শেয়ার	২,৭০১	১৮৬,০০৬	০.৩১%
৫০০ থেকে ৫০০০ শেয়ার	২১৫	২৭৩,৯৭৫	০.৪৬%
৫০০১ থেকে ১০,০০০ শেয়ার	১৭	১১৫,৫৩৪	০.১৯%
১০,০০১ থেকে ২০,০০০ শেয়ার	১১	১৫৬,৩৭৮	০.২৬%
২০,০০১ থেকে ৩০,০০০ শেয়ার	১১	২৮৫,৪২৫	০.৪৮%
৩০,০০১ থেকে ৪০,০০০ শেয়ার	১	৩৫,০০০	০.০৬%
৪০,০০১ থেকে ৫০,০০০ শেয়ার	৫	২৩১,২৫০	০.৩৯%
৫০,০০১ থেকে ১০০,০০০ শেয়ার	৯	৬৬২,৪৫০	১.১০%
১০০,০০১ থেকে ১,০০০,০০০ শেয়ার	১৪	৪,৩৬০,৯৫৩	৭.২৭%
১,০০০,০০০ শেয়ারের বেশি	৬	৫৩,৬৯৩,০২৯	৮.৯৯%
মোট	২,৯৯০	৬০,০০০,০০০	১০০.০০%

	২০১৪ টাকা '০০০	২০১৩ টাকা '০০০
<b>১০. সংরক্ষিত মূলধন তহবিল</b>	৬৪,৮৯৬	৬৪,৮৯৬
সংরক্ষিত মূলধন তহবিল বলতে ৬৪,৮৯৬ হাজার টাকা অপত্যপর্ণযোগ্য সংরক্ষিত তহবিলকে বোঝায় যা বাংলাদেশ ব্যাংক কর্তৃক সংজ্ঞায়িত এবং নির্দেশিত সম্পদ, কারখানা ও যন্ত্রপাতির ওপর ৯০% কর পরবর্তী লভ্যাংশ।		
১৯৯৩ সাল থেকে উল্লিখিত সম্পদ, কারখানা ও যন্ত্রপাতির বিক্রয় থেকে লভ্যাংশের ওপর বিশেষ মজুদ তহবিল সৃষ্টির চাহিদা তুলে নেওয়া হয়েছে।		
	২০১৪ টাকা '০০০	২০১৩ টাকা '০০০
<b>১১. সংরক্ষিত মুনাফা তহবিল</b>		
প্রারম্ভিক জের	৮,২৩৬,৬৯৪	৬,৩৬৮,০৪৪
বিয়োগ: পরিশোধকৃত লভ্যাংশ	৩,৭২০,০০০	৩,০০০,০০০
	৪,৫১৬,৬৯৪	৩,৩৬৮,০৪৫
যোগ: সর্বমোট সম্মিলিত বাৎসরিক আয়	৬,২৮১,৯২২	৪,৮৬৮,৬৪৯
সমাপনী জের	<u>১০,৭৯৮,৬১৫</u>	<u>৮,২৩৬,৬৯৪</u>
<b>১২. গ্র্যাচুইটি</b>		
প্রারম্ভিক ব্যালেন্স	৩৬৪,০৬৩	২৪০,৫৯২
২০১২ সালের পুনর্মূল্যায়ন (১২.১ দ্রষ্টব্য)	-	৭৮,৫৭৫
পুনরায় বর্ণিত প্রারম্ভিক ব্যালেন্স	৩৬৪,০৬৩	৩১৯,১৬৭
এই বছরের সংরক্ষণ	৬১,১৭০	৭০,৬৮৪
প্রদত্ত অর্থ	(৫৭,১২১)	(২৫,৭৮৮)
সমাপনী ব্যালেন্স	<u>৩৬৮,১১২</u>	<u>৩৬৪,০৬৩</u>
<b>১৩. বিলম্বিত কর দায়</b>		
প্রারম্ভিক জের	৮৮৩,৩৭৬	৭২৩,৬৪৩
যোগ: চলতি বছরের সংরক্ষণের সাথে যোগ (নোট ২২.২)	২৫৭,১৮৬	১৫৯,৭৩৩
সমাপনী জের	<u>১,১৪০,৫৬২</u>	<u>৮৮৩,৩৭৬</u>
<b>১৪. সংরক্ষিত ব্যয়</b>		
বিভাগীয় সঞ্চিতি	৯২৮,৪২৭	৯৪০,৮৫৬
মূল্য সংযোজন কর ও শুল্ক সম্পর্কিত সঞ্চিতি	১৪৪,৭১৯	১,২৪৩,৬০৭
অন্যান্য সঞ্চিতি	২৮১,৭৪৫	১৫৩,৫৯৩
	<u>১,৩৫৪,৮৯১</u>	<u>২,৩৩৮,০৫৬</u>

		২০১৪	২০১৩
		টাকা '০০০	টাকা '০০০
<b>১৫. ব্যবসা ও অন্যান্য দায়</b>			
বাণিজ্যিক পাওনাদার		৩,২৬২,৭৯৭	১,৫৫২,৪০৬
মুনাফায় শ্রমিকদের অংশীদারিত্ব তহবিল		১১,৯১১	১৪১
মজুরি এবং অন্যান্য সুবিধা		২২২,০৯১	৩৪০,১৫১
অদাবীকৃত লভ্যাংশ (টীকা ২৪)		৩৫,৫২৭	৩৩,০৫১
আন্তঃকোম্পানি		৩,১০৬,৭০১	১,৭৩২,৯৩৯
বিবিধ পাওনাদার		২৩১,৩৯৪	৪৩,২০১
		<u>৬,৮৭০,৪২০</u>	<u>৩,৭০১,৮৮৯</u>
<b>১৬. আয়কর দায়</b>			
প্রারম্ভিক জের		২,২৬৭,২৮৩	৬,৮০০,১২৪
যোগ: চলতি বছরের পরিশোধ		৪,৩২৭,১৭০	৩,৯৮৮,৩৮১
		<u>৬,৫৯৪,৪৫৩</u>	<u>১০,৭৮৮,৫০৫</u>
বিয়োগ: অগ্রিম কর্পোরেট কর পরিশোধ (নোট ১৬.১)		(৩,৮৬৪,৫৩৯)	(৮,৫২১,২২২)
সমাপনী জের		<u>২,৭২৯,৯১৪</u>	<u>২,২৬৭,২৮৩</u>
<b>১৬.১ অগ্রিম পরিশোধিত কর্পোরেট কর</b>			
প্রারম্ভিক জের		৮,৫২১,২২২	৫,২১৪,৩৯৩
যোগ: চলতি বছরের পরিশোধ		৩,৮৬৪,৫৩৯	৩,৩০৬,৮২৯
সমাপনী জের		<u>১২,৩৮৫,৭৬১</u>	<u>৮,৫২১,২২২</u>
<b>১৭. নীট বিক্রয়লব্ধ অর্থ</b>			
	একক	পরিমাণ	
মোট বিক্রয় লব্ধ অর্থ	মিলিয়ন স্টিক	৩৯,০১১	
সম্পূরক শুল্ক এবং মূল্য সংযোজন কর			
		১২৪,০৮২,২৮৯	১০৭,৪৯২,২৫৮
		(৯০,৮৮৩,৮৫৬)	(৭৮,১৪৪,১৬৫)
		<u>৩৩,১৯৮,৪৩৩</u>	<u>২৯,৩৪৮,০৯৩</u>
তামাক পাতা রপ্তানি থেকে আয়	মিলিয়ন কেজি	১১,১২৬	
রপ্তানি কর			
		২,৭২২,৩১৩	২,০৮৯,৪৫১
		(২৭৮,৭৬০)	(২১২,১০৭)
		<u>২,৪৪৩,৫৫৩</u>	<u>১,৮৭৭,৩৪৪</u>
		<u>৩৫,৬৪১,৯৮৬</u>	<u>৩১,২২৫,৪৩৭</u>
<b>১৮. বিক্রয় সংক্রান্ত ব্যয়</b>			
ব্যবহৃত কাঁচামাল		১৫,৯৩৪,৬৬২	১৪,৩৯০,০৩৪
উৎপাদন উপরি ব্যয় (টীকা ১৯)		৩,৩৯৭,৫৫৩	৩,১১১,২৯৬
		<u>১৯,৩৩২,২১৫</u>	<u>১৭,৫০১,৩৩০</u>

## ১৯. পরিচালন ব্যয়

পরিচালন ব্যয়ে অন্তর্ভুক্ত:

বেতন ও মজুরী

অবসর সুবিধা ক্ষিমে প্রদান

কর্মচারী কল্যাণ ব্যয়

ব্র্যান্ড বাজারজাত খরচ

ট্রেড বাজারজাত খরচ

বিদ্যুৎ ও জ্বালানী

ভাড়া,সেবা ও বিপণন খরচ

রক্ষণাবেক্ষণ ও মেরামত

ভ্রমণ ও প্রশিক্ষণ

যানবাহন খাতে ব্যয়

আইন ও কোম্পানি সেক্রেটারিয়াল

তথ্য প্রযুক্তি

অফিস ও প্রশাসনিক খরচ

সামাজিক দায়বদ্ধতা

নিরাপত্তা সেবা

বাজার তথ্য

পরিবহন

বীমা

অবচয়

কারিগরী সহায়তা ফি

নিরীক্ষকদের পারিশ্রমিক:

নিরীক্ষণ ফি

অন্যান্য ফি (প্রত্যয়ন ও অন্যান্য)

অন্যান্য ব্যয়\*

বাদ: উৎপাদনের জন্য উপরি ব্যয়

	২০১৪ টাকা '০০০	২০১৩ টাকা '০০০
১,৭৯০,৯৮৩	১,৭৯০,৯৮৩	১,৪১৬,৯৯৫
১০৭,৬৮০	১০৭,৬৮০	১১০,৫৭৫
১৪১,৮৬১	১৪১,৮৬১	১৬৪,৮৮২
৭৪২,৩৩১	৭৪২,৩৩১	৭৩০,৪৭৪
৯৫৮,২১০	৯৫৮,২১০	৭১৮,১২২
৪০৬,৯৮৪	৪০৬,৯৮৪	৩৮৩,২০৭
৩৮৫,১৮৩	৩৮৫,১৮৩	৩৫৫,৮০৫
৯৬৫,২৯৭	৯৬৫,২৯৭	৫৭৪,৩২৪
২১৮,৬০২	২১৮,৬০২	২৭৭,৪৭৪
৭৪,৩২৪	৭৪,৩২৪	৮৫,৪৭৪
১৯,২৩৮	১৯,২৩৮	৯,৪৫৭
৩৯৫,৪৮৪	৩৯৫,৪৮৪	২৭৪,০০৯
১৩৫,০২৮	১৩৫,০২৮	১৪৪,৫৪২
১৮,৬৭২	১৮,৬৭২	৩১,৬৯৬
১১৩,২০৮	১১৩,২০৮	৫০,৩৬৮
২৫০,১১০	২৫০,১১০	৩২৯,১১৪
৩২৭,৩৭৮	৩২৭,৩৭৮	২৯৬,৯৭০
৮৩,৪৭০	৮৩,৪৭০	৬২,৬৫৫
৭৩৮,১৮০	৭৩৮,১৮০	৬৩২,৮৭০
৮৯২,৯৬৪	৮৯২,৯৬৪	৬৩১,০৫১
৮০০	৮০০	৮০০
৭০০	৭০০	৭৬০
(৫৯৪,০১৪)	(৫৯৪,০১৪)	৪৯,৪১১
৮,১৭২,৬৭২	৮,১৭২,৬৭২	৭,৩৩১,০৩৫
৩,৩৯৭,৫৫৩	৩,৩৯৭,৫৫৩	৩,১১১,২৯৬
৪,৭৭৫,১১৯	৪,৭৭৫,১১৯	৪,২১৯,৭৩৯

\* সরকারি সংস্থাগুলোর চাহিদা মোতাবেক ২০০৯ এবং ২০১২ সালে প্রভিশন পাল্টানো বাবদ প্রায় ৮৬১ মিলিয়ন টাকা অন্যান্য ব্যয় খাতে অন্তর্ভুক্ত। লিগ্যাল এডভাইজরের সাথে সকল বিধান এবং পরামর্শ পুনরায় যাচাই শেষে ম্যানেজমেন্ট এই মতামতে দিতে পারে যে, সংগঠিত যে কোন ফলাফল কোম্পানির বিরুদ্ধে যাবে না।



	২০১৪	২০১৩
	টাকা '০০০	টাকা '০০০
<b>২০. অন্যান্য আয়</b>		
স্থায়ী সম্পদ বিক্রয়ে লাভ	১৬,৯৯১	৩৪,৯৪৬
অন্যান্য বিবিধ আয়	৪৩,৮৯১	৫৪,৭১৫
	<b>৬০,৮৮২</b>	<b>৮৯,৬৬১</b>
<b>২১. নীট আর্থিক আয়/ (ব্যয়)</b>		
সুদে আয়	৩০,১৫৮	৭৭,৫৮১
সুদে ব্যয়	(১৮৭,৫০৪)	(৮৮,৭৯৬)
	<b>(১৫৭,৩৪৬)</b>	<b>(১১,২১৫)</b>
<b>২২. আয়কর</b>		
<b>২২.১ চলতি কর</b>		
বর্তমান বছরের জমা	৪,৩২৭,১৭০	৩,৯৮৮,৩৮১
	<b>৪,৩২৭,১৭০</b>	<b>৩,৯৮৮,৩৮১</b>
<b>২২.২ বিলম্বিত কর</b>		
সম্মিলিত আয়ের বিবরণীতে ধার্যকৃত	২৫৭,১৮৬	১৯১,১৬৫
সম্মিলিত আয়ের বিবরণীতে সম্পদের বিলম্বিত কর	-	(৩১,৪৩২)
বর্তমান বছরের জমা	<b>২৫৭,১৮৬</b>	<b>১৫৯,৭৩৪</b>
সম্পদ		
সম্পত্তি , প্যাণ্ট ও যন্ত্রপাতি	৩,৩০৬,০০৪	২,৬৬২,৫১০
মজুদ ও দেনাদার	(৮৬,৪৮৩)	(৯০,০০৯)
	<b>৩,২১৯,৫২১</b>	<b>২,৫৭২,৫০১</b>
দায়		
গ্রাচুইটির সঞ্চিতি	৩৬৮,১১২	৩৬৪,০৬৩
নীট করারোপযোগ্য ব্যবধান	২,৮৫১,৪০৯	২,২০৮,৪৩৯
কার্যকরি বিলম্বিত কর হার	৪০%	৪০%
বিলম্বিত কর দায়	<b>১,১৪০,৫৬৩</b>	<b>৮৮৩,৩৭৭</b>
চলতি বছরের জন্য চার্জ	<b>২৫৭,১৮৬</b>	<b>১৫৯,৭৩৪</b>

## ২২.৩ প্রযোজ্য কর হার সমন্বয়

	২০১৪		২০১৩	
	%	টাকা '০০০	%	টাকা '০০০
কর পূর্ব লাভ		১০,৮৬৬,২৭৮		৯,১০৩,৬৭৩
চলতি কর ব্যয়	৩৯.৮২%	৪,৩২৭,১৭০	৪৩.৮১%	৩,৯৮৮,৩৮১
বিলম্বিত কর ব্যয়	০২.৩৭%	২৫৭,১৮৬	১.৭৫%	১৫৯,৭৩৩
মোট কর ব্যয়	৪২.১৯%	৪,৫৮৪,৩৫৬	৪৫.৫৬%	৪,১৪৮,১১৪
প্রযোজ্য কর হার অনুযায়ী সম্ভাব্য আয়কর	৪০.০০%	৪,৩৪৬,৫১১	৪০.০০%	৩,৬৪১,৪৬৯
পূর্ববর্তী বছরের সমন্বয়	০.৪৪%	৪৭,৫৫২	৩.৯৩%	৩৫৭,৮৯৩
কর কর্তন ব্যতীত ব্যয়	-০.৬২%	(৬৬,৮৯৩)	০.১২%	(১০,৯৮১)
কার্যকরি চলতি কর	৩৯.৮২%	৪,৩২৭,১৭০	৪৪.০৫%	৩,৯৮৮,৩৮১
কার্যকরি বিলম্বিত কর	২.৩৭%	২৫৭,১৮৬	১.৫২%	১৫৯,৭৩৩
	৪২.১৯%	৪,৫৮৪,৩৫৬	৪৫.৫৬%	৪,১৪৮,১১৪

## ২৩. প্রতি শেয়ারে আয়

### ২৩.১ প্রতি শেয়ারে মৌলিক আয়

প্রতি শেয়ারে মৌলিক আয় হিসাব করা হয়েছে ৩১ ডিসেম্বর ২০১৪ তারিখ পর্যন্ত ইস্যুকৃত ১০ টাকা প্রতি শেয়ার হিসেবে ৬০,০০০,০০০ সাধারণ শেয়ারের ভিত্তিতে।

	২০১৪	২০১৩
	টাকা '০০০	টাকা '০০০
চলতি বছরের মোট সম্মিলিত আয়	৬,২৮১,৯২২	৪,৯২৪,১২৭
৩১ ডিসেম্বর ২০১৪ এর শেয়ার সংখ্যা	৬০,০০০,০০০	৬০,০০০,০০০
শেয়ার প্রতি	১০৪.৭০	৮২.০৭

BAS ৩৩ এর বিস্তারিত ব্যাখ্যার আলোকে নিউমেরেটরের পুনর্বিবেচনায় “মোট সমন্বিত আয়” থেকে “এককালীন মুনাফা”-এর প্রেক্ষিতে ২০১৩-এর ইপিএস ৮১.১৪ থেকে ৮২.০৭ পর্যন্ত পুনর্নির্ধারণ করা হয়েছে।

### ২৩.২ প্রতি শেয়ারে মিশ্র আয়

এ বছরে মিশ্রণের কোনো সুযোগ ছিল না বলে শেয়ার প্রতি মিশ্র আয় হিসাব করার প্রয়োজন নেই।

## ২৪. লভ্যাংশ প্রদান

	অদাবীকৃত লভ্যাংশের কাল ভিত্তিক পর্যালোচনা					টাকা '০০০
	২০১২	২০১২	২০১৩	২০১৪	মোট	২০১৩
অদাবীকৃত লভ্যাংশের প্রারম্ভিক জের	২৪,৫৭৭	৬,৩১০	২,১৬৫	-	৩৩,০৫২	৩০,৮৮৭
যোগ: ঘোষণাকৃত লভ্যাংশ	-	-	-	৩,৭২০,০০০	৩,৭২০,০০০	৩,০০০,০০০
২০১৩ সালের চূড়ান্ত লভ্যাংশ	-	-	-	৩,১২০,০০০	৩,১২০,০০০	২,৪০০,০০০
২০১৪ সালের অন্তর্বর্তীকালীন লভ্যাংশ	-	-	-	৬০০,০০০	৬০০,০০০	৬০০,০০০
বাদ: অদাবীকৃত লভ্যাংশের সমাপনী জের প্রদত্ত লভ্যাংশ	২৪,৫৭৭	৬,৩১০	২,১৬৫	২,৪৭৫	৩৫,৫২৭	৩৩,০৫২
	-	-	-	৩,৭১৭,৫২৫	৩,৭১৭,৫২৫	২,৯৯৭,৮৩৫

## ২৫. কর্মচারীর সংখ্যা

কোম্পানিতে ৩১ ডিসেম্বর ২০১৪ তারিখ অনুযায়ী ১,৩৫৩ জন স্থায়ী কর্মচারী ছিলেন (২০১৩: ১,২৫১ এর অনুপাতে) এবং প্রয়োজন অনুযায়ী মৌসুমি ও অস্থায়ী কর্মচারী নিয়োগ করা হয়ে থাকে।

## ২৬. পরিচালকবৃন্দের সম্মানী

	২০১৪	২০১৩
	টাকা '০০০	টাকা '০০০
উপস্থিতি সম্মানী	৭৯	৩৮
মিটিং বাবদ ব্যয়	১,৫০৮	৯১৮
বেতন (এমডি সহ)	৫৪,২৯০	৩৫,০৩৪
অবসরকালীন ভাতা	৩,৭৫৭	৩,৩৬০
চিকিৎসা এবং কল্যাণমূলক ভাতা	৭৫	১৪৪
গৃহসংস্থান	৭,৭৭৬	৭,৬০০
	৬৭,৪৮৫	৪৭,০৯৪

## ২৭. প্রত্যাশযোগ্য বৈদেশিক মুদ্রা

এই বছরের জন্য চার্জ:

রয়্যালটি

কারিগরি সহযোগিতা ফি

\*\*রেমিটেন্সের তারিখে উল্লিখিত রেটের ওপর ভিত্তি করে সকল ব্যয় বৈদেশিক মুদ্রায় রূপান্তর করে রেমিট করা হয়েছে

বছরের মধ্যবর্তী ব্যয়:

রয়্যালটি (আইন অনুযায়ী অপ্রদত্ত কর বাদ দিয়ে)

কারিগরি ফি (আইন অনুযায়ী অপ্রদত্ত কর বাদ দিয়ে)

লভ্যাংশ

	২০১৪	২০১৩
	টাকা '০০০	টাকা '০০০
	৪৫৯,২৮০	৪৪৬,৮৪৪
	৮৯২,৯৬৪	৬৩১,০৫১
	ইউএস ডি '০০০	ইউএস ডি '০০০
	৩,৯৬৬	-
	-	৭,৫৩০
	৩১,৩৫৩	২৫,৩১৩

২০১৩ এবং ২০১৪ সালের কারিগরি সহযোগিতা ফি ২০১৫ সালে প্রদান করা হবে। ২০১২ সালের রয়্যালটি ২০১৩ সালে প্রদান করা হয়েছে এবং ২০১৩ সালের রয়্যালটি ২০১৫ সালে প্রদান করা হবে।

## ২৮. উৎপাদন ক্ষমতা

কোম্পানিতে অব্যাহত উৎপাদনের ভিত্তিতে কাজ হয় এবং বর্তমানে স্থাপিত বিভিন্ন ধরনের মেশিন সব ধরনের উৎপাদন ক্ষমতা (যেমন: ফিল্টার) এবং প্যাকেজিং সামগ্রী (যেমন: হিন্জ লিড, শেল ও স্লাইড) আছে। ভবিষ্যতের চাহিদা মেটানোর লক্ষ্যে পরিচালকগণ নিয়মিত উৎপাদন ক্ষমতা পর্যালোচনা করে থাকেন।

প্রকৃত উৎপাদন

সিগারেট (মিলিয়ন স্টিক)

	২০১৪	২০১৩
	৩৯,০৯৮	৩৫,৩৩৮
	ইউএস ডি	ইউএস ডি
	৩৫,১২২	৩২,৫৮৭

## ২৯. রপ্তানি থেকে অর্জিত আয়

ইউএস ডি

## ৩০. সংশ্লিষ্ট পার্টার সাথে লেনদেন

চলতি বছরে, কোম্পানি সংশ্লিষ্ট পার্টিসমূহের সাথে ব্যবসার প্রয়োজনে বিভিন্ন লেনদেন পরিচালনা করেছে। এ সমস্ত পার্টির নাম, লেনদেনের প্রকৃতি এবং তাদের প্রকৃত মূল্য বিএএস ২৪: সংশ্লিষ্ট পার্টি তথ্যাদি এর আওতায় দেখানো হয়েছে:

পার্টির নাম	সম্পর্কের প্রকৃতি	২০১৪ সালে লেনদেনের পরিমাণ টাকা '০০০	ডিসেম্বর ৩১, ২০১৪ অনুযায়ী ব্যালেন্স প্রাপ্য/প্রদেয় টাকা '০০০
আয় ক. লিফ রপ্তানি ক্রয়কারি প্রতিষ্ঠান বিএটি (জিএলপি) লিমিটেড* পাকিস্তান টোব্যাকো কোম্পানি লিমিটেড	বিএটি গ্রুপ কোম্পানি বিএটি গ্রুপ কোম্পানি	২,১১০,৪০৭ ৫৩১,৯৮৪	(৩০,৩৭৩) ৫৫,১৯৯
খ. ম্যানেজমেন্ট ফি বিএটি হোল্ডিংস লিঃ বিএটি মালয়েশিয়া বিএটি মার্কেটিং সিংগাপুর	হোল্ডিং কোম্পানি বিএটি গ্রুপ কোম্পানি বিএটি গ্রুপ কোম্পানি	১৫,৫৪৬ ৫৯,৬৩৬ ৮৭৪	৩,০২৪ ৩,৫০৫ ৮৩০
ব্যয় গ. পণ্য আহরণ তথ্য প্রযুক্তি, পণ্য ও অন্যান্য সেবা আহরণ: বিএএসএস জিএসডি ইউকে বিএটি হোল্ডিংস লিমিটেড ব্রিটিশ আমেরিকান টোব্যাকো এশিয়া প্যাসিফিক রিজিয়ন লিমিটেড বিএটি অ্যাসপাক সার্ভিস সেন্টার বিএটি কোরিয়া বিএটি এস এস এ এরিয়া অফিস	রিচার্জ বিএটি গ্রুপ কোম্পানি হোল্ডিং কোম্পানি বিএটি গ্রুপ কোম্পানি বিএটি গ্রুপ কোম্পানি বিএটি গ্রুপ কোম্পানি বিএটি গ্রুপ কোম্পানি	৫৪৩,৯৭৩ ১,৬৭২ ২৪,০৯৩ ২৯৭,৮৫৩ ৫২৬ ৬,৭০৬	(৪৫৬,০৮৯) (৪,০১৮) (১৪,৭২৫) (১৩৯,৫১৭) (১২৬) -

বিএটি ওয়েস্টার ইউরোপ বিএটি সিঙ্গাপুর	বিএটি গ্রুপ কোম্পানি বিএটি গ্রুপ কোম্পানি	৫৩৯ ২১,২২৭	(৪৯০) (২১,৫৫৫)
<b>ঘ. পণ্য ক্রয়</b> লিফ ও মোড়ক সামগ্রী ক্রয়: বিএটি (জিএলপি) লিমিটেড*** বিএটি সিঙ্গাপুর	<b>মোড়ক সামগ্রী ক্রয়</b>		
	বিএটি গ্রুপ কোম্পানি বিএটি গ্রুপ কোম্পানি	১,১১৩,২৫২ ১১২,৮৮৬	৬৫,৮৩৭ (৬৯,৩৫২)
<b>ঙ. রয়্যালটি</b> রয়্যালটি প্রাপ্য/প্রদেয়: বিএটি হোল্ডিংস লিমিটেড***	হোল্ডিং কোম্পানি	৪১৩,৩৫২	(৭১১,০৯৮)
<b>চ. কারিগরি ও উপদেষ্টা ফি</b> কারিগরি ও উপদেষ্টা সেবা গ্রহণ ফি: বিএটি হোল্ডিংস লিমিটেড	টিএন্ডএ হোল্ডিং কোম্পানি	৮৯২,৯৬৪	(৮৯২,৬৯৪)
<b>ছ. যন্ত্রপাতি ক্রয়</b> বিএটি অস্ট্রেলিয়া লিমিটেড	মূলধনী যন্ত্রপাতি বিএটি গ্রুপ কোম্পানি	৪৭০,০৩২	(৪৬,৯০২)
<b>জ. গুরুত্বপূর্ণ ব্যবস্থাপনা কর্মীর নিকট স্থায়ী সম্পত্তি বিক্রয়</b>		২৭৫	-

যেখাপযুক্ত প্রতিযোগিতা মূলক নীলামের মাধ্যমে কোম্পানীর একটি পূর্ণ অবলোপন কৃত গাড়ী অর্নিবাহী ব্যবস্থাপকের নিকট বিক্রি করা হয়েছে। এ সক্রান্ত লেনদেনটি সম্পূর্ণ সমাধান হয়েছে।  
\*অগ্রিম গ্রহণ  
\*\*অগ্রিম প্রদান  
\*\*\* সমাপনী ব্যালেন্সটিকে ২০১২ সালের রয়্যালটি অন্তর্ভুক্ত আছে যা ২০১৪ সালে পরিশোধ করা হবে।

## ৩১. প্রতিশ্রুত মূলধনী ব্যয়

সম্পত্তি কারখানা ও যন্ত্রপাতি যা চুক্তিবদ্ধ কিন্তু এই সকল আর্থিক প্রতিবেদনে উল্লিখিত নয়

	২০১৪	২০১৩
	টাকা '০০০	টাকা '০০০
	১৫৯,৭৮২	৩০৮,৬৩৯

## ৩২. বিভক্ত প্রতিবেদন

প্রতিষ্ঠানটির কার্যক্রম বাংলাদেশভিত্তিক। বহির্মুখী গ্রাহকদের কাছ থেকে সংগৃহীত আয়ের পরিমাণ ১২৬,১২৫,৩০৬ হাজার টাকা (২০১৩: ১০৮,৩৯৪,৬৮৭ হাজার টাকা)। বাংলাদেশের বাইরে প্রতিষ্ঠানটির কোনো স্থায়ী সম্পত্তি নেই। ৩১ ডিসেম্বর ২০১৩ এবং ৩১ ডিসেম্বর ২০১৩ তারিখে বছর শেষে গ্রুপের মোট আয়ের ১০% বা এর বেশি কোনো একটি বহির্মুখী গ্রাহকের কাছ থেকে আর্জিত হয়নি।

প্রতিষ্ঠানটির প্রাথমিক কর্মকাণ্ডের আওতায় রয়েছে বাংলাদেশে সিগারেট উৎপাদন এবং বিক্রয়। এর আওতায় প্রতিষ্ঠানটির অভ্যন্তরীণ প্রতিবেদন প্রকাশিত হয়। যদিও প্রতিষ্ঠানটির ব্র্যান্ডসমূহের মধ্যে পার্থক্য করা হয়, প্রধান নির্বাহী সিদ্ধান্তগ্রহণকারীর কাছে পরিবেশিত অভ্যন্তরীণ প্রতিবেদনে এই পার্থক্য উল্লেখ করা থাকে না। সেহেতু, উচ্চ পর্যায়ের প্রাক্কলন ছাড়া ব্র্যান্ডের ওপর ভিত্তি করে প্রতিষ্ঠানের ফলাফল ভাগ করা সম্ভব নয়।

সিগারেট উৎপাদন ছাড়াও প্রতিষ্ঠানটি বাংলাদেশের বাইরে লিফ রপ্তানি করে। এই রপ্তানি মোট এবং নীট আয়ের ১০% এরও কম অবদান রাখে। তবে সিগারেট এবং রপ্তানির বিশদ বিবরণী টাকা ১৮ এ প্রদত্ত রয়েছে।



### ৩৩. আমদানিকৃত এবং স্থানীয় কাঁচামালের ব্যবহার

আমদানিকৃত:	২০১৪		২০১৩	
	মোড়ক সামগ্রী টাকা '০০০	লিফ টাকা '০০০	মোড়ক সামগ্রী টাকা '০০০	লিফ টাকা '০০০
প্রারম্ভিক মজুদ	৪৭৪,৮০৭	৪৬২,৯৯৬	২৪২,৭৪২	৪৮৮,৩৬৬
ক্রয়	২,৭০০,১৩৭	১,৩১৯,০৪৫	২,৮৯০,৫৩০	১,৪২১,০২৪
ব্যবহার	(২,৫৮৩,১৩৬)	(১,৩০২,৯৪৫)	(২,৬৫৮,৪৬৫)	(১,৪৪৬,৩৯৫)
সমাপনী মজুদ (ক)	৫৯১,৮০৮	৪৭৯,০৯৫	৪৭৪,৮০৭	৪৬২,৯৯৬
স্থানীয়:				
প্রারম্ভিক মজুদ	১৪৮,৫২১	৩,৭০২,৫৬৯	১৭০,৯৮৬	২,৮৪৩,৫০০
ক্রয়	৪,২৫৭,৪৩৫	৭,৭৪৯,১৩৫	৪,০০৬,৯২১	৭,০৪৫,০১৬
ব্যবহার	(৪,৩৬৬,৭৪৯)	(৫,২৫৫,১৮৭)	(৪,০২৯,৩৮৬)	(৪,৭৫৬,২৪৩)
রপ্তানি	-	(২,০০২,৫১৭)	-	(১,৪২৭,৭০৫)
সমাপনী মজুদ (খ)	৩৯,২০৭	৪,১৯৩,৯৯৯	১৪৮,৫২১	৩,৭০২,৫৬৯
সমাপনী মজুদ (ক+খ)	৬৩১,০১৫	৪,৬৭৩,০৯৪	৬২৩,৩২৮	৪,১৬৫,৫৬৫

যেহেতু কোম্পানির ব্যবহৃত কাঁচামালের ধরনের পরিমাণ তুলনামূলকভাবে অধিক, সেহেতু এর বিশদ বিবরণ প্রদান করা গেল না।

### ৩৪. আর্থিক ঝুঁকি ব্যবস্থাপনা

কোম্পানিকে প্রতিনিয়ত বহু ধরনের আর্থিক ঝুঁকির সম্মুখীন হতে হয় যেমন: বাজার সংক্রান্ত ঝুঁকি (যার মধ্যে রয়েছে কারেন্সি সংক্রান্ত ঝুঁকি, সঠিক সুদের হার সংক্রান্ত ঝুঁকি এবং নগদ অর্থ প্রবাহ সংক্রান্ত ঝুঁকি), দায় সংক্রান্ত ঝুঁকি এবং তারল্য সংক্রান্ত ঝুঁকি। কোম্পানির সার্বিক ঝুঁকি ব্যবস্থাপনায় লক্ষ্য রাখা হয় আর্থিক বাজারের তারতম্যের ওপর এবং কোম্পানির আর্থিক কর্মকাণ্ডে এর প্রভাব কমানোর প্রচেষ্টায়।

অডিট কমিটির অনুমোদিত কার্যপ্রণালীর ওপর ভিত্তি করে একটি ঝুঁকি ব্যবস্থাপনা কমিটি ঝুঁকি ব্যবস্থাপনা পরিচালনা করেন। কোম্পানির ট্রেজারি কর্মকাণ্ডের সাহায্যে এই কমিটি সকল আর্থিক ঝুঁকি পর্যালোচনা করে থাকেন। ট্রেজারি কর্মকাণ্ডের পরিচালনা করে থাকেন ট্রেজারি কমিটি যার প্রধান হিসেবে থাকেন ফাইন্যান্স ডিরেক্টর এবং এর কর্মকাণ্ড অনুমোদিত ট্রেজারি কার্যপ্রণালীর ভিত্তিতে পরিচালিত হয়ে থাকে।

#### বাজার ঝুঁকি

##### (ক) বৈদেশিক মুদ্রা বিনিময়ের ঝুঁকি

কোম্পানি বিবিধ রকম বৈদেশিক মুদ্রা সংক্রান্ত ঝুঁকির সম্মুখীন হতে পারে, যা প্রধানত ইউএস ডলার, ইউরো এবং ব্রিটিশ পাউন্ডের মানের তারতম্যের কারণে সৃষ্টি হয়। ভবিষ্যত বাণিজ্যিক লেনদেন, চিহ্নিত সম্পদ ও দায়ের ভিত্তিতে বৈদেশিক মুদ্রা সংক্রান্ত ঝুঁকি সৃষ্টি হতে পারে। ব্যবহারযোগ্য মুদ্রার আলোকে বৈদেশিক বিনিময়ের ঝুঁকি হ্রাস করার জন্য প্রতিষ্ঠানটির ব্যবস্থাপনা ট্রেজারি নীতিমালা অনুসরণ করে।

প্রতিবেদনের তারিখ অনুযায়ী প্রতিষ্ঠানটির বৈদেশিক মুদ্রা বিনিময়ের ঝুঁকিসমূহ নিম্নরূপ:

	২০১৪			২০১৩		
	টাকা '০০০			টাকা '০০০		
	ইউরো	পাউন্ড	ডলার	ইউরো	পাউন্ড	ডলার
<b>বৈদেশিক মুদ্রা সংক্রান্ত সম্পত্তি</b>						
সম্পর্কিত সহযোগীদের তরফ থেকে পাওনা	-	৭,৭৬৯	-	-	১৫,৭১৫	১১,২৮৯
পাওনা হিসাব	-	-	৯,৬৭৭	৮২,০৮২	২,৫৭৪	১০২,৮০৮
ব্যাংকে নগদ	-	-	৮১৮,২২৬	-	-	৩২৯,০৫১
	-	৭,৭৬৯	৮২৭,৯০৩	৮২,০৮২	১৮,২৮৯	৪৪৩,১৪৮
<b>বৈদেশিক মুদ্রা সংক্রান্ত দায়</b>						
সম্পর্কিত সহযোগীদের নিকট দেনা	৫৩৯	৫৮৬,৭৩১	১,০৭৭,৬৭৮	-	৬৩,৯৫৪	১৩৭,৩০৮
ব্যয়ের ও অন্যান্য দেনা	১,২০৮,৭৮৭	২,১৫৭	৩৪৭,৬৪৮	১৩,১৪৩	৪৬,৭৬১	২৫৩,৫২২
	১,২০৯,৩২৬	৫৮৮,৮৮৮	১,৪২৫,৩২৬	১৩,১৪৩	১১০,৭১৫	৩৯০,৮৩০
নীট এক্সপোজার	(১,২০৯,৩২৬)	(৫৮১,১২০)	(৫৯৭,৪২৪)	৬৮,৯৩৯	(৯২,৪২৬)	৫২,৩১৮

বছর জুড়ে নিম্নবর্ণিত উল্লেখযোগ্য বিনিময় হার ব্যবহৃত হয়েছে:

	পরিবর্তনের হার	
	৩১ ডিসেম্বর ২০১৪	৩১ ডিসেম্বর ২০১৩
মার্কিন ডলার (ইউএসডি)	৭৭.৯৩	৭৭.৬৭
ব্রিটিশ পাউন্ড (জিবিপি)	১২১.৫০	১২৮.৬৩
ইউরো (ইইউআর)	৯৪.২৯	১০৭.০২

কোম্পানি ব্যবহৃত মূল্যমানের বিপরিতে অব্যবহৃত মূল্যমানের ৫% বৃদ্ধি বা হ্রাসকে কোম্পানি যথাযথ পরিবর্তনের হার হিসেবে যথার্থ মনে করে থাকে। ৩১ ডিসেম্বর, ২০১৪ তারিখে অন্যান্য পরিবর্তনশীল সূচকসমূহের স্থিরতার আলোকে ব্যবহৃত মূল্যমানের বিপরিতে অব্যবহৃত মূল্যমানের ৫% বৃদ্ধি বা হ্রাসের ফলে কোম্পানির কর পূর্ব লাভে খুব উল্লেখযোগ্য প্রভাব ফেলবে না।

#### (খ) মূল্য সংক্রান্ত ঝুঁকি

মূল্য সংক্রান্ত ঝুঁকি বলতে বোঝায় বাজারের আর্থিক তারতম্যের ওপর ভিত্তি করে আর্থিক বিবরণীর ভবিষ্যত নগদ অর্থ প্রবাহের সঠিক মানের তারতম্য (সুদের হার সংক্রান্ত ঝুঁকি বা মুদ্রা হার সংক্রান্ত ঝুঁকি ব্যতীত) যদি তা একক আর্থিক উপাত্ত বা এর প্রস্তুতকারক এর পরিবর্তন বা বাজারে লেনদেনকৃত সমপর্যায়ের আর্থিক উপাত্তের ভিত্তিতে প্রভাবিত হয়।

কোম্পানির ইকুইটি মূল্য সংক্রান্ত ঝুঁকির দায় নেই কারণ ইকুইটিতে কোনো বিনিয়োগ করা হয়নি। কোম্পানি সাধারণ পণ্য মূল্য সংক্রান্ত ঝুঁকির দ্বারাও সরাসরি প্রভাবিত নয়।

#### (গ) নগদ প্রবাহ ও সঠিক সুদের হার সংক্রান্ত ঝুঁকি

কোম্পানির কার্যকরী নগদ প্রবাহ বাজারের সুদের হার সংক্রান্ত ঝুঁকিমুক্ত। কারণ, কোনো সম্পদ ও দায়ের ক্ষেত্রে কোনো দীর্ঘমেয়াদি সম্পর্ক নেই।

#### দেনা সংক্রান্ত ঝুঁকি

দেনা সংক্রান্ত ঝুঁকি বলতে বোঝায় চুক্তি অনুযায়ী কার্যক্রম পরিচালনা করতে না পারায় এক পক্ষের আর্থিক অক্ষমতার কারণে অন্য পক্ষের আর্থিক ক্ষতি সৃষ্টি করা। ব্যবসায়িক দেনাদার, অগ্রিম এবং ব্যাংকে নগদ জমার কারণে এই ঝুঁকি সৃষ্টি হয়। গ্রুপ ট্রেজারি কার্যপ্রণালীর ভিত্তিতে নগদ ব্যবস্থাপনা করা হয় এবং স্বল্প মেয়াদী বিনিয়োগের ক্ষেত্রে ট্রেজারি কমিটি গ্রুপের নীতিমালার ভিত্তিতে সিদ্ধান্ত গ্রহণ করে। কোম্পানি ১০০% নগদ লেনদেনে কার্য পরিচালনা করে থাকে আর বর্ধিত ব্যাংক ছুটির কারণে কিছু বিশেষ বিপণনকারীদের ৩ দিনের বাকি দেওয়া হয় ফাইন্যান্স এবং মার্কেটিং এর বিশেষ অনুমোদনের ভিত্তিতে। দেনার বন্ধকী হিসেবে, গ্রাহকদের কাছ থেকে সমপরিমাণ অর্থের চেক সংগ্রহ করা হয় এবং কোম্পানির হেফাজতে রাখা হয়।

সম্পদেরভিত্তিতে সর্বাধিক পরিমাণের দেনা সংক্রান্ত ঝুঁকিসমূহ নিম্নরূপ:

	২০১৪	২০১৩
	টাকা '০০০	টাকা '০০০
ব্যবসায়িক দেনাদার হতে পাওনা (টাকা ৬)	১,০৬৭,৯৪৭	২৪৪,৬৪৫
আন্তঃপ্রাতিষ্ঠানিক পাওনা (টাকা ৬)	১০৫,৫২৩	২৭,৪২৭
বিবিধ দেনাদার হতে পাওনা (টাকা ৬)	৪৮,১১৭	১৬,৮৬১
কৃষি প্রদান সময় (টাকা ৬)	৫৪৫,২৩১	৪৬৫,২৫১
	১,৭৬৬,৮১৭	৭৫৪,১৮৪
ব্যাংকে নগদ (টাকা ৮)	১,৭৩৮,৩৬৪	১,৯১৬,০৬৪
	৩,৫০৫,১৮২	২,৬৭০,২৪৮
৩১ ডিসেম্বর ২০১২ তারিখে প্রাপ্য সময় অনুযায়ী দেখানো হলো:		
০-৩০ দিন	১,১৮৭,৬৪৪	৩১০,৭৯৫
৩১-৬০ দিন	২৭৬,৩৬০	২৬২,২৮৫
৬১-৯০ দিন	৪২,২৭১	১৫৭,৪৯৪
৯১-১৮০ দিন	৬১,২৮৯	২০,৬৭৯
১৮১-৩৬৫ দিন	১৯৯,২৫৩	২,৯৩২
৩৬৫ দিনের ওপর	-	-
	১,৭৬৬,৮১৭	৭৫৪,১৮৪

## তারল্য সংক্রান্ত ঝুঁকি

তারল্য সংক্রান্ত ঝুঁকি এর অর্থ হলো কোনো এককের আর্থিক দায়বদ্ধতা পূরণ করতে না পারা।

প্রয়োজনানুসারে বিনিয়োগ সিদ্ধান্ত প্রয়োগ এবং উচ্চ পর্যায়ের মূলধন বিনিয়োগ চাহিদা পূরণ করতে কোম্পানির ব্যবস্থাপনা নগদ প্রবাহের ভিত্তিতে নগদ বা নগদের সমপর্যায়ে প্রকাশিত তারল্যের অবস্থান সংক্রান্ত পরিবর্তিত ভবিষ্যতবাণী পর্যালোচনা করে থাকে এবং বোর্ড কর্তৃক অনুমোদিত সর্বোচ্চ দেনা প্রদান কার্যপ্রণালীর ভিত্তিতে স্বল্প মেয়াদি দেনা নিশ্চিত করে। ডিসেম্বর ৩১, ২০১৪ অনুযায়ী কোম্পানির সম্পূর্ণ ঋণ গ্রহণ সুবিধাদি অব্যবহৃত ছিলো এবং কোম্পানির নগদ এবং ব্যাংক ব্যালেন্সের পরিমাণ দাঁড়ায় ১.৭৪ বিলিয়ন টাকা। এই অবস্থানের ভিত্তিতে এবং বছর শেষে কোম্পানির ধনাত্মক কার্যকারি মূলধন অবস্থানের কারণে এই সিদ্ধান্তে উপনীত হওয়া গিয়েছে যে তারল্য সংক্রান্ত ঝুঁকির আশঙ্কা কম।

প্রতিবেদন তারিখ অনুযায়ী প্রাসঙ্গিক অনির্দিষ্ট আর্থিক দায়সমূহ:

	২০১৪	২০১৩
	টাকা '০০০	টাকা '০০০
ব্যবসায়িক পাওনাদার (টাকা ১৫)	৩,২৬২,৭৯৭	১,৫৫২,৪০৬
প্রভিডেন্ট/পেনশন ফান্ড (টাকা ১৫)	-	-
দাবীদারহীন লভ্যাংশ (টাকা ১৫)	৩৫,৫২৭	৩৩,০৫১
আন্তঃপ্রাতিষ্ঠানিক দেনা (টাকা ১৫)	৩,১০৬,৭০১	১,৭৩২,৯৩৯
অন্যান্য পাওনাদার (টাকা ১৫)	২৩১,৩৯৪	৪৩,২০১
	<b>৬,৬৩৬,৪১৮</b>	<b>৩,৩৬১,৫৯৭</b>
	২০১৪	২০১৩
	টাকা '০০০	টাকা '০০০
প্রাসঙ্গিক অনির্দিষ্ট আর্থিক দায়সমূহের সময়কাল:		
০-৩০ দিন	৫,৩৪২,৪৮৪	৫২৫,৪২৬
৩১-৬০ দিন	৬০৭,৭২২	১,০৬৭,২৭৭
৬১-৯০ দিন	৪৪৬,৭৪৭	৬২২,২০৫
৯১-১৮০ দিন	১৫৭,৮৮০	১৪৬,০৫৮
১৮১-৩৬৫ দিন	৮৪,৮৮৮	৬০৮,৭৭৪
৩৬৫ দিনের ওপর	-	৩৭৯,৩৭৮
	<b>৬,৬৩৯,৭২০</b>	<b>৩,৩৪৯,১১৮</b>

## সঠিক মূল্য নির্ধারণ

প্রয়োগযোগ্য সকল আর্থিক উপাত্তসমূহ সঠিক মূল্যে নির্ধারিত রয়েছে।

### ৩৫. সম্পত্তি, কারখানা ও যন্ত্রপাতি বিক্রয়

	প্রকৃত মূল্য	সঞ্চিত অবচয়	লিখিত মূল্য	বিক্রয় মূল্য	বাদ/সমস্বয় পদ্ধতি	ক্ষেত্র
	টাকা '০০০	টাকা '০০০	টাকা '০০০	টাকা '০০০		
লাখেরাজ ভবন	৬,৯৯৭	৩৭৫	৬,৬২২	-	কোম্পানি নীতিমালা অনুযায়ী	তৃতীয় পক্ষ
আসবাবপত্র	৯৯২	৯৯১	২	-	ঐ	তৃতীয় পক্ষ
আই.টি. সরঞ্জাম	১২,২৩৭	১২,০৭৩	১৬৫	১৫৮	ঐ	তৃতীয় পক্ষ
ইজারাতে নেয়া ভবন	৯	৯	০	-	ঐ	তৃতীয় পক্ষ
অফিস সরঞ্জাম	১,৮২৭	১,২৪৩	৫৮৪	৭	ঐ	তৃতীয় পক্ষ
কারখানা ও যন্ত্রপাতি	৯৭,২৭৮	৯০,২২৪	৭,০৫৩	-	ঐ	তৃতীয় পক্ষ
যানবাহন*	৮৮,০২৮	৮৫,৬৩৮	২,৩৯০	৩৩,৬৪১	ঐ	কোম্পানি কর্মচারীবৃন্দ
	২০১৪	২০১৫	২০১৬	২০১৭		
	২০১৮	২০১৯	২০২০	২০২১		
	২০১৮	২০১৯	২০২০	২০২১		
	২০১৮	২০১৯	২০২০	২০২১		

\* কোম্পানির পলিসি অনুযায়ী সকল যানবাহন নিলামের মাধ্যমে বিক্রয় করা হয়।

### ৩৬. সিস্টেম উন্নীতকরণ

২০১৪ সাল থেকে এন্টারপ্রাইজ রিসোর্স প্ল্যানিং সফটওয়্যার 'এসএপি'-কে পূর্ববর্তী 'সিফনি' সংস্করণ থেকে 'ওয়ানএ-সএপি' সংস্করণে উন্নীত করা হয়।

### ৩৭. প্রতিবেদন প্রণয়নের পরবর্তী ঘটনাসমূহ

২০১৪ সালের নভেম্বর মাসে ২০১৪ সালের জন্য ১০০% অর্থাৎ প্রতি শেয়ারে ১০ টাকা হারে সর্বমোট ৬০০,০০০,০০০ টাকা অন্তর্বর্তীকালীন লভ্যাংশ হিসেবে প্রদান করা হয়েছিল। ২০১৪ সালের ২৬ ফেব্রুয়ারি অনুষ্ঠিত বোর্ড সভায় পরিচালক পর্ষদ ৪৫০% অর্থাৎ প্রতি শেয়ারে ৪৫ টাকা হারে সর্বমোট ২,৭০০,০০০,০০০ টাকা চূড়ান্ত লভ্যাংশ হিসেবে প্রদান করার সুপারিশ করেন, যার ফলে পরিচালক পর্ষদ ২০১৪ সালের জন্য ১০০% অন্তর্বর্তীকালীন লভ্যাংশসহ সর্বমোট ৫৫০% চূড়ান্ত লভ্যাংশ কোম্পানির ৪২তম বার্ষিক সাধারণ সভায় অনুমোদনের জন্য সুপারিশ করেন।

### ৩৮. ঘটনাসাপেক্ষ দায়

কোম্পানির বিপরীতে কয়েকটি নির্দিষ্ট অমীমাংসিত আইনগত, কর ও ভ্যাটসংক্রান্ত দাবি রয়েছে, যথাসময়ে আইনগত প্রক্রিয়ার মাধ্যমে যার নিষ্পত্তি করা হবে। এগুলোর নিষ্পত্তিকল্পে কোম্পানি সর্বাঙ্গিক প্রচেষ্টা চালাচ্ছে। প্রতিবেদন জমা দেওয়ার দিন আর্থিক বিবরণীতে এই দাবির কোনোটির জন্যই কোনো ব্যবস্থা রাখার প্রয়োজন আছে বলে পরিচালকগণ মনে করেন না।

S. Meemim

শেহজাদ মুনিম  
ব্যবস্থাপনা পরিচালক

মোঃ ফায়েকুজ্জামান

মোঃ ফায়েকুজ্জামান  
পরিচালক

মোঃ আজিজুর রহমান

মোঃ আজিজুর রহমান  
কোম্পানি সচিব



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## Pheromone Trap

“ Pheromone trap or sex pheromone is another biological approach used by tobacco farmers where biological chemicals produced by female insects are used to attract males of the same species & are trapped by using sticky solution usually detergent or soap mix water. ”



## British American Tobacco Bangladesh Company Limited

New DOHS. Road Mohakhali, Dhaka-1206, PO Box 6069, Bangladesh

### Proxy Form

I/We.....  
of.....  
being a Member of British American Tobacco Bangladesh Company Limited, do hereby appoint  
Mr./Mrs.....  
of.....

either of them may, in writing, appoint anyone to act as my proxy at the 42nd Annual General Meeting of the Company to be held on Sunday, 12 April 2015 and at any adjournment thereof

As witness my/our hand this ..... day of ..... 2015.

.....  
(Signature of Proxy)



.....  
(Signature of Shares Holder)

Folio / BO ID No. -

#### Notes:

No. of Shares held: .....

- 1. A member entitled to attend and vote in the AGM may appoint a Proxy to attend and vote on his/her behalf.
- 2. The Proxy Form, duly filed and stamped must be deposited at the Registered Office of the Company, by 10.30 a.m of 10 April 2015.
- 3. Signature of the Member(s) must be in accordance with the Specimen Signature recorded with the Company.



## British American Tobacco Bangladesh Company Limited

New DOHS. Road Mohakhali, Dhaka-1206, PO Box 6069, Bangladesh

### Attendance Slip

I/We do hereby record my/our attendance at the 42nd Annual General Meeting (AGM) of the Company being held on 12 April 2015 at 10.30 a.m at Pan Pacific Sonargaon, 107 Kazi Nazrul Islam Avenue, Dhaka 1215, Bangladesh

Name of the Shares Holder(s)/Proxy:.....

Folio / BO ID No. of Shares Holder: -

No. of Shares held: .....

.....  
Signature of Shares Holder(s)/Proxy

Note: Please present this attendance slip at the registration counter on or before 10:30 a.m on the AGM date.





## ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

নিউ ডিওএইচএস, রোড মহাখালী, ঢাকা-১২০৯, পিও বক্স ৬০৬৯ বাংলাদেশ

### প্রতিনিধিপত্র

আমি/আমরা .....

ঠিকানা .....

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড-এর সদস্য হিসেবে

ক. জনাব/বেগম .....

ঠিকানা .....

খ. জনাব/বেগম .....

ঠিকানা .....

কে বা তাদের যেকোনো একজনকে আমার/আমাদের প্রতিনিধি হিসেবে আমার/আমাদের অনুপস্থিতিতে রবিবার, ১২ এপ্রিল ২০১৫ তারিখে অনুষ্ঠিতব্য কোম্পানির ৪২তম বার্ষিক সাধারণ সভায় এবং তার মূলতবি ঘোষিত সভায় উপস্থিত হওয়া ও ভোটদানের জন্য নিযুক্ত করলাম।

রেজিনিউ

স্ট্যাম্প

২০/=

(প্রতিনিধির স্বাক্ষর)

(শেয়ার হোল্ডারের স্বাক্ষর)

ফোলিও / বিও নম্বর :  -

শেয়ার সংখ্যা : .....

দ্রষ্টব্য:

১. অনিবার্য কারণবশতঃ, কোনো সদস্য তার অনুপস্থিতিতে মনোনীত প্রতিনিধিকে তার পক্ষ থেকে ভোট প্রদানের জন্য পাঠাতে পারবেন
২. প্রতিনিধিপত্র সঠিকভাবে পূরণ ও স্ট্যাম্প সংযুক্ত করে কোম্পানির নিবন্ধিত অফিসে ১০ এপ্রিল সকাল ১০:৩০ মিনিটের মধ্যে জমা দিতে হবে
৩. কোম্পানির নথিভুক্ত নমুনা স্বাক্ষর ও সদস্যের স্বাক্ষর একই হতে হবে।



## ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

নিউ ডিওএইচএস, রোড মহাখালী, ঢাকা-১২০৯, পিও বক্স ৬০৬৯ বাংলাদেশ

### উপস্থিতিপত্র

আমি/আমরা আগামী ১২ এপ্রিল ২০১৫ রোজ রবিবার সকাল ১০:৩০ মিনিটে সোনারগাঁও হোটেলে, ১০৭ কাজী নজরুল ইসলাম এভিনিউ, ঢাকা-১২১৫ এর বলরুমে অনুষ্ঠিতব্য কোম্পানির ৪২তম বার্ষিক সাধারণ সভায় আমার/আমাদের উপস্থিতি লিপিবদ্ধ করছি।

শেয়ার হোল্ডার/প্রতিনিধির নাম: .....

বিও/ফোলিও আইডি নং:  -

শেয়ারের সংখ্যা: .....

(শেয়ার হোল্ডারের স্বাক্ষর)

দ্রষ্টব্য ১: অনুগ্রহপূর্বক, এজিএম-এর দিন সকাল ১০.৩০ মিনিটে বা তার আগে রেজিস্ট্রেশন কাউন্টারে এই উপস্থিতিপত্রটি দেখাবেন।