

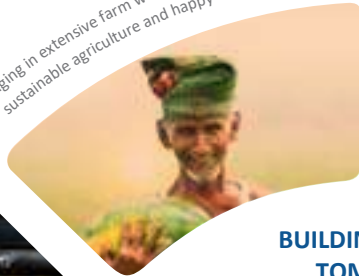


BUILDING  
A BETTER TOMORROW





Engaging in extensive farm welfare activities that ensure sustainable agriculture and happy communities



Bonayan: Distributed 105 mn free saplings that has contributed to expansion of the green cover



Tax contribution of over 100 thousand crore and recipient of 11 awards in 2019



Probaho: 220,000 beneficiaries benefitting from access to clean drinking water every day



## BUILDING A BETTER TOMORROW

Moving together towards a sustainable future

At BAT Bangladesh, we believe that a responsible business is one that acts in the best long-term interests of all its stakeholders. Inspired by our vision, we continue to take meaningful action for building a better Bangladesh, being economically and socially useful by ensuring good governance in our business activities. We are supporting national progress through our contributions as the country's highest taxpayer, and are also providing gainful employment, reflected in the prestigious Asia Pacific Top Employer certification being bestowed upon us for two years in a row.

Today, with a proud heritage, we are moving forward to envision a future where we believe everyone benefits from our sustained and sustainable initiatives. We are ushering electrification in remote off-grid areas through our solar energy installations, ensuring healthy communities through establishing safe drinking water plants in arsenic-prone areas and committing to effective afforestation initiatives to restore the depleted green cover. We are also fostering good agricultural practices, especially through interventions across our farmers' community clubs, implementing best-in-class Corporate Governance practices, encouraging gender diversity and embracing all initiatives that empower our stakeholders with sustainable benefits. In a major validation of our leadership in large-scale industrial practices and in upholding ESG (environmental, social and governance) matters, we were bestowed with the eminent 'President Industrial Development Award' recently.

Hence, as a leading private sector partner of the Government of Bangladesh, we are intricately linking our actions with the SDGs in our quest for building a better tomorrow.



Facilitating to achieve the SDGs

Deopro: 13,000 beneficiaries using solar energy



Our People are our Strength



# WELCOME TO OUR ANNUAL REPORT FOR THE YEAR 2019



*We would also like to request our valued stakeholders to go through the online version of this Annual Report published on the website of BATB ([www.batbangladesh.com](http://www.batbangladesh.com)) as we promote paperless workplace to conserve the environment.*



We invite you to download a digital copy of this Annual Report by scanning this QR code on your smart device.



You can access to Facebook Shareholders page by scanning this QR Code from your smart device



You can also download a copy of this report from our website: [www.batbangladesh.com](http://www.batbangladesh.com)



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BANGLADESH

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# WELCOME!

We extend a very warm welcome to our shareholders to our Annual Report for the year 2019. We report a resilient performance during the year despite the external challenges, and progress forward with our value creation strategy, declaring a dividend of Tk. 40 per share for the year

## Scope and boundary

This Annual Report covers the operations of British American Tobacco Bangladesh Company Limited (BATB or BAT Bangladesh) for the financial year from 1 January 2019 to 31 December 2019. The report addresses a comprehensive range of financial and non-financial information put forth in a concise way to enable our stakeholders to make informed decisions about the Company’s past performance and future strategies.

The report articulates the essence of our business operations and remains inclusive of the financial performance, safety and welfare initiatives and governance structures that underpin BATB’s ability to create value in the short, medium and long-term. Further, as the bulk of BATB’s activities are centered around Bangladesh, with the remainder comprising exports to third party companies around the world, reporting on these operations dominate this report. The report also expresses our social and environmental initiatives and their impact on both our immediate and extended communities.

## Reporting approach

In compiling this report, we have considered information included in previous reports, legislative reporting requirements and the International Integrated Reporting Council’s (IIRC’s) Framework, International Accounting Standards Board (IASB) and BSEC Listings Requirements. A Qasem

& Co., Chartered Accountants, member firm of Ernst & Young, has audited our consolidated annual financial statements 2019 and provided an unmodified opinion thereon.

In line with the IIRC <IR> Framework, BATB considers the six capitals in developing the content of this report. The six capitals provide an effective mechanism to test the Company’s assumptions about realising potential, which enables BATB to analyse how it uses, transforms, renews or creates resources and relationships, thus furthering its ambitions in long-term value creation.

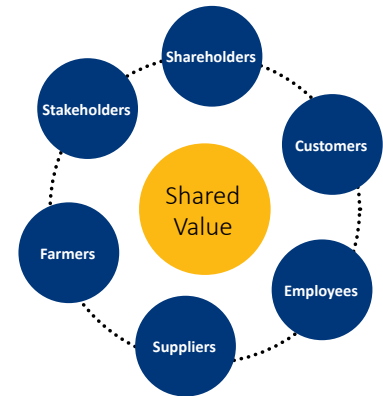
This report’s content was determined by applying the principle of materiality. The risk process, integrated through all divisions and functions, underpinned the materiality process. Matters that substantively affect BATB’s ability to realise long-term potential are addressed in this report.

This integrated report and a complete set of annual financial statements are available on the Company’s corporate website at [www.batbangladesh.com](http://www.batbangladesh.com). The integrated report can also be requested in print format from the Company Secretary, Mr. Md. Azizur Rahman. ([md\\_azizur\\_rahman@bat.com](mailto:md_azizur_rahman@bat.com))

## The relationships we rely on

We are committed to open and constructive engagement with our stakeholders. Our business model and strategy consider and address the issues and concerns most

relevant to our key stakeholders that enable us to create shared value.



## Assurance

BATB embraces a combined assurance model to optimise the assurance coverage obtained from the management, as well as from internal and external assurance providers. The Company’s combined assurance methodology is used to assess the effectiveness of controls and mitigating factors implemented across BATB. These assessments are used to inform a continuous improvement process.

## Board approval

The Board, assisted by the Audit Committee, is responsible for the integrity and completeness of this report. The Board reviewed the 2019 Annual Report on 22<sup>nd</sup> February 2020 and is satisfied that it is a fair and accurate representation of the Company’s performance and future prospects.



**Golam Mainuddin**  
Chairman



**Shehzad Munim**  
Managing Director





# CORPORATE INFORMATION

## Board of Directors

Mr. Golam Mainuddin	Chairman
Mr. Shehzad Munim	Managing Director
Mr. Mohammad Moinuddin Abdullah	Non-Executive Director
Mr. Md. Abdul Halim	Non-Executive Director
Mr. K. H. Masud Siddiqui	Independent Director
Mr. A. K. M. Aftab UI Islam FCA	Independent Director
Ms. Tahmina Begum	Non-Executive Director
Mr. Md. Abul Hossain	Non-Executive Director
Mr. Stephan Matthiesen	Finance Director

## Head of Public Affairs & Company Secretary

Mr. Md. Azizur Rahman FCS

## Board Audit Committee

Mr. A. K. M. Aftab UI Islam FCA	Chairman
Mr. Mohammad Moinuddin Abdullah	Member
Mr. Md. Abdul Halim	Member
Ms. Tahmina Begum	Member
Mr. Md. Abul Hossain	Member
Mr. Md. Azizur Rahman FCS	Secretary

## Board CSR Committee

Mr. Mohammad Moinuddin Abdullah	Chairman
Mr. Shehzad Munim	Member
Mr. Md. Abdul Halim	Member
Mr. A. K. M. Aftab UI Islam FCA	Member
Ms. Tahmina Begum	Member
Mr. K. H. Masud Siddiqui	Member
Mr. Md. Abul Hossain	Member
Mr. Md. Azizur Rahman FCS	Secretary

## Board Nomination and Remuneration Committee

Mr. K. H. Masud Siddiqui	Chairman
Mr. Golam Mainuddin	Member
Ms. Tahmina Begum	Member
Mr. Md. Azizur Rahman FCS	Secretary

## Leadership Team

Mr. Shehzad Munim	Managing Director
Mr. Stephan Matthiesen	Finance Director
Mr. Ozsan Ozbas	Head of Operations
Ms. Mubina Asaf	Head of Legal & External Affairs
Mr. Golam Safwat Chowdhury	Head of Brands and SP&I
Mr. Syed Mahbub Ali	Head of Trade
Mr. Saad Jashim	Head of Human Resources

## Head of Internal Audit & Compliance

Mr. Md Zahidul Islam

## Statutory Auditors

A. Qasem & Co., Chartered Accountants

## Governance Compliance Auditor

Al-Muqtadir Associates, Chartered Secretaries

## Bankers

Standard Chartered Bank  
 Hong Kong and Shanghai Banking Corporation  
 Citibank N.A.  
 Commercial Bank of Ceylon  
 Sonali Bank  
 Pubali Bank  
 Eastern Bank Ltd

## Registered Office

British American Tobacco Bangladesh Company Limited  
 New DOHS Road, Mohakhali, Dhaka 1206  
 T: +880 2 48811279-83  
 F: +880 2 8822786  
 Email: md\_azizur\_rahman@bat.com  
 www.batbangladesh.com





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# VISION AND MISSION



## Our vision

To be the world's best at satisfying consumer moments in tobacco and beyond.



### Satisfying consumer moments

We believe that by being the world's best at satisfying consumer moments, we will become the leader in our industry. Consumers are at the core of everything we do, and our success depends on addressing their evolving concerns, needs and behaviours.



### Tobacco and beyond

The second part of our vision – tobacco and beyond – recognises the strength of our traditional tobacco business and the opportunities we see in Next Generation Products. This is a great potential business opportunity because consumers are looking for choices and product categories in which we are uniquely placed to succeed.



## Our mission

Delivering on our commitments to society, while championing informed consumer choice.



### Champion informed consumer choice

We need to continue to ensure that our adult consumers are fully aware of the choices they are making when they purchase our products. We recognise that we have a responsibility to offer a range of products across the risk continuum, but we will also defend people's right to make an informed choice.



### Deliver our commitments to society

As society changes, priorities and needs shift, we must be ready to meet new challenges and take advantage of new opportunities. We are a major international business and with this status comes responsibilities such as developing less risky products, being open about the risks of all our products, supporting agricultural communities in leaf-growing areas worldwide and minimising our impact on the environment.



Green Recreational Lounge of BATB Head Office

# OUR ETHOS

*At BATB, we have set our sights on ambitious goals to deliver a step-change in new categories, drive combustible value growth and simplify our organisation; goals that require us to embrace new ways of doing things* ●

As we embed our new ways of working across functions, it is essential that we remain resilient, empower our teams, focus on results and value different perspectives, while acting with integrity. **The BATB Ethos**, which replaces our Guiding Principles, will help us achieve this.

## WHAT IS THE ETHOS?

The BATB Ethos is the thread that runs through everything we do, and how we do. It is the compass to guide and direct us on how to achieve our objectives here at BATB. It is the spirit of our culture that will equip us to write the next chapter in BATB's history. More than just words on paper or branding on a wall, it is the behaviour we can all embody to make us future-fit individually and as an organisation.

For our long-time BATB employees and those who have more recently joined, we are inspiring an ethos that is responsive to constant change, embodies a learning culture and is dedicated to continuous improvement.

**Act with integrity, never compromising our Standards of Business Conduct and Ethics.**



### THE NEW ETHOS MEAN



#### We are BOLD

- We dream big – with innovative ideas.
- We make tough decisions quickly and proudly stand accountable for them.
- We are resilient and fearless to beat the competition.



#### We are FAST

- Speed matters. We set clear direction and move fast.
- We keep it simple. We focus on results over process.
- We learn quickly and share learnings.



#### We are EMPOWERED

- We set the context for our teams and trust their experience.
- We challenge each other. Once in agreement, we commit collectively.
- Hold each other accountable gives a notion of blaming each other. Instead we can write- We collaborate and take accountability to deliver.



#### We are DIVERSE

- We value different perspectives.
- We build on each other's ideas, knowledge and experiences.
- We challenge ourselves to be open-minded, recognising unconscious bias.



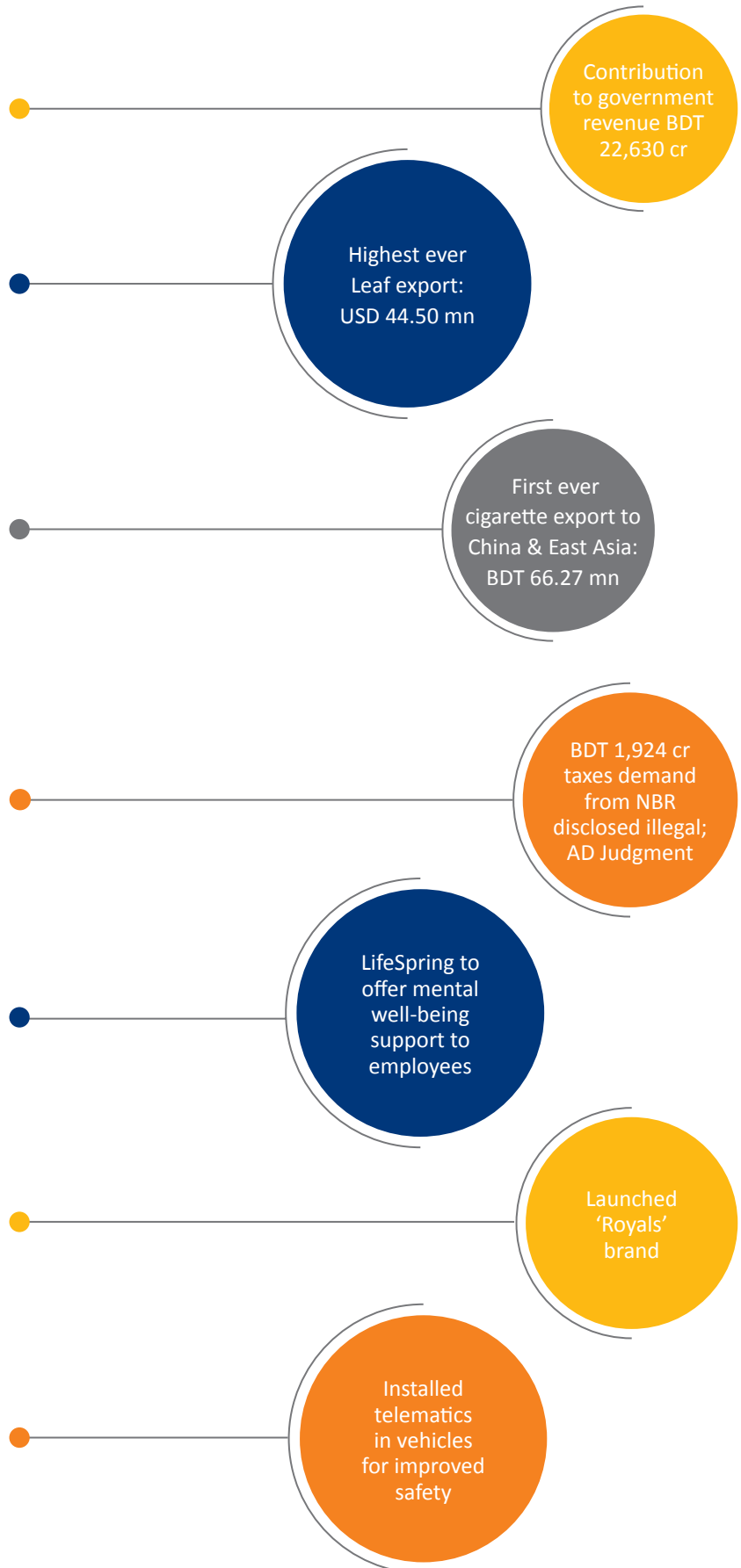
#### We are RESPONSIBLE

- Take action to reduce the health impact of our business.
- Ensure the best quality products for our consumers, the best place to work for our people, and the best results for shareholders.



## 2019 SALIENT FEATURES

*At BATB, the year 2019 was an eventful one, as we focused on championing informed consumer choice through a unique new product launch that was well-received by the market.*

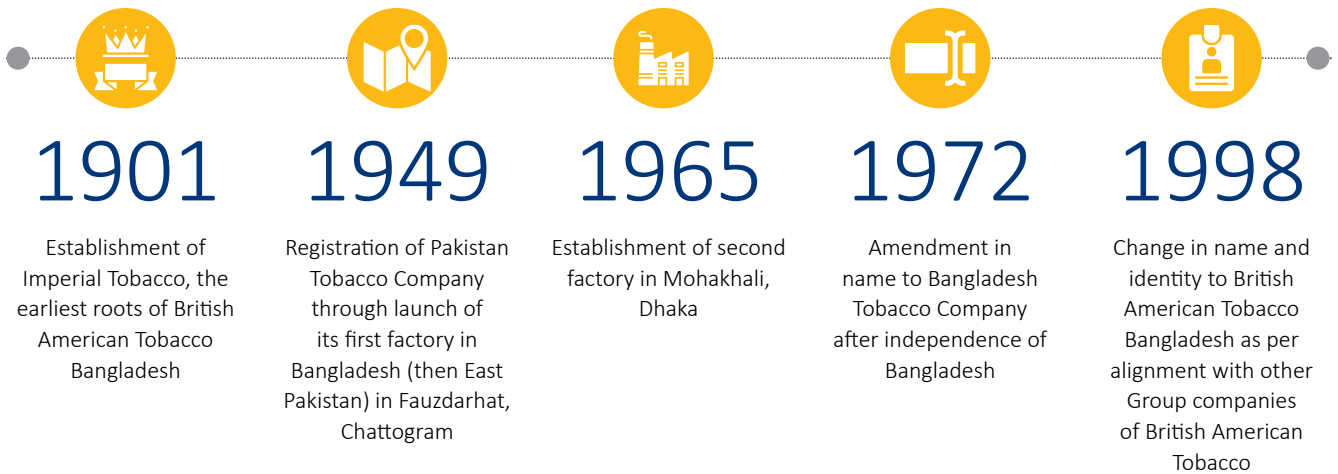


# WHO WE ARE

*As a responsible consumer products company, BATB is committed to satisfying consumer moments through a relevant and differentiated brand portfolio, while continuing to deepen community outreach and impact*

## Our heritage

British American Tobacco Bangladesh Company Limited (BATB or BAT Bangladesh) is a locally incorporated public listed company in Bangladesh. It is a subsidiary of British American Tobacco (BAT) plc, United Kingdom. BAT is one of the world’s leading consumer goods company, with nicotine and tobacco brands sold in over 200 markets around the world. The Group is engaged in sustainable initiatives in transforming tobacco to shape a future that provides consumers with more choice, more innovation and reduced risks.

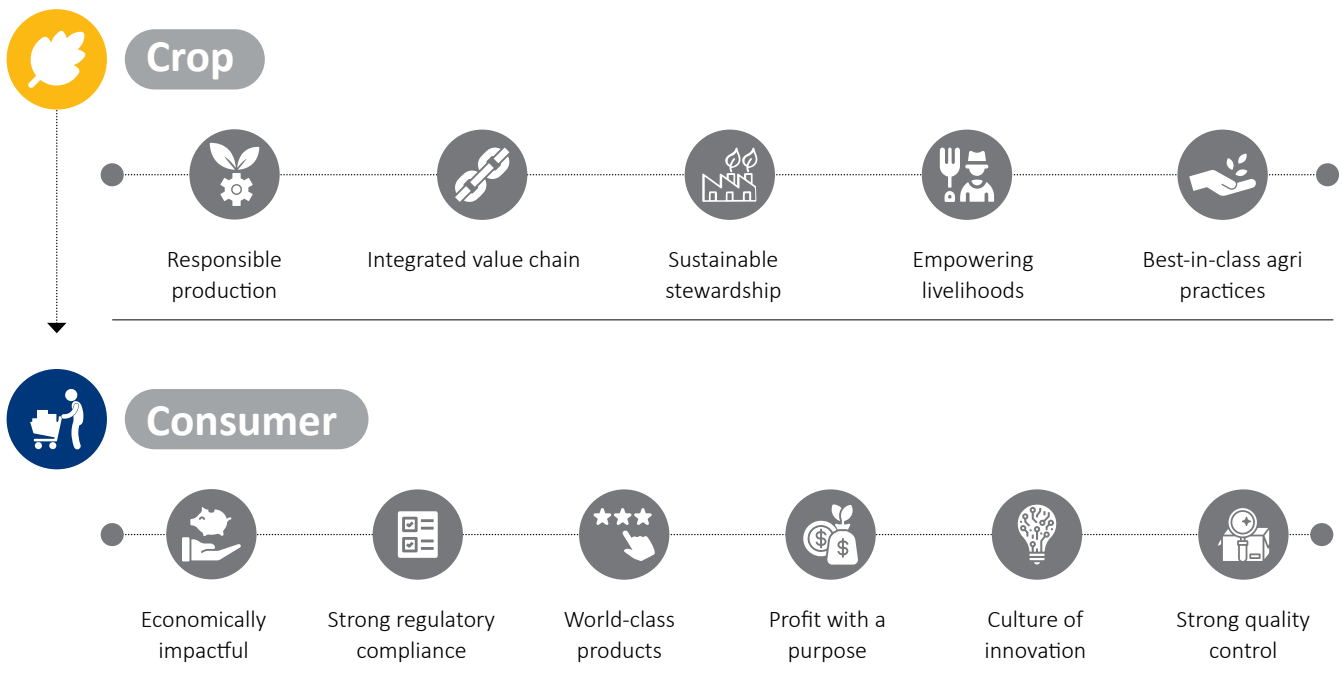


# OUR BUSINESS FRAMEWORK

*At BAT Bangladesh, our strategy enables us to deliver growth today, while driving the investment required to deliver our transformation agenda. Our vision is aligned with BAT plc and remains clear: while combustible tobacco products will remain at the core of our business over the foreseeable future, we understand that long-term sustainability will be anchored on our ambition to transform tobacco products* ●

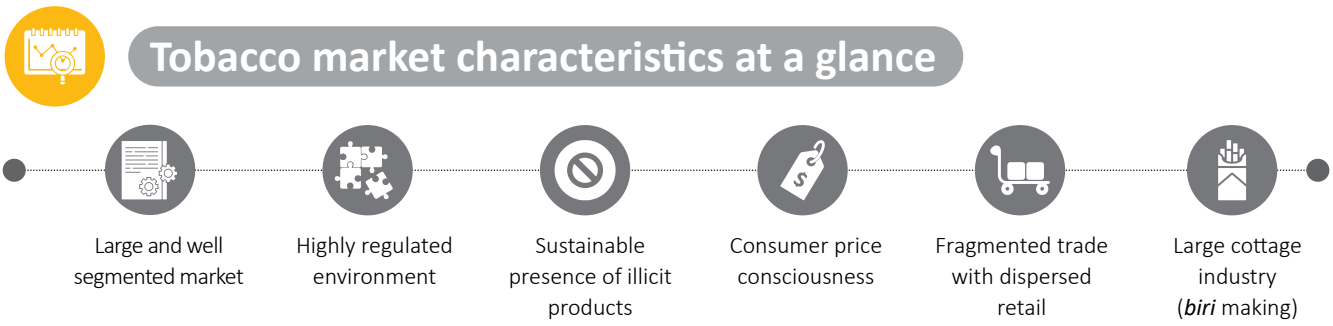
BAT Bangladesh is engaged in making world-class tobacco products that meet the diverse choice of its consumers. Our integrated value chain that spans from 'crop to consumers' enables high levels of operational and quality control.

## BATB's strategic framework



# OPERATING CONTEXT

*Bangladesh represents a frontier market opportunity sustained by accelerated growth in per capita income and an increasingly social, mobile and aspirational lifestyle*



## Operating environment analysis

Our operating context is characterised by an environment in which the legal tobacco industry is subject to extensive regulations. On the other hand, illicit and *biri* industries operate largely unhindered. This skewed operating environment has spawned a large and growing illicit trade business that not only denies the Government its rightful share of revenue, but also defeats its public health policy agenda.

On the other side of the spectrum, Bangladesh represents a frontier market opportunity with respect to consumption, sustained by accelerated economic growth driving per capita income and discretionary consumer spending.

Bangladesh’s overall cigarette market is pegged at about Tk. 350 bn. Some of the key dimensions of the industry include:

### ● Tobacco regulations

The tobacco industry is highly regulated in Bangladesh, with tobacco subject to extensive product, marketing and taxation requirements. Regulations cover almost all facets of the business, majorly comprising taxation and pricing.

Over the last few years, the country’s legal tobacco industry has witnessed hostile regulations. For instance, the budget of the last two years affected all segments of cigarette categories due to significant

price increase resulting in a highly volatile operating environment that is bound to impede our commercial interests.

In the face of this adverse external environment, as a responsible tobacco enterprise, we will continue to support balanced, evidence-based regulations that meet public health objectives to protect our economic interests, while also ensuring trade sustenance amongst our business partners.

### ● Step increases in supplementary duties and taxes

Over the past five years, supplementary duty hikes have pushed up retail prices. This unprecedented price increase in legal cigarettes has not only led to a distorted market environment but has also resulted in consumers increasingly shifting to cheaper and non-duty paid products that is counter-productive to the Government’s expectations.

As in other industries, we believe that tobacco regulations with respect to supplementary duties and taxes should be framed constructively to ensure that regulations around cigarette manufacture and consumption are just and rational.

### ● Growing illicit cigarettes market

BATB is the largest and only public listed tobacco company in Bangladesh. The market also constitutes:

- International players
- Local manufactures
- Chewing tobacco, *zorda* and *gul*
- Few smaller players
- *Biri* market
- Large illicit cigarette market

With regulations targetting only the legally-established tobacco industry, illegal cigarette trade has surged exponentially over the past few years. With legally-manufactured cigarettes becoming more expensive, consumers have increasingly shifted to illicit non-duty paid cigarettes, thereby causing a loss in revenue to the state and defeating the Government’s public health objectives.

### ● Responsible consumption

Harm reduction is a central pillar of BATB’s sustainability agenda and the Group sees strong potential in the development of less-risky tobacco alternatives.

At BAT Bangladesh, as a part of this ecosystem, we also engage in product innovation to foster responsible consumption practices and some of our launches during the year sought to fulfill these objectives. Further, we align with all statutory graphical health warnings on our packaging, thus promoting further awareness among our consumers.



# PESTEL ANALYSIS



## POLITICAL

### ● OPERATING CONTEXT

Tobacco prices in Bangladesh over the past few years have witnessed arbitrary hikes by the administration with the objective of reducing tobacco consumption. However, this price control has demonstrated a negative trade-off, with price-pressured consumers shifting to illicit products, thus causing loss of national revenue, which could have been otherwise used for public welfare and infrastructure development.

▶ Maintaining product quality and integrity

▶ Engaging in long-term planning

▶ Continued advocacy against the illegal trade



## ECONOMIC

### ● OPERATING CONTEXT

Bangladesh leads Asia's development race, with GDP growth rates that are faster than even those of India and China. Currently, the country is in the midst of an exciting transformation, as it transits from a least-developed nation into a middle-income country, as per UN specifications. Stable socio-economic policies and interventions are the need of the hour to support the country's accelerated transition.

Further, specific to the tobacco industry of the country, a stable and more predictable business environment is required that takes into account the interests of all stakeholders, while also ensuring that industry regulations are constructive and evidence-based.

▶ Maximising exchequer contributions

▶ Providing large-scale employment

▶ Engaging in responsible consumption stimulation



## SOCIAL

### ● OPERATING CONTEXT

As a responsible enterprise, we are extensively engaged in the socio-economic welfare of the country, while also playing our role in environmental sustenance. Our social investments holistically contribute to the major requirements of local revenue growth, job opportunities, business investment opportunities and better social facilities.

▶ CSR alignment with the UN SDGs

▶ Meeting the aspirations of our communities

▶ 3 flagship programs: Probaho, Deepto and Bonayan





## TECHNOLOGICAL

### OPERATING CONTEXT

Rapid technological innovation has altered consumers’ expectations in terms of products, quality and availability. We invest substantially in R&D and tech modernisation to deliver innovation that satisfy diverse consumer preferences, cater to a growing base of consumers, introduce new products that meet changing consumer needs, and ensure business growth and sustainability. Further, specific targeted investments in equipment, quality and productivity play a key role in driving short-term results.

Sustaining process/product innovation

▶ Making appropriate tech investments

▶ Sustained research on best-possible solutions



## ENVIRONMENTAL

### OPERATING CONTEXT

Bangladesh is committed to meeting the tenets of the Paris accord on climate change and hence fosters policies that support environmental protection to maintain the ecological balance, especially among industries. At BATB, we have a proactive stance on environmental management, focusing on sustained investments in minimising the impact of our operations on the environment, while also ensuring that we share best practices with our extended ecosystem.

98% waste recycling

▶ Target of 100% water recycling by 2022

▶ Extensive use of solar power on the shopfloor



## LEGAL

### OPERATING CONTEXT

As a responsible enterprise, BATB ensures full compliance with all regulations. Manufacturing companies are subject to substantive regulatory requirements and scrutiny by authorities. Factors such as health and safety, advertising standards, consumer rights and laws, product labelling and product safety are important factors in the business. Further, the tobacco industry is governed under stringent regulations imposed by the Government.

Proactive stance to compliance

▶ Culture of regulatory alignment

▶ Strong regulatory and compliance team



# BUSINESS MODEL

At BATB, at the centre of our business is the manufacture and marketing of superior combustible tobacco products, which we have been engaged with for more than a century. A proven strategy and diverse strengths represent the core foundations of our business model, ensuring continued progress and value creation.



## Our people & relationships

We employ 1,426 people directly and approximately 50,000 people indirectly as farmers, distributors, local suppliers and over 1.3 million retailers. We take great pride that BATB is one of the most preferred employers in the country. It is the people who bring their different ideas and perspectives every day which make BATB a great place to work. In the last year, once again we ensured that our contribution to the Government is very significant by contributing BDT 22,630 crore to Government exchequer. We encourage a culture of personal ownership and value our employees' talents. Their diverse perspectives help us to succeed and we recognise their critical role in achieving the goal we set for our business. We value what makes each of us unique.



## Sourcing

### WHAT WE DO

We do not own tobacco farms, but we provide agronomy support through our extensive services. The Company's Leaf function starts with the hard work of around 38,000 registered farmers within the village community.

### WHAT MAKES US DIFFERENT

We have implemented the Sustainable Tobacco Programme (STP) policy with an aim to apply the best local and international practices in the areas of agronomy, leaf depot operations, leaf processing operations, environmental management, human rights and occupational health and safety standards encompassing our leaf operations.



## Production

### WHAT WE DO

Manufacturing tobacco products is a large-scale operation and we have state-of-the-art manufacturing facilities in Bangladesh. We work to ensure that our costs are competitive and that we use our resources as effectively as possible.

### WHAT MAKES US DIFFERENT

Our sustainable production facilities are designed to meet the needs of an agile and flexible supply chain, providing a world-class operational base. To meet the market needs and to improve the quality and future export potential of our products, our manufacturing facility has to undergo balancing and modernisation and, as such, investment is being made on a regular basis. Ensuring leaf and products are in the right place at the right time and in the right quantity is a formidable logistical exercise for which BATB is highly committed. The nature of our business allows us to pool resources on a global scale and maximise efficiency.

Our sustainable approach to sourcing, production, distribution and marketing helps us to create value for a wide range of stakeholders – right from farmers to consumers. We use our unique strengths and employ our resources and relationships to deliver sustainable growth in earnings for our shareholders. While our STP guides responsible sourcing and sustainable engagement with our farm communities, our IWS and leverage of world-class production assets enable green and environmental-friendly production. Within our distribution and retail networks too, we focus on ensuring sustainable logistics and access, thus responsibly serving our value chain.



## Marketing

### WHAT WE DO

We produce a range of products, including Benson & Hedges, John Player Gold Leaf, Capstan, Star, Royals, Derby, Pilot and Hollywood. Our range of products cover all segments, from low to premium, thereby enabling us to meet diverse consumer choice.

### WHAT MAKES US DIFFERENT

We have developed a successful brand strategy based on sound consumer insight. Our portfolio of a large 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 for today and investing for tomorrow.



## Distribute

### WHAT WE DO

Our expansive and well-established distribution channels are critical enablers of our growth strategy, allowing us to roll out innovations on a mass scale.

### WHAT MAKES US DIFFERENT

We continuously review our route-to-market, including our relationships with wholesalers, distributors and logistics providers. We constantly work towards embedding best practices in sustainability at the distributors' end as well, to ensure holistic regulatory compliance.



## Our focus on innovation

We make significant investments in R&D to deliver innovation that satisfy or anticipate diverse consumer preferences and generates growth for the business. We also research, develop and test new products to meet evolving consumer needs. Specific targetted investments in new ventures, R&D projects, manufacturing, supply chain, warehousing, IDT and logistical services together 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. Our captive research programmes and our inhouse laboratory play a useful role in ensuring quality control, while taking ahead our ambitions in innovation. Further, our engagement 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 the market.

# EVERYONE HAS A ROLE TO PLAY

On the 'World Water Day',  
Probaho takes pride in ensuring  
safe drinking water everyday for

**220,000+ people**



## HIGHLIGHTS, 2019



### TAX CONTRIBUTION

BDT **22,630** cr

National exchequer

**84 %**

of revenues paid as taxes



### SHAREHOLDERS

BDT **40** per share



### EXPORT

USD **44.50** mn



### CSR

Bonayan **105** mn

Saplings distributed

Probaho **87** Plants

**450,000** litres

Potable drinking water supplied every day



### EMPLOYEES & OTHERS

**1,426**

Employees

**38,000**

Farmers

**1.3** mn

Retailers



### TOP EMPLOYER

**2** times in a row

Only Company in Bangladesh to win Top Employer Award

Depto **2,590** units

**13,000**

Benefitting from sustainable electrification



***“AS ONE OF  
BANGLADESH’S MOST  
ECONOMICALLY-  
IMPACTFUL ENTITIES,  
YOUR COMPANY PLAYS  
AN EFFECTIVE ROLE  
IN CONTRIBUTING TO  
THE GOVERNMENT’S  
NATIONAL REVENUES,  
WHILE OUR OWN  
SUSTAINABILITY  
PROGRAMS  
HAVE A HIGHLY  
CONSEQUENTIAL  
IMPACT IN  
COMMUNITY  
EMPOWERMENT.”***

**Golam Mainuddin**  
Chairman



## CHAIRMAN'S MESSAGE

*We are committed to good corporate governance and achieving our business objectives in an honest, transparent and accountable way. We regard corporate governance as a key element underpinning the sustainable, long-term growth of our business*

### Dear shareholders,

I take pleasure in welcoming you to our Annual Report for the year 2019 and take pride in your association with us.

### Pursuing ethical leadership

British American Tobacco Bangladesh is committed to promoting the highest standards of corporate governance and ensuring that all its business practices are conducted within the Company's framework of ethics and values.

The Board and the executive management team are steadfast to the effective implementation of policies and practices that ensure a culture of integrity and compliance that meets high levels of transparency and disclosure. Collectively and individually we are committed to embracing personal and professional ethical conduct, and strive to instill a culture of principled behaviour that permeates throughout our Company.

In recognition of the importance of conducting our affairs according to the highest standards of governance and in the best interests of our stakeholders, BATB's commitment to good governance is formalised in its policies and operating procedures. These are embodied in our Standards of Business Conduct, which are regularly updated to ensure that they continue to reflect best practices.

Environmental, Social and Governance (ESG) considerations are integrated across our value chain and built into the heart of the policies and principles that govern how our Company operates. Our approach

to ESG includes sustaining our robust governance systems and controls; investing in our employees and cultivating a diverse and inclusive work environment; providing our consumers with choice, responsibly and transparently; strengthening the communities in which we live and work; and integrating sustainability into the fabric of our everyday activities.

Importantly, we view our ESG matters as an enduring business fundamental, rather than a one-off, and seek continuous improvement. The establishment of our dedicated Foundation will only accelerate these efforts because they underpin the long-term success of our organisation and influence our ability to deliver durable value to our stakeholders.

I am proud that we are able to make progress on elevating our ESG standards to model benchmarks, thanks to the holistic and facilitative support that we receive from our regulators, as well as through ongoing engagements with our diverse stakeholder groups. I am indeed thankful for their invaluable contributions and seek their continuous support – today and well into the future.

Our ESG standards and practices have received a number of national and global awards, and these highly credible endorsements only motivate us on our journey of pursuing excellence in ethical leadership.

I take this opportunity to reiterate that at BATB, good governance is not just a priority but a vital part of our culture. Continuing to meet our legal and regulatory obligations

and delivering results with integrity and transparency represent a fundamental part of our identity. We have always placed our faith in the long-term and this requires that we embrace an uncompromising stand on regulations.

### Acknowledgements

I would like to extend my sincere appreciation to my fellow Directors on the Board for their continued support, guidance and valuable insights through the years. I treasure their decisive leadership and wise counsel. I would also like to especially thank the Government of Bangladesh and our regulators for their dependable support and co-operation. We will continue to partner our Government's vision of a vibrant and developed Bangladesh. I also acknowledge the enthusiasm, loyalty and energy of our employees and am proud of the way they uphold our high standards of ethics and integrity. Finally, a special thanks to our investors and shareholders, consumers, distributors and business partners for placing their faith and trust in us.

We have always known that our robust stakeholder associations are without doubt our key source of competitive advantage. So, on behalf of the Board, I thank all our stakeholders for the unstinted support rendered to the Company.

With my best wishes,

Sd/-

**Golam Mainuddin**  
Chairman



***WE AIM TO  
PASSIONATELY  
CONTINUE  
BUILDING  
VALUE FOR OUR  
CONSUMERS AND  
SHAREHOLDERS  
NOW AND INTO  
THE FUTURE.***

**Shehzad Munim**  
Managing Director



**Shehzad Munim**  
Managing Director



# MANAGING DIRECTOR'S OVERVIEW

*The key to our success has always been a relentless focus on our consummate business strategy, comprising best-in-class human resources, a winning portfolio, capacity enhancement and community development. The outcome of this strategy has enabled us to deliver satisfactory shareholder returns and has also inspired us to proudly contribute to the country's developmental journey through continuous support in meeting the sustainable development goals*

## Dear Shareholders,

The year 2019 presented a unique set of challenges in the form of a competitive landscape and tough operating environment, which we had to dexterously overcome to deliver outstanding business results. As a leading corporate in Bangladesh, we believe our 2019 results will propitiously uphold our rich legacy of strong shareholder value creation. Throughout 2019, we continued to increase our contributions to the national exchequer, while also leading the tax compliance journey of the cigarette industry in Bangladesh. BATB also takes immense pride in contributing to the economic development of the nation by complementing the SDGs through its several environmental, societal and governance initiatives, thus supporting the development of skilled human resources, facilitating the incorporation of globally integrated work practices and implementing an environmentally-responsible business model.

Despite the numerous hurdles that BATB faced in 2019, we continued to focus and build on our core business priorities that enabled us to complete the year on a strong note. The Company recorded gross turnover of BDT 26,985 crore in 2019, up by 16% from the previous year. The Company also delivered moderate NTO growth, complemented by a rise in export and mix improvement. Achieving this growth however was extremely challenging, especially considering the difficult external environment and price increase of the low segment announced in the 2018 National Budget, leading to continued growth of duty evaded cheap products throughout 2019. The Company's profit after tax

stood at BDT 925 crore, going down by 8% from the previous year, mainly due to increased competitive pressure resulting in higher operating costs. Higher taxes on the already highly taxed burden also contributed to the overall profit decline. Our tax deposit stood at BDT 22,630 crore, which is 18% higher vs. last year. BATB contributes almost 8% to the total internal Government revenue, making us by far the highest taxpayer in Bangladesh.

For the first time in our history of 108 years, we are delighted to inform you regarding the introduction of factory-made cigarettes to our export basket, alongside unmanufactured tobacco, which registered a commendable export value of USD 45 mn. We would also like to take this opportunity to express our gratitude to the National Board of Revenue and the regulators for their support in creating a favourable environment which made this achievement possible.

## Our People remain Our Core Strength

The major reason behind BATB's tremendous success over the years has undoubtedly been its passionate and dedicated employees. BATB's major driving force comprises its 1,426 direct employees and approximately 1,350,000 more members, including farmers, distributors, suppliers and retailers, all of whom together make us the most preferred employer in the country. The Company's motto of achieving strength through diversity is reflected through 76 female representation within the workforce, with 12% of the Company's leadership roles being held by women.

As a part of its outstanding legacy of developing strong business leaders, BATB is renowned as one of the top exporters of talent to the BAT group, with 41 BATB managers currently performing key roles across various countries. Some of BATB's flagship initiatives like Battle of Minds which is held every year in Bangladesh is also replicated across other markets within the BATB group, with the finals taking centerstage at the corporate headquarters in London. BATB is also proud to develop highly skilled shop-floor employees, some of whom have not only taken up the position of trainers in Bangladesh, but have also travelled to other markets across the BAT group to provide training on production and technical issues. Housing such a diverse and multi-talented workforce, it is to no one's surprise that BATB has been awarded the prestigious 'Top Employer' award in Bangladesh for 2019 for two consecutive years by the renowned global Top Employer Institute. BATB also holds the rare distinction of being the only Company in Bangladesh to be awarded by the Top Employer Institute.

## Our Winning Portfolio

At BATB, we prioritise our consumers' choice above all else and work towards satisfying their evolving needs through contemporary and progressive offers. The year 2019 marked the launch of "Royals" in Bangladesh, which was introduced as a strategic move to competitor activity, and one that has been instrumental in driving the Company's business forward, especially during the second half of the year. Based on consumer research, some of the other brands in the portfolio, i.e. Derby, Pilot and Hollywood also went through their journey of progression in 2019. All these initiatives complemented



our well-established brands like Benson & Hedges, Gold Leaf, Star and Capstan, which enabled us to achieve satisfactory revenue growth. We aim to persist with our ambition of remaining at par with consumer trends and deliver brands and offers that satisfy consumers of today and tomorrow.

## State of the Art Manufacturing

BATB's manufacturing unit embarked on the journey of "Integrated Work System (IWS)" in 2016. IWS is a proven approach in achieving groundbreaking results through Zero Loss Mindset and 100% Employee Engagement. It focuses on developing resource capability on both manufacturing processes and technology fronts, while ensuring adherence of process through daily drumbeats. Through implementing this seamless work process, our factory efficiency improved by 17 ppt from 58% to 75%, with improved machine reliability, while enabling delivery of superior product quality to our consumers. BATB also officially achieved the accreditation of "IWS Phase-1" Factory in 2019, among the 45 manufacturing units of BAT group. Dhaka Factory is the 7th unit to achieve this prestigious certification.

In 2019, BATB exported 70 mn sticks to China and East Asia with the proud 'Made in Bangladesh' tag. The initial response has been quite encouraging and, together with state-of-the-art manufacturing facility and excellent leaf quality, have created an avenue for export of factory-made cigarettes across other potential markets too in 2020.

## Sustainability through Environmental, Societal and Governance initiatives

At the core of any successful global business lie its exemplary ESG practice. BATB is no exception and has been one of the pioneers of ESG in Bangladesh, acknowledged and recognised both locally and globally for numerous achievements in the fields of Corporate Governance, Corporate Social Responsibility, Process Excellence and Human Resource Development.

Sustainable ESG practices are an integral part of BATB's business strategy and one that have not only helped the Company thrive, but also acted as a development

partner to the Government in driving the sustainable development goals. In the year 2019, BATB received as many as 11 awards both nationally and internationally in the ESG space, which is a true testament of the Company's aim towards achieving a sustainable future for the business and the country.

## Our Concerns

### Absence of a long-term sustainable tobacco taxation policy

The tobacco sector is already burdened by substantial taxation in the form of Supplementary Duty, VAT and Health Development Surcharge. Total average tax incidence accounts for 78% of our retail price. In the Premium segment, total tax incidence is 81%, which is one of the highest tax incidences in the world. Most developed countries like USA and Singapore have a lower tax rate on the tobacco sector, i.e. 61% and 70%, respectively. In Bangladesh, there is also an absence of a long-term pricing and taxation strategy which usually leads to unprecedented price and tax hikes in certain segments during the National Budget every year, impacting industry sustainability, which also impacts the Government's revenue collection. Therefore, it is important to have a long-term tobacco taxation model which will ensure both industry sustainability as well as consistent revenue from this sector. It is also worth noting that sector-specific higher tax rate is not supportive to the development of a robust capital market.

### Corporate tax rate

The 45% corporate tax in the tobacco sector is by far the highest in the country and is deemed unjustified by shareholders. Being a publicly listed company, BATB has long been disadvantaged from the 10% relief on corporate tax. Moreover, the Government has imposed an additional 2.5% surcharge on top of our current tax rate of 45%. Such duplication of tax is against the principals of taxation and will discourage businesses to venture into the capital markets. The Company is hopeful that in the upcoming National Budget, regulators will promote an investment-friendly, pragmatic and prospective corporate taxation policy that will ensure sustainability of the industry and its stakeholders.

## Illicit trade

Illegal cigarette brands continue to remain a significant threat to the revenue growth of the Government and the overall sustainability of the legally established tobacco industry. Aggressive price and tax increase in the low segment during the 2018-19 National Budget paved the way for numerous illicit cigarette brands to flourish, causing an estimated revenue loss of around BDT 2,500-3,000 crore to the Government. There have been examples of such rapid growth of illicit brands across many neighbouring countries as well, like Malaysia where 59% of the cigarette industry now comprises of illicit brands, depriving the Government from millions of dollars of tax revenue. Although the Bangladesh Government has conducted several successful enforcements against the trade of illegal cigarettes throughout 2019, we believe there remains a lot more scope for intervention, especially through policy measures to create a level playing field for legitimate operators.

## Farmer sustainability

BATB works directly with thousands of farmers throughout the year and provides necessary support and guidance that helps farmers not only to grow tobacco, but also other crops. However, the fluctuating price of other crops and undue influence of middlemen deprive farmers of the true value of their agricultural produce. As a responsible company, BATB is working to ensure farmers' knowledge on sustainable agriculture and environment through its new initiative, 'Shikor', a farmers' community school established in partnership with the Government.

## Our gratitude

I express my sincere thanks to all shareholders of the Company for upholding their confidence in us, and our employees for providing devoted contribution to BATB's success throughout 2019. Further, guidance from our Board of Directors has been instrumental in shaping the year 2019 as a successful and progressive one. We are also grateful to the millions of our consumers who have been with us and appreciate our products.

We aim to passionately continue building value for our consumers and shareholders now and into the future.

Sd/-  
**Shehzad Munim**  
Managing Director



# BONAYAN

**105 Million**

Saplings distributed since the **1980s**

**Bonayan, an afforestation programme** initiated in the 1980s by British American Tobacco Bangladesh aims to conserve the forests and combat the negative impacts of climate change. With free sapling distribution in more than **16 locations all over Bangladesh**, Bonayan has been positively impacting millions of lives since its inception and complements several of the **UNs Sustainable Development Goals.**



***“OUR BUSINESS  
DELIVERED A  
CREDITABLE SET OF  
FINANCIAL RESULTS  
IN 2019, ENABLING  
US TO REMAIN AS  
ONE OF THE MOST  
ECONOMICALLY-  
IMPACTFUL BUSINESS  
IN BANGLADESH.”***

**Mr. Stephan Matthiesen**  
Finance Director

# FINANCE DIRECTOR'S REVIEW

## Creditable performance in challenging times

The year 2019 was a challenging one for the tobacco industry, centered around the growing pervasiveness of duty-evaded illicit cigarettes that led to overall value erosion. Simultaneously, numerous regulatory changes and an intensified competitive landscape meant continuous pressure on BATB to sustain a healthy growth outlook. Despite these hurdles however, BATB turned in a robust performance, measured across several financial metrics, thus setting industry benchmarks.

During the year, we augmented our portfolio through the addition of new products, hence expanding consumer choice. We also reinforced field-force competencies that helped us remain competitive despite the illicit upsurge and increased competition. We also initiated several productivity and efficiency-linked improvements throughout the year that helped achieve better quality across a higher output with minimum investments and input costs.

Just like the past years, BATB contributed significantly to the national exchequer and delivered on its commitment to partner with the Government in achieving the country's economic aspirations and ambitions. We also placed compliance and good governance at the heart of our Company's culture to ensure the highest levels of transparency in business operations and long-term sustainability.

## Analysis of 2019 financial performance

The 30% minimum price increase enforced on the legal cigarette industry in the 2018 budget led to an unprecedented increase in illicit cigarettes throughout 2019, thus impacting BATB's overall financial performance. Sales volume declined 1% in 2019, mainly driven by low segment volume de-growth of 14%, implying substantial impact on affordability amongst price-pressured consumers. Gross turnover however increased by 16% to BDT 26,985 crore on the back of our top-3 segments performance.

Net revenue grew by 4% to BDT 5,682 crore, predominantly led by commendable growth achieved in unmanufactured tobacco export. Thanks to the support from the National Board of Revenue and our regulators for creating an enabling environment, we focused on establishing tobacco as an important constituent of the country's export basket.

On the other hand, cigarette revenues increased only marginally by around 1%, with growth primarily driven by pricing and mix improvement, albeit mostly offset by the low segment volume decline. However, we are hopeful that interventions taken to counter illicit products in the second half of 2019 will lead to more stringent containment of the illicit trade. We continue to engage Government agencies to further support the fight against illicit trade, which will ultimately result in sustained increases in government revenues, in line with our business performance.

## Enhancing exchequer contributions

BATB's profit after tax stood at BDT 925 crore, declining by 8% YoY, mainly on account of increase in operating costs and tax outgo. Notably, the company contributed BDT 22,630 crore to the national exchequer, representing an increase of BDT 3,497 crore over the previous year. As one of the most economically-impactful organisation, we proudly retained our position as the largest corporate taxpayer in Bangladesh.

## Achieving solid cash flow generation

Our cash position was efficiently managed through accurate forecasting and forward planning, despite a tight liquidity situation that prevailed almost throughout the year. Net finance costs declined by 14% (excluding IFRS 16 impact), and we ended the year with virtually zero borrowings.

## Dividends

This year, the Company will pay dividends of BDT 40 per share, calculated with reference to the diluted earnings per share. Aligned with our capital allocation strategy and business performance, we will continue to create value in the hands of our shareowners and investors over the long-term.

## Governance and risk management best practices

In 2019, BATB continued to align governance and risk mitigation measures with international best practices, and ensured their implementation appropriately and effectively. We conducted several internal compliance reviews during the year to assess the effectiveness of various processes and systems, and also identified corrective actions to mitigate gaps and

weaknesses. We revamped our existing risk register too, identifying new risks relevant to our evolving business operations.

Further, 2019 was the first full financial year post implementation of Sarbanes-Oxley Act Controls (SOX) applicable to BATB. To ensure compliance with all the controls, along with appropriate evidences, we embraced a thorough approach, drawing support from both our internal and external auditors. Such a systematic approach successfully helped integrate all controls into our daily operations, without any major glitches.

## Looking forward

Looking ahead into 2020, the business is cognisant of the following challenges, and we will frame responses proactively to adapt to the evolving situation:

- ▶ The long-term economic impact due to the global pandemic unleashed by Covid-19 is already thought to have tipped the world into recession. We are closely monitoring the situation and are assessing contingency actions.
- ▶ Bangladesh's economic forecast is expected to remain flattish with increased private sector credit tightening. BATB will appropriately manage its liquidity situation and minimise finance costs.
- ▶ Enforcement initiatives and activities led by the government against the illicit trade needs to continue to ensure sustainable revenue generation, both for the Government and industry.
- ▶ BATB needs to build on its export growth momentum for factory-made cigarettes and identify a wider canvas of opportunities to transform this into a sustainable revenue source.

## Delivering for the future

At BATB, our financial results of 2019 illustrate our commitment to deliver improved performance and also invest in growth opportunities, while navigating challenging regulatory and consumer environments. We will strive to sustain this performance into the future.

Thank you,

sd/-

**Stephan Matthiesen**  
Finance Director

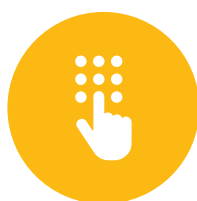


# VIRTUAL SHAREHOLDER MEETING OF BAT BANGLADESH

Pursuant to the Bangladesh Securities and Exchange Commission’s Order No. SEC/SRMIC/04-231/932 dated 24 March 2020, a listed company can arrange virtual shareholder meeting, which can be conducted via live webcast by using digital platform. Accordingly, in the light of prevailing COVID-19 situation in Bangladesh, considering the health and safety of all the shareholders, staff and others who plan to attend the AGM 2020, BATB plans to convene its 47<sup>th</sup> AGM 2020 virtually by using digital platform and online shareholders tools that –

- Facilitate shareholder attendance and participation.
- Enable shareholders to participate fully, and equally, from any location around the world.

We believe the virtual shareholder meeting will increase the ability to engage with all the shareholders, regardless of their number of shares, resources, or physical location.



Access	Q&A	Vote
<p>BATB values the importance of effective communication with its Shareholders. The Company recognizes the rights of Shareholders and the Shareholders’ interest are primarily ensured through BATB’s AGM. Accordingly, we have designed our virtual format to enhance, rather than constrain, Shareholder access, participation and communication.</p> <p>For example, the online format allows Shareholders to communicate with us in advance of and during the meeting so that they can ask any relevant questions or provide with comments on the performance or any other aspect of the Company.</p>	<p>The Company does not place restrictions on the type or form of questions that may be asked; however, the Company reserves the right to edit profanity or other inappropriate language for publication.</p> <p>During the live Q&amp;A session of the meeting, the Chair or the Management will try to answer the questions as they come in.</p>	<p>The Shareholders will be able to cast their vote on the Agenda items and the results will be broadcasted in real time at the time of approval on the specific agenda item.</p>

We believe good Corporate Governance involves openness and trustful cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. We have carefully designed the 47<sup>th</sup> AGM of the Company to provide continuous and meaningful Shareholder engagement and participation. Our committed Board of Directors and Management Team value these interactions and invest significant time and resources to ensure that it has an open line of communication with Shareholders.



## AGM Helpline

Md Atiqur Rahman  
 Marufa Ferdous  
 Md. Kamrul Hassan  
 Tel: +880248811279-84, Ext – 394, 635 & 567  
 Fax: +882 8822786  
 Email: shareoffice@bat.com, atiqur\_rahman@bat.com





## BRITISH AMERICAN TOBACCO BANGLADESH COMPANY LIMITED

New D.O.H.S. Road, Mohakhali, Dhaka -1206

### NOTICE OF THE 47<sup>TH</sup> ANNUAL GENERAL MEETING

(Virtual Meeting through Digital Platform)

Notice is hereby given that the 47th Annual General Meeting (AGM) of British American Tobacco Bangladesh Company Limited will be held on Wednesday, 22nd April 2020, at 10:30 am at the Company premises, New DOHS Road, Mohakhali, Dhaka-1206, in place of Pan Pacific Sonargaon Hotel, Dhaka for transaction of the following businesses:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st December 2019, and the Reports of the Directors and the Auditors thereon.
2. To approve Dividend for the year ended 31st December 2019.
3. To elect Directors.
4. To appoint the Statutory Auditors for the year 2020 and to fix their remuneration.
5. To appoint the Compliance Auditor for the year 2020.

By order of the Board

Sd/-

**Md. Azizur Rahman FCS**

Head of Public Affairs & Company Secretary

27<sup>th</sup> March 2020

#### Notes:

- The shareholders whose names appear on the Members/Depository Register on the Record Date, i.e. 12th March 2020 shall be eligible to attend the AGM (virtual meeting through digital platform/online live portal) of the Company and to receive the Dividend.
- In view of the Order (SEC/SRMIC/04-231/932 dated 24th March 2020) of Bangladesh Securities and Exchange Commission (BSEC), the ensuing 47th AGM of the Company would be conducted through digital platform (virtual meeting). Therefore, the shareholders are requested to attend the 47th AGM through online live portal to avoid serious health risk due to the COVID-19 pandemic Coronavirus crisis. The detailed procedures and link of the online live portal to attend the meeting will be communicated to the shareholders in due course.
- In this respect, a Facebook page 'www.facebook.com/batb.shareholders' is created for shareholders' information and digital communication. Interested shareholders are, accordingly, advised to send a joining request at the Facebook page.
- The soft copy of the Annual Report 2019 of the Company will be sent to the shareholders' respective e-mail addresses. However, interested shareholders may collect hard copy of the Annual Report-2019 from the Company's share office by submitting a written request. The Annual Report-2019 is available on Investor Relations Section of the Company's website: www.batbangladesh.com. Shareholders may as well scan the QR code on their smart devices for accessing the soft copy of the Annual Report 2019.



(Download a digital copy of the Annual Report 2019)



# BOARD OF DIRECTORS



**STANDING FROM LEFT TO RIGHT**

**Mr. Mohammad Moinuddin Abdullah**  
Non-Executive Director

**Mr. Md. Abdul Halim**  
Non-Executive Director

**Mr. Md. Azizur Rahman FCS**  
Head of Public Affairs & Company Secretary

**SITTING FROM LEFT TO RIGHT**

**Mr. K. H. Masud Siddiqui**  
Independent Director

**Mr. Shehzad Munim**  
Managing Director





**STANDING FROM LEFT TO RIGHT**

**Mr. Md. Abul Hossain**  
Non-Executive Director

**Ms. Tahmina Begum**  
Non-Executive Director

**Mr. Stephan Matthiesen**  
Finance Director

**SITTING FROM LEFT TO RIGHT**

**Mr. Golam Mainuddin**  
Chairman

**Mr. A. K. M. Aftab UI Islam FCA**  
Independent Director

# BOARD OF DIRECTORS' PROFILE- 2019

*At BAT Bangladesh, the diversity, experience and knowledge of our Board represents the Company's principal asset. As part of its general oversight function, the Board takes the lead on decisions regarding governance and compliance with all legislations and statues, long-term strategy and on formulating the most appropriate social responsibility policies ●*

*The Composition of the Board along with Company Secretary as of 6<sup>th</sup> April 2020:*

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## **Mr. Golam Mainuddin**

CHAIRMAN

### **Background**

Mr. Golam Mainuddin has been the Chairman of British American Tobacco Bangladesh since August 2008. After obtaining his Master of Science degree from Dhaka University, Mr. Mainuddin was a part of the agro-based industry for 28 years, following which he switched to corporate management in which he has been engaged since the past 20 years. With humble beginnings comprising a role as a tea garden manager at Duncan Brothers from 1969 to 1982, he then joined BAT Bangladesh and was soon promoted as Head of Leaf in 1985.

### **Date of appointment to BATB Board**

Mr. Mainuddin was appointed to the Board of Directors in 1986 and was entrusted with the responsibility of Deputy Managing Director in 1997.

### **Achievements**

Over the last 38 years in BAT Bangladesh, Mr. Mainuddin has held various responsibilities. He was instrumental in the Company's tobacco production achieving self-sufficiency, while also laying down the groundwork for focus on quality improvements to meet international standards. This helped the Company to provide world-class products in Bangladesh, while also facilitating exports that helped drive the wider introduction of Bangladeshi tobacco in the world markets. He also played a pivotal role in popularising the tree plantation program of BAT Bangladesh, which was widely recognised throughout the country. Mr. Mainuddin has been selected as a CIP (Commercially Important Person) by the Government of Bangladesh (since 2010). Mr. Mainuddin was awarded with "Life Time Achievement Award" by Asia's Best Employer Brand Awards organisation.

### **Other responsibilities**

- Mr. Mainuddin is a Director of Federation of Bangladesh Chamber of Commerce & Industries (FBCCI)
- He is the Vice-President of Metropolitan Chambers of Commerce and Industries (MCCI)
- He is a Director in Advanced Chemical Industries (ACI) Bangladesh
- He is a Director in IIFC (Infrastructure Investment Facilitation Company) under the ERD of the Ministry of Finance, Government of Bangladesh
- He is the Vice-Chairman of Bangladesh Cigarette Manufacturer's Association and in this position, he has strived to create a level playing field for all the legally-established cigarette manufacturers of the country



### Mr. Shehzad Munim

MANAGING DIRECTOR

#### Background

Mr. Shehzad Munim joined BAT Bangladesh as a Territory Officer in 1997, after graduating from the Institute of Business Administration (IBA), University of Dhaka.

#### Date of appointment to BATB Board

Mr. Munim was appointed to the Board of Directors in the year 2010.

#### Achievements

Mr. Munim worked in various marketing roles within BAT Bangladesh before taking up assignments in BAT New Zealand as Group Brand Manager in 2003 and, subsequently, taking over the role of Head of Brand Marketing in 2005. In 2006, he was engaged as a Manager in product and packaging innovation in Sydney, Australia. He subsequently returned to Bangladesh as Head of Brand and was appointed as Head of Marketing. In 2010, he took over the role of Area Head of Marketing for South Asia. Thereafter, he was appointed as the Managing Director of BAT Bangladesh on 1st October 2013 and is historic first Bangladeshi to become the Managing Director of BAT Bangladesh. Within a short period, he has contributed immensely to elevate the organisation to its next level, ensuring sustainable shareholder and stakeholder value creation, while also enhancing the company's contribution to economic development to achieve the SDG goals, aligned with the vision of the Government.

#### Other responsibilities

Mr. Munim appointed as the President of the Foreign Chamber of Commerce and Industry (FICCI) for two years- 2018-19. During this stint, he led many relevant initiatives to serve the interests of the nation, as well as those of FICCI membership.



### Mr. Mohammad Moinuddin Abdullah

NON-EXECUTIVE DIRECTOR

#### Background

Mr. Mohammad Moinuddin Abdullah obtained his Honors and Master's Degree in Soil Science from the University of Dhaka. In 1994, he received international training on 'Planning & Appraisal of Rural Development Project' in the UK.

#### Date of appointment to BATB Board

Mr. Abdullah was appointed as Non-Executive Director to the Board of Directors in October 2012.

#### Achievements

Mr. Abdullah joined the Administration Cadre of Bangladesh Civil Service in 1983. He was appointed to the Ministry of Agriculture in March 2016 as a Secretary and then was promoted to the Senior Secretary. Before that, he was appointed as:

- Secretary of the Ministry of Housing & Public Works in 2014
- Secretary of the Ministry of Industries in 2012
- Divisional Commissioner of Dhaka in 2010
- Director General of Prime Minister's Office as Additional Secretary in 2009
- Joint Secretary of Cabinet Division in 2008
- Chairman of KAFCO for more than two years when he was the Secretary in the Ministry of Industries

Apart from holding these positions, Mr. Abdullah was also 'Syndicate Member' of Jahangirnagar University, Jatiya Kabi Kazi Nazrul Islam University and Dhaka University of Engineering and Technology. He was also appointed as the 'Regent Board Member' of Bangabandhu Sheikh Mujibur Rahman Science & Technology University while he was serving as Divisional Commissioner of Dhaka. Currently, he is Managing Director of Palli Karma Sahayak Foundation (PKSF).

#### Other responsibilities

Mr. Abdullah is involved with several social and educational organisations engaged in the development of the country.





## **Mr. Md. Abdul Halim**

NON-EXECUTIVE DIRECTOR

### **Background**

Mr. Md. Abdul Halim obtained his MBA degree in Management with major in HRM and also an MCom in Management from Dhaka University. He has vast working experience of more than 34 years in diverse fields, such as public administration, human resources and financial management. Mr. Halim has proven ability in public policy formulation, implementation, organisational modelling, innovation and improving the culture in the public sector.

### **Date of appointment to BATB Board**

Mr. Halim has been serving as a Non-Executive Director to the Board since 2018.

Mr. Md. Abdul Halim, Secretary, Ministry of Industries, Government of the People's Republic of Bangladesh, is a career civil servant. He took over the charge of Secretary in the Ministry of Industries in August 2018. Prior to the current position, Mr. Halim was:

- Director General (Additional Secretary), Governance Innovation Unit, Prime Minister's Office (6/20102-8/2018)
- Deputy Secretary, Ministry of Posts and Telecommunications (9/2008-10/2010)
- Deputy Commissioner & District Magistrate, Magura (11/2006-8/2008)
- Deputy Secretary (O&M), Ministry of Public Administration (4/2005-10/2016)  
Deputy Director (Deputy Secretary, Anti-Corruption Commission (4/2005-10/2016)  
Additional Deputy Commissioner, Chandpur (4/2001-3/2003)
- Senior Assistant Secretary, Finance Division, Ministry of Finance (6/2000-7/2001) and others

### **Performance Recognition:**

- Public Service Award (As a team leader of Governance Innovation Unit)
- Recognition Award (As a team leader of Governance Innovation Unit) from High Commission of Canada for Governance Innovation Unit's contribution in preventing child marriage and gender-based violence in Bangladesh

### **Other responsibilities**

Currently, Mr. Halim is engaged in several initiatives that are contributing to the growth and development of Bangladesh.



### Mr. A. K. M. Aftab Ul Islam FCA

INDEPENDENT DIRECTOR

#### Background

Mr. A. K. M. Aftab Ul Islam, an FCA and LL.B, began his career with NCR Corporation, a US-based multinational company, and launched his own business under IOE (Bangladesh) Ltd in 1996.

#### Date of appointment to BATB Board

Mr. Aftab was appointed as an Independent Director to the Board of Directors in 2019.

#### Achievements

With his spectacular achievements in the IT sector, Mr. Aftab was elected as the President of the Bangladesh Computer Samity and played a pivotal role in the development of Bangladesh's IT sector. He was elected as the President of Dhaka Chamber of Commerce and Industry (DCCI), following his contributions to the ICT sector. Mr. Aftab was also elected as President of the American Chamber of Commerce in Bangladesh (AmCham) thrice and was instrumental in attracting substantial FDI in Bangladesh. Mr. Islam is a former Chairman of the Small and Medium Enterprise (SME) Foundation and a former Board member of Chittagong Stock Exchange (CSE), among other reputed organisations.

#### Other responsibilities

Currently, Mr. Aftab is serving as a Director on the Board of Bangladesh Bank. He is also a member of the Governing Body of the Institute of Business Administration, Dhaka University and member of the Board of Directors of International Chamber of Commerce (ICC), Bangladesh Chapter.



### Mr. K. H. Masud Siddiqui

INDEPENDENT DIRECTOR

#### Background

Mr. K. H. Masud Siddiqui joined the Bangladesh Civil Service in 1982 after completing his Master's from the University of Dhaka. He also earned his MA degree in Economics from the University of Manchester, UK. He further received a Post Graduate Diploma in Development Administration and Management from the UK.

#### Date of appointment to BATB Board

Mr. Siddiqui joined the Board of Directors as Independent Director in October 2010, representing the Government, a shareholder of the Company. Mr. Siddiqui is also the Chairman of the Company's Nomination and Remuneration Committee. Mr. Siddiqui was reappointed as an Independent Director to the Board of Directors in October 2018.

#### Achievements

Mr. Siddiqui was appointed as Secretary of the Ministry of Industries on September 2010 and then as Secretary of Ministry of Liberation War Affairs in 2012. At this time, Mr. Siddiqui was re-appointed as the Independent Director of BAT Bangladesh, as well as a member of the Company's Audit Committee. Before this, Mr. Siddiqui led Bangladesh Chemical Industries Corporation as its Chairman. During his successful stint in the civil services for almost 34 years, he held several important positions at both the field administration level and in different ministries. He also worked in the Prime Minister's Office in the capacity of a Director.

#### Other accomplishments

Mr. Siddiqui is a distinguished writer. He has five publications to his credit, including Lok Shadhonar Sangskriti, Tasauf and Other Contexts, Malgoody Days and Bihongo Abolokon.



### **Ms. Tahmina Begum**

NON-EXECUTIVE DIRECTOR

#### **Background**

Ms. Tahmina Begum, Additional Secretary, Finance Division, is a part of the Bangladesh Civil Service (Administration Cadre) 1985 batch. She holds an Honors and Master's Degree in Sociology from the University of Dhaka. Over the years, she has accomplished a number of professional trainings and courses in Bangladesh and abroad.

#### **Date of appointment to BATB Board**

Ms. Tahmina has been serving as a Non-Executive Director to the Board since 2018.

#### **Achievements**

Having professional knowledge and experience on matters of expenditure control of revenue budget, administration and governance, Ms. Tahmina is a proficient civil servant with a prominent career of 31 years. Prior to this appointment, she served as Joint Secretary, Deputy Secretary and Senior Assistant Secretary to the Finance Division. She had the opportunity to work in different ministries of the Government. She served in the Ministry of Health and Family Welfare as Senior Assistant Secretary, as well as Assistant Secretary. She also worked in Rural Development and Cooperative Division as Senior Assistant Secretary. She has the knowledge and experience of serving in both field administration as well as secretariat.

#### **Other accomplishments**

As part of her broader public responsibilities, Ms. Tahmina was appointed as Upazila Magistrate of Delduwar Upazila of Tangail District earlier. She joined the Bangladesh Civil Service as Assistant Commissioner and Magistrate of Tangail.



### **Mr. Md. Abul Hossain**

NON-EXECUTIVE DIRECTOR

#### **Background**

Mr. Md. Abul Hossain has over 29 years of diversified experience in investment banking, specialised and commercial banking, Islamic banking, asset management and ICT works. He completed his B.Sc (Hons) and M.Sc degree in Statistics from Jahangirnagar University.

#### **Date of appointment to BATB Board**

Mr. Hossain has been serving as a Non-Executive Director to the Board since 2019.

#### **Achievements**

Mr. Hossain started his career as a System Analyst/Senior Principal Officer in ICB on 19-02-1998 and served in different positions in the organisation. With such humble beginnings, Mr. Hossain was appointed as Managing Director of Investment Corporation of Bangladesh (ICB) on 21 August 2019. During his career span, he served in different banks and financial institutions. He served as Managing Director (Additional Charge) and Deputy Managing Director at Bangladesh Krishi Bank (BKB). In addition, he served as System Manager/Deputy General Manager and General Manager at Investment Corporation of Bangladesh (ICB). He served as a chairman of three organisations; ICB Asset Management Company Limited, ICB Securities Trading Company Limited and Aziz Pipes Limited.

#### **Other responsibilities**

Mr. Md. Abul Hossain serves as a Director in such prestigious institutions as:

- GlaxoSmithKline Bangladesh Ltd. (GSK)
- Bangladesh Krishi Gobeshona Endowment Trust (BKGET)
- Central Depository Bangladesh Ltd. (CDBL)
- United Power Generation & Distribution Company Ltd. (UPGDCL)
- Credit Rating Information and Services Ltd. (CRISL)
- Standard Bank Limited
- National Tea Company Limited
- Apex Tannery Limited



### Mr. Stephan Matthiesen

FINANCE DIRECTOR

#### Background

Mr. Stephan Matthiesen joined British American Tobacco Bangladesh as Finance Director in 2019 and has been instrumental in creating stronger financial and commercially minded foundations at the Company. He is a Certified Chartered Management Accountant. He completed his Master's in Business Economics from the University of Applied Sciences in Kiel, Germany, and pursued his second Master's from the University of Western Sydney (Australia) in Finance & International Business with high distinction.

#### Date of appointment to BATB Board

Mr. Matthiesen was appointed to the Board as Finance Director in 2019.

#### Achievements

Mr. Matthiesen joined the BAT Group in Germany and possesses over 14 years of rich experience in various BAT organisations across Europe and Asia. In his role of Regional Head of Commercial Finance for Asia Pacific and Middle East (APME), he worked closely with markets across the APME Region on strategic projects targeting to strengthen the commercial model, including pricing capabilities, effective resource allocation and route-to-market reviews. He was a member of both, the APME Regional Finance and the Marketing Leadership teams. Prior to that role, Mr. Matthiesen was appointed as Finance Director of Ceylon Tobacco Company.

#### Other accomplishments

Prior to joining BAT Bangladesh, Mr. Matthiesen was appointed to the role of Director of Business Development & Strategy, Greater North Asia Area, in Tokyo, Japan.



### Mr. Md. Azizur Rahman FCS

HEAD OF PUBLIC AFFAIRS & COMPANY SECRETARY

#### Background

Mr. Md. Azizur Rahman is a Fellow Chartered Secretary (FCS) and elected Council Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). After obtaining his Master's degree in Accounting from University of Dhaka, he completed the Chartered Accountancy course from the Institute of Chartered Accountants of Bangladesh (ICAB).

#### Achievements

Mr. Rahman joined BAT Bangladesh in 2002 in the Company Secretarial function. In his 27 year career span, he took the challenges of engaging in cross-functional assignments, which refined his expertise in various areas, like corporate affairs, finance, audit, legal, intellectual property rights, land management, corporate banking, records managements, CSR and public affairs. Apart from his diverse role as Head of Public Affairs & Company Secretary, he is also Secretary of the Audit Committee, Board CSR Committee, NRC and six Trust Funds of the Company. As someone who believes in education-driven empowerment, Mr. Rahman as visiting lecturer has been delivering lectures on Corporate Governance and Compliance in different private universities and professional institutes. He also conducts various professional management courses for corporate professionals and leads local & international seminars.

#### Other responsibilities

In his capacity as the Director General of Intellectual Property Association of Bangladesh (IPAB) and Vice-Chairman of IP Committee of FBCCI, Mr. Rahman works with various national and international organisations for addressing IPR issues in Bangladesh. He has also been selected as the Chairman of the Companies Law Review Committee of ICSB.

# LEADERSHIP TEAM



## STANDING FROM LEFT TO RIGHT

**Mr. Huseyin Ozsan Ozbas**  
Head of Operations

**Mr. Golam Safwat Choudhury**  
Head of Brand and SP&I

**Mr. Saad Jashim**  
Head of Human Resources

**Mr. Stephan Matthiesen**  
Finance Director

## SITTING FROM LEFT TO RIGHT

**Mr. Shehzad Munim**  
Managing Director

**Ms. Mubina Asaf**  
Head of Legal & External Affairs

**Mr. Syed Mahbub Ali**  
Head of Trade



## LEADERSHIP TEAM MEMBERS' PROFILE- 2019



### Mr. Shehzad Munim

Managing Director

Mr. Munim joined BAT Bangladesh as a Territory Officer in 1997 after graduating from the Institute of Business Administration (IBA), University of Dhaka. He worked in various marketing roles within BAT Bangladesh before taking up assignments in BAT New Zealand as Group Brand Manager in 2003 and subsequently taking over the role of Head of Brand Marketing in 2005. In 2006, Mr. Munim was engaged as a Manager in the role of product and packaging innovation in Sydney, Australia, before returning to Bangladesh as Head of Brand and subsequently as Head of Marketing. In 2010, he took over the role of Area Head of Marketing for South Asia. 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. Within a short period, he has contributed immensely to elevate the organisation to its next level, ensuring sustainable shareholder and stakeholder value creation, while also enhancing the company's contribution to economic development to achieve the SDGs goals, aligned with the vision of the Government.

Mr. Munim appointed as the President of the Foreign Chamber of Commerce and Industry (FICCI) for two years, 2018-19. During this stint, he led many relevant initiatives to serve the interests of the nation, as well as those of FICCI membership.



### Mr. Stephan Matthiesen

Finance Director

Mr. Stephan Matthiesen joined British American Tobacco Bangladesh as Finance Director in 2019 and has been instrumental in creating stronger financial and commercially minded foundations of the Company. He is a Certified Chartered Management Accountant. He completed his Master's in Business Economics from the University of Applied Sciences in Kiel, Germany and pursued his second Master's degree from University of Western Sydney (Australia) in Finance & International Business with high distinction. Mr. Matthiesen has joined the BAT Group in Germany and possesses over 14 years of rich experience in various BAT organisations across Europe and Asia. In his role of Regional Head of Commercial Finance for Asia Pacific and Middle East (APME), he worked closely with markets across the APME Region on strategic projects targeting to strengthen the commercial model incl. pricing capabilities, effective Resource Allocation and Route to Markets reviews. He was a member of both, the APME Regional Finance and the Marketing Leadership teams. Prior to that role, Mr. Matthiesen was appointed as Finance Director Ceylon Tobacco Company. Prior to joining BAT Bangladesh, Mr. Matthiesen was appointed to the role of Director of Business Development & Strategy, Greater North Asia Area, in Tokyo, Japan.



### Ms. Mubina Asaf

Head of Legal & External Affairs

Ms. Asaf possesses over 20 years of rich experience in the legal profession. Before joining BAT Bangladesh, she worked in the Attorney General's Office of the Government of Bangladesh, first as an Assistant Attorney General and then as Deputy Attorney General for more than seven years. Before this, she was appointed as an Associate of Rokanuddin Mahmud and Associates, one of the most reputed law firms of Bangladesh. She is enrolled as an Advocate of the Dhaka District Court, High Court Division and Appellate Division of the Supreme Court of Bangladesh. She leads and actively supports women empowerment initiatives in Bangladesh and is also involved in various social initiatives. She is the President of 'Care in Need' foundation (companion care service for elderly citizens) and is also in the board of 'SEID Trust' (daycare service for children with special needs).



### **Mr. Huseyin Ozsan Ozbas**

Head of Operations

Mr. Ozbas was appointed as Head of Operations in August 2016 and he brings diverse experience of more than 21 years in operations. He joined BAT in 2002 as part of the startup team to set-up the Izmir factory. He has performed various roles across manufacturing, quality and engineering in Turkey before moving to Australia for his first overseas assignment. In mid-2008, he moved back to Turkey as Production Manager of the Samsun Factory, following the Tekel acquisition. He played a key role in Samsun, being a part of its overall transformation journey. Subsequently, he moved to Egypt as Head of Operations in the beginning of 2013, and later took over the role of Area Head of Operations for North Africa, before moving to Bangladesh. Mr. Ozbas is now leading the transformation journey of BAT Bangladesh's operations, which has emerged as the largest crop-to-consumer model in the Group.

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### **Mr. Saad Jashim**

Head of Human Resources

Mr. Jashim joined BAT Bangladesh in 2006 as a Territory Officer after completing his Bachelor of Business Administration from Institute of Business Administration, University of Dhaka. In 2008, he moved to the role of HR Executive, Industrial Relations & Welfare, and, since then, has performed a number of business partner roles across all functions of BAT Bangladesh. In 2013, he took over the role of Organisational Effectiveness Manager in BAT AsPac before taking over the role of HR Business Partner- Marketing in 2015. He eventually moved to the role of Senior HR Business Partner Operations & Corporate in 2016. He was appointed as the Head of HR in February 2019.

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### **Mr. Golam Safwat Choudhury**

Head of Brand and SP&I

Mr. Choudhury joined BAT Bangladesh as a Territory Officer in 2002 after completing his Master of Business Administration from the Institute of Business Administration (IBA), University of Dhaka. He worked in various roles within BAT Bangladesh's Marketing division before being appointed in BAT South Korea as Group Brand Manager for Dunhill. In 2015, he took up the challenge as Area Head of SP&I in South Asia Area. In 2018, he moved to the role of Regional Planning Manager APME. He eventually returned to BAT Bangladesh as Head of Marketing in 2019 and also took over as the Head of Brand and SP&I in 2020.

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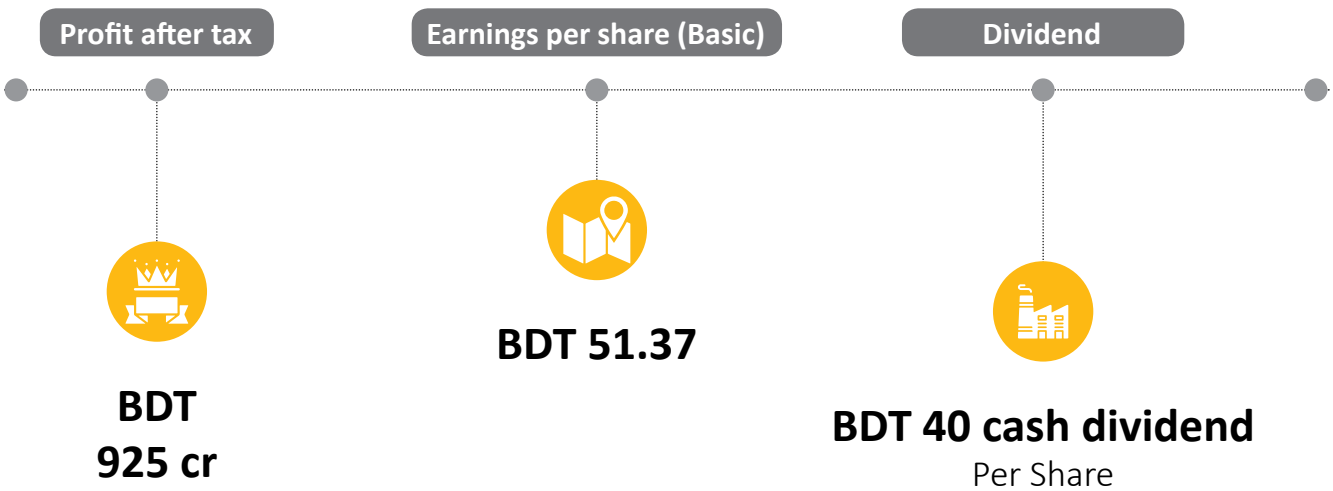
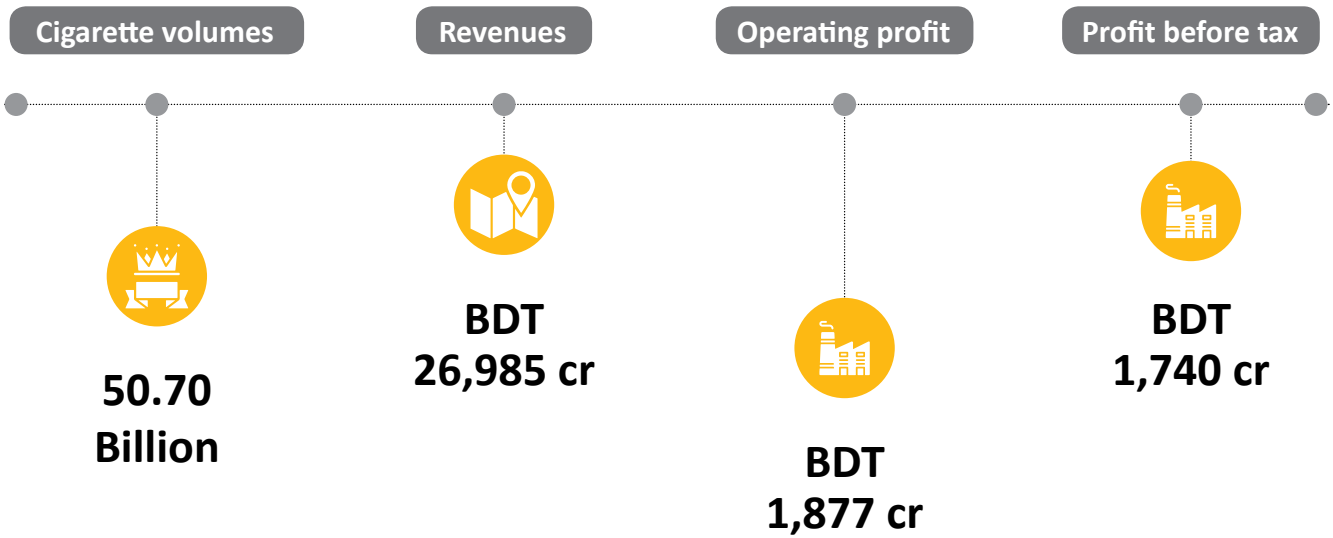
### **Mr. Syed Mahbub Ali**

Head of Trade

Mr. Ali joined BATB as a Territory Officer. He has 19 years of experience in BAT, both locally and Internationally in various areas of marketing. He worked in different roles within BAT Bangladesh before being seconded to BAT Vietnam as RTM Project Manager where he led the planning and implementation of RTM expansion project in a complicated trading environment in record time. He then returned to Bangladesh as Group Brand Manager in mid 2014. He has been leading BAT's largest global trade team since 2016. BATB TM&D team received the global TM&D X factor award in 2017 and BATB's Stellar award in 2018 for delivering outstanding business results. He led the BD Steering group (cross-functional forum involving direct reports to BD Leadership team) and BATB gender diversity platform "Symmetry" as Chairperson for 2 years.

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# KEY FINANCIAL METRICS



# DIRECTORS' REPORT 2019

## Dear Shareholders,

It is a pleasure and a privilege on behalf of the Board of Directors to present the Directors' Report and Auditor's Report together with the audited financial statements of British American Tobacco Bangladesh Company Limited (BATB or the Company), for the year ended 31st December 2019.

During the earlier part of the year 2019, we continued to steward our business towards enhanced sustainability by striving to meet the expectations of our diverse stakeholders, by engaging with them in meaningful and constructive dialogue, and by furthering our own aspirations to closely align our organisational outcomes with the developmental goals of Bangladesh.

### Strategic pillars of our business

Anchored on the foundations of sustainability, BATB delivered yet another successful year, characterised by a resilient performance in 2019. We achieved steady progress across multiple facets of our business, despite persistent macro-economic challenges, exacerbated by a regulatory overhang. The business context remained extremely challenging, as the consumer markets remained deeply polarised on account of the continued growth of the illicit cigarette market in Bangladesh. However, as a responsible corporate citizen, the Company amplified consumers and regulatory advocacy in the interests of public health, urging the government to pursue balanced and evidence-based sensible regulations. We remain confident that positive results will emerge out of our actions and will set the platform for us to generate even higher stakeholder value, including for the national exchequer.

## INDUSTRY & COMPANY PERFORMANCE

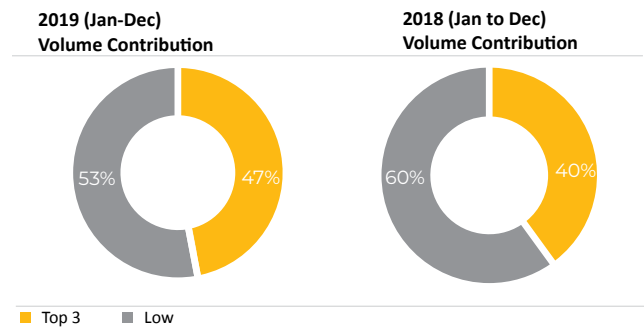
### Economic & Industry Overview

In 2019, the overall legal cigarette industry volume declined by 5% vs. last year. In fact, the low segment cigarettes continued to register a decline from July 2018 onwards, due to an unprecedented price increase causing consumers to shift to cheaper illicit cigarettes and leading to sharp volume decline across this product category. This situation continued in the first half of 2019, which resulted in low segment product volume declining sharply by 17% year-on-year (YoY). In the second half of 2019, in order to prevent revenue loss, the industry introduced brands in the low segment with higher price. As a result, down trading from mid segment to low segment was significantly halted, which was reflected in the Government's revenue collection as well. Moreover, in the second half of 2019, due to favourable price index between different price segments and focused brand activations, we saw growth in the top-3 segments. It must be mentioned that any price hike can turn counterproductive as instead of quitting smoking, consumers can simply choose duty evaded cheaper illicit cigarettes.

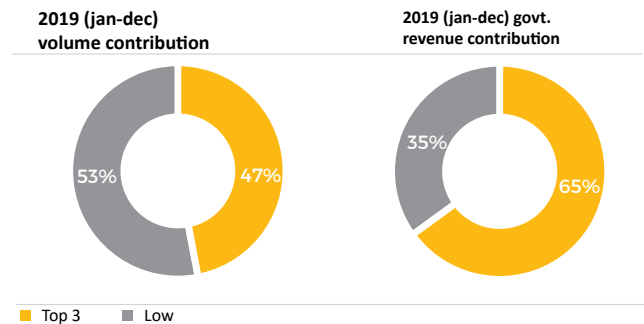
This surge remains a cause of concern and a clear threat to the sustainability of the legally-established industry, and can weaken its ability to sustain contributions to government revenues. This

has been duly highlighted to the government. It is heartening to note that the government has positively responded to the industry by continuing with successful enforcements against trade of illegal cigarettes from the fourth quarter of 2018 onwards. We believe that to ensure sustainability of the legitimate industry, government interventions should continue with respect to enforcing Factory Manufactured Cigarette floor price, along with continuation of initiatives against the illicit trade manufacturers.

### Segment-wise volume contribution in the cigarette industry is shown below:



### The following chart also shows cigarette industry segment-wise volume contribution, vis-à-vis its revenue contribution to the Government:



In 2019, Government revenue growth from the legal industry was +16% (Jan-Dec 2019) YoY. Historically, government revenue from the legitimate cigarette and tobacco industry has been growing at 15-17% per annum, where the lower segment contributed to the bulk of the revenue. The significant increase in illicit cigarettes can be a cause of concern not only to the viability of the legitimate industry, but also potentially lowering government revenue collections from this segment.

### Company Performance

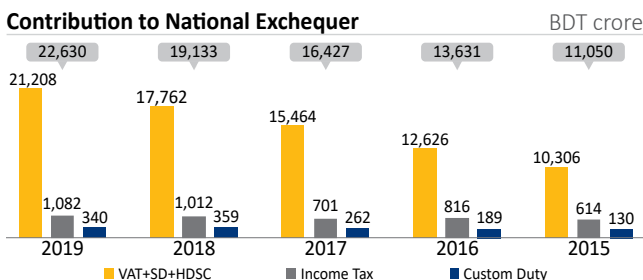
In 2019, our top-3 segment brands experienced growth over the previous years, facilitated by a focused and harmonised business strategy that received unified support from our people from across all business functions. Our brand portfolio was reinforced to deliver quality products along with consumer-relevant innovations. The focus throughout the year was to match consumers' expectations with the right offers across all product segments.

A performance review of each of our cigarette segments is as follows:

- Benson & Hedges:** Addressing the price increase (17%) impact by introducing consumer-relevant innovations, Benson & Hedges has been able to prevent any volume loss vs. last year. With the brand also being available in duty-free shops, any future price calibration is required to be done carefully and judiciously to avoid the influx of non-duty paid cigarettes into the country.
- John Player Gold Leaf:** John Player Gold Leaf has registered 12% volume growth in 2019 vs. last year, riding on successful brand and range activations. BATB is committed to continue with its investments in marketing initiatives to sustain the growth of this core product category.
- STAR:** In June 2018, the government effected a 7% price hike in the mid price product segment, and BATB complied with the price revision. STAR experienced significant volume growth in the Jan-Jun 2019 period, which was somewhat halted in the Jul-Dec 2019 period due to a 31% price hike. In 2019, aligned with the industry growth in the medium segment, overall volume growth for STAR increased vs. last year.
- Low product segment:** BATB's low segment remained under pressure in 2019 as well, due to continued surge of illegal cigarettes into the market. However, the Company remained committed to maintaining consumers' preferred quality and needs across its low segment brands. BATB supports government interventions and activations against illegal cigarettes by presenting evidence-based market information, while also continuously highlighting the risks of potential revenue and profit loss for both the government and other legal industry operators.

### BATB's Contribution to the National Exchequer

In 2019, the Company contributed BDT 22,630 crore to the Government exchequer as Value Added Tax (VAT), Supplementary Duty (SD), Health Development Surcharge (HDSC), Income Tax and Custom Duty. This represents an increase of BDT 3,497 crore over the last year. Going forward, the Company aims to support the Government's proposals that enable the establishment of a sustainable level of tax contribution to the national exchequer, while ensuring sustainable growth for the industry and promoting a level playing field among market players. Since this is a matured industry, it must not be stretched too far without considering the market dynamics and its ability to absorb price elasticity and avoid growth of illicit and smuggled cigarettes.



The Company recognises the Government's revenue growth targets, and the industry has been working with the NBR over the years to ensure sustainable revenue growth from the cigarette industry.

While listed companies in all other sectors enjoy a preferential corporate tax rate, there is a higher tax rate applicable for listed cigarette companies. We strongly feel that by targetting the corporate tax structure of a listed manufacturer, it significantly impacts shareholder returns, while also taking away the incentive for others in the industry to be listed, thus representing a hindrance for further development of the capital markets. The Company believes that the Government will remove the disproportionate corporate tax rates applicable on cigarettes in the upcoming National Budget. Cigarette is already highly taxed (in the form of Supplementary Duty, VAT and Corporate Tax), and there is no instance of discriminatory corporate tax rates anywhere in the world for listed tobacco companies. We continue to appeal to the NBR for reducing the Corporate Tax rate in the upcoming National Budget.

### Productivity

The cigarette industry is evolving at a rapid pace with the ever-changing demands and needs arising from consumers every day. Over the years, our Company's manufacturing capacity has been scaled up and also modified to cater to the diverse needs and demands for different packs, formats, etc. To mobilise the required investments for meeting the growing demands of this diverse market, a series of productivity initiatives were undertaken to improve machine efficiency over the last couple of years. A structured approach on machine maintenance resulted in world-class operational efficiency standards at our Company. The Company's Green Leaf Threshing Plant (GLTP) is one of the best GLTPs in the world. In 2019, BATB received the 'Integrated Work Structure System-1' accreditation, representing a global recognition endorsed by the BAT group for benchmark practices in efficiency and productivity. The year 2019 was also a landmark one for our leaf division, which delivered various productivity initiatives, including increased hybrid production, mechanisation to increase return on investment amongst farmers, while simultaneously ensuring the right quality. We also enhanced the capacity of our Green Leaf Threshing Plant to process green tobacco within the required timeframe to ensure desired quality of the processed green leaf.

### Cost of Goods Sold and Profit Margins

Overall, volumes decreased in 2019. Low segment volumes suffered a significant dip due to the high price increase announced in the 2018 national budget, which was mostly offset by mix improvement in the top-3 segments. This mix upside in top-3 segments (+13% growth vs. 2018), coupled with incremental material cost (led by inflation and higher product costs globally) and adverse international foreign exchange impact led to increased cost of goods sold during the year. Gross profit margin declined due to increase in cost of goods sold; however, we focused on offsetting this through various productivity savings initiatives activated across different areas.

## SUSTAINABILITY

Environmental preservation, together with our focus on embracing ecological initiatives that have a positive impact on climate change,



have always been of critical importance for Bangladesh. This is further accentuated, considering that various naturalists' reports indicate that Bangladesh will remain a vulnerable country to the impact of climate change in the decades ahead. In this context, BATB believes that business has a key role to play in helping the society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress in ways that builds sustainable value for all stakeholders.

The Company is a pioneer in corporate social investments in Bangladesh and is continuing with its three flagship programs, viz. Bonayan, Probaho and Deepto, to create an enduring positive impact in communities around which we operate and in the extended environment.

Our afforestation program, 'Bonayan', took root in 1980 in collaboration with the Forest Department of Bangladesh Government and, since then, the Company has distributed 105 million saplings free of cost in and around our operational areas, including 5 million saplings in 2019. Today, BATB's afforestation platform is the largest private sector-driven afforestation program of the country which this year will celebrate 40 years of its inception. The Company is committed to continue with this program to support the Government's national targets to increase forest coverage, as well as to increase the tree covered (green) area. Over the years, the Company has received several national and international awards and accolades, including the prestigious Prime Minister's Award for five times, for its afforestation drive across the country.

Millions of people in Bangladesh face scarcity of safe drinking water due to arsenic contamination. Responding to this pressing need, BATB has taken up a project named 'Probaho' in arsenic-prone rural communities, supplying more than 450,000 litres of potable water every day, free of arsenic and other contaminants. This program is aligned with the Government's targets to support the Sustainable Development Goals (SDGs) of clean water and sanitation. So far, 87 water filtration units have been installed using Government-approved water filtration technology in Jhenaidah, Chuadanga, Meherpur, Kushtia, Tangail, Manikganj, Satkhira, Gopalganj, Lalmonirhat, Kurigram, Jamalpur, Madaripur and Natore, ensuring access to pure drinking water for nearly 220,000 people every day.

To complement Bangladesh Government's efforts in the renewable energy sector, BATB has undertaken a project to install solar home systems through the 'Deepto' project in villages that are located in remote, off-grid areas of the Chittagong Hill Tracts. Under Deepto, BATB has supplied as many as 2,590 units of solar home systems in remote villages to enhance community lifestyle and empower people in Bandarban, Khagrachari and Rangamati districts, giving more than 13,000 rural people have their first access to electricity at home.

Furthering our initiatives in sustainability beyond our flagship projects, BATB has forged an effective partnership with farmers in some parts of Bangladesh through its various sustainability programs aligned with good agricultural practices and other national and global standards. The Company's leaf function commences with the relentless work of around 38,000 registered farmers within rural communities. BATB's contract farming system has been established as a proven model, and the Company proactively sets high standards in best agricultural practices. These initiatives include green manuring with Dhaincha (*Sesbania Aculeata*), which

is an effective approach to enrich soil health and fertility. Dhaincha is also promoted as an alternate fuel in leaf growing areas. Till date, we have distributed 2,985 MT of Dhaincha seeds amongst our registered farmers.

In 2005, BATB established the country's first Integrated Pest Management (IPM) Club in collaboration with the Department of Agricultural Extension (DAE) of the Government of Bangladesh to support farmers in their quest for better crop management practices. For the past couple of years, BATB has established a number of IPM clubs across tobacco-growing locations with the aim of driving farmers' education/awareness regarding non-chemical alternatives for pest management, and also safe use of agrochemicals. The primary objective of IPM clubs is to reinforce Governmental initiatives to reduce the use of agrochemicals. As a result of these ongoing education programs, farmers have become more cautious and conscious about the use of chemical pesticides in farming and have adopted the use of sustainable alternatives. The Company has established 75 IPM clubs as a platform for sharing agricultural knowledge with farm communities. Moreover, to uplift the knowledge and image, the Company is establishing Farmers' Community Club (Shikor). The Company has been awarded with the Asia Responsible Entrepreneurship Award in the 'Social Empowerment' category by Enterprise Asia for its IPM Club initiative.

BATB, as a responsible corporate, embraced the opportunity to work for uplifting farmers' livelihoods for fulfilling the agricultural sustainability agenda, in collaboration with the IFMC project of DAE. BATB availed existing facilities and support from DAE to train Company managers on IFMC since 2016, and around 80 people have been trained in three batches till 2019. Improving soil fertility and water conservation comprises integral elements of good agricultural practices. The Company provides technical know-how to install compost pits in farmer homesteads. It also supports sensible tobacco regulations that balances the interests of consumers with those of the society, and enables the business to continue to compete and prosper. CPA waste disposal program, short duration crop popularisation, biodiversity conservation, alternate fuel for curing, women empowerment, Bondhusheba, Shikor, etc., are some of the programs that ensure environmental and agricultural sustainability as well as farmers' livelihood enhancement. The Company conducts all its activities in line with the relevant laws and regulations. We have successfully complied with local regulations regarding the Graphical Health Warning (GHW) on our cigarette packets. We believe that GHW must be implemented on all tobacco products to ensure a level playing field. However, we also believe that regulations pertaining to GHWs should not be disproportionate, ensuring Tax Stamp visibility, otherwise it will not deliver the intended results, including Government revenue expectation and will significantly erode our Intellectual Property Rights.

The Company has an economic impact both in terms of revenue generation for the Government as well as employment generation, as it employs around 1,426 employees directly, while also supporting indirect employment for as many as 50,000, comprising farmers, distributors and suppliers, and over 1.3 million retailers. Hence, the Company seeks that the Government takes an inclusive and participative approach on tobacco regulations so that regulatory policies reflect the views of all relevant stakeholders and are practical and enforceable.

## MANUFACTURING CAPACITY IMPROVEMENT

BATB has made investments from time to time to increase manufacturing and warehouse capacity across its different locations in the country, keeping in mind the quality expectation of consumers and customers. These initiatives had been found to be extremely useful relating to productivity and efficiency improvements and has also helped the Company to export cigarettes and to meet demand from domestic markets. Further, this process can find government favour to diversify the export basket and earn much needed foreign exchange for the country.

## WINNING ORGANISATION

The outstanding performance of BATB in 2019 can be credited to our committed and talented people, and the efficiency of our teams. BATB's people resources are determined in driving the business with passion to win in an ever-changing and challenging business environment. The rapid success and growth of the Company is powered by providing employees with an energising work environment and involving employees across core business strategies. Our constant resilience to tackle challenges with the right spirit has transformed BATB into an organisation that is vibrant and dynamic.

The Company focuses on providing learning and growth opportunities to its people with the aim of developing leadership capabilities to assist them to realise their full potential. This is done by providing them with the right opportunities to learn from their leaders and through applying BAT's globally recognised learning and development platforms. Today, the organisation continues to provide people with an environment that is open to their questions and is highly responsive to talent development. The Company also focuses on building functional skills and provides hands-on experience to groom individuals as leaders. With the aim of sustaining the present agenda for talent, 138 employees were hired, 110 employees were transferred to other roles and 110 were promoted. International assignments were given to 20 Bangladeshi managers, taking the total count of Bangladeshi managers posted internationally to 34 across countries like Australia, Japan, Hong Kong, Indonesia, Singapore and the UK. Additionally, 281 employees were provided with leadership and functional skills training. **BATB's factory employees also went to Poland, Singapore, Japan, Fiji and PNG to give hands on training to their employees.**

The Company also continued its legacy of developing youth talent across the nation with Battle of Minds (BoM), Bangladesh's pioneering youth talent platform, which stepped into its 16th glorious edition in 2019. Following the massive success of BoM in Bangladesh ever since its inception in 2004 in effectively grooming thousands of young leaders who have left a trail of success stories in the country and all across the globe, BoM saw its inaugural global launch in 2018 becoming BAT Group's international talent platform involving thousands of young change-makers worldwide. Over 4,000 participants signed up for the local rounds this year, involving a series of complex and innovative exercises around the theme of Digital Bangladesh, the core of this

year's challenge. 180 top participants thereafter participated in the challenge. The finalists of BoM 2019 eventually presented a case to revamp the Union Digital Centers across Bangladesh to amplify rural digital inclusion, a journey which had the participants travelling to all corners of the country to carry out community awareness and education drives, creating a huge buzz nationwide.

BAT Bangladesh has remained steadfast as a champion of employee wellbeing. Recognising that anxiety and stress are some of the key issues that employees in challenging roles face worldwide, BAT Bangladesh has commenced a partnership with LifeSpring Bangladesh, a leading organisation that specializes in mental wellbeing consultancy services, including round-the-clock online and telephonic counselling, face to face counselling with a team of experts as well as focused, educative sessions on aspects of mental wellbeing and mindfulness. Such initiatives will set in course an important dialogue in sustaining best practices in employee wellbeing, one that is critical for the long-time success of any organisation.

At the same time, BATB continues its legacy of hosting a wide variety of employee engagement events for members across the organisation. Not only do these events give an opportunity for our families to enjoy by being part of a collective festive spirit that is a signature of our culture, but it also helps us form deeper, more meaningful bonds with each other, which enable us to collectively strive and aspire for a better tomorrow.

## ENVIRONMENT, HEALTH AND SAFETY

BATB is fully committed to ensure safety and health of its people who come to our premises, as well as minimise impact on the environment. To raise awareness among employees, the Company carried out various kinds of communication and awareness programs for managers, employees and contractors throughout the year. Moreover, a week-long campaign titled 'EH&S Awareness Week' was arranged, focusing on safe work practices on the production floor, in warehouses and in offices.

## THE BOARD OF DIRECTORS

BATB's Board of Directors comprise a group of corporate specialists, highly qualified senior government officials and ex-government officials. It constitutes a unitary group of nine professionals, among whom seven are Non-Executive Directors, including two Independent Directors, most of whom are ex-senior government officials. The Board members are responsible for setting the direction in attaining the Company's business objectives, while also safeguarding the interests of shareholders and other stakeholders. Mr. Md. Azizur Rahman FCS, Head of Public Affairs & Company Secretary, functions as the Secretary to the Board Committees.

We believe that the Company Board includes core competencies considered relevant in the context of BATB. All our Directors have followed all regulatory compliances necessary for their Directorship, qualifying their membership on our Company's Board.



The composition of BATB's Board is as follows:

**Mr. Golam Mainuddin**

Chairman, Board of Directors

**Mr. Shehzad Munim**

Managing Director

**Mr. Mohammad Moinuddin Abdullah**

Non-Executive Director

**Mr. A.K.M Aftab Ul Islam FCA**

Independent Director

**Mr. K. H. Masud Siddiqui**

Independent Director

**Mr. Abdul Halim**

Non-Executive Director

**Mr. Md. Abul Hossain**

Non-Executive Director

(Joined on 27 October 2019)

**Mr. Kazi Sanaul Hoq**

Non-Executive Director

(Resigned on 27 October 2019)

**Ms. Tahmina Begum**

Non-Executive Director

**Mr. Stephan Matthiesen**

Finance Director

(Joined on 1 May 2019)

Mr. Kazi Sanaul Hoq resigned from the Board with effect from 27th October 2019. The Board of Directors would like to place on record the excellent contributions of Mr. Hoq towards the improvement of the Company and in taking keen initiatives in different issues during his tenure as a Director on the Board.

## DIRECTORS PROPOSED FOR RE-ELECTION

Out of the 9 (nine) directors on the Board, Mr. Masud Siddiqui and Mr. Aftab Ul Islam FCA being appointed as Independent Directors and already confirmed at the AGM, would not retire by rotation. Mr. Stephan Matthiesen and Mr. Md. Abul Hossain who were appointed to the Board as Finance Director and Non-Executive Director, respectively, after the last Annual General Meeting will retire in the forthcoming AGM. Ms. Tahmina Begum, Non-Executive Director will retire by rotation at the ensuing AGM. All the retiring Directors, being eligible, offer themselves for re-election at the upcoming meeting.

In accordance with Article 99A of the Articles of Association of the Company, Mr. Golam Mainuddin, having reached the age of over 65 years, shall retire at the upcoming Annual General Meeting. However, being eligible, he is also proposed for re-election at the meeting for one year, i.e. until the conclusion of the 48th Annual General Meeting to be held in 2021.

## Board Committees

There are currently three functional Committees of the Board, namely:

- Board Audit Committee;
- Board Nomination & Remuneration Committee; and
- Board CSR Committee.

The detailed functions of the committees are mentioned in the respective committees' reports.

## GOING CONCERN

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

## THE SYSTEM OF INTERNAL CONTROL

As with other co-existing entities, the BAT business is also exposed to diverse risks that arise both from internal as well as external fronts. And because there is always a degree of uncertainty in our operations, the Board of Directors assures its shareholders that the Company has a competent risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the Company takes reasonable steps to identify material risks that may hamper business results. The Company then systematically reviews these risks in light of the changing internal and external environment in order to assess that controls that are in place are adequate to address those risks. This report further encloses a detailed discussion on the internal control framework under the Statement of Internal Control.

## DIRECTORS' DECLARATION ON THE FINANCIAL STATEMENTS

The Directors are responsible for the governance of the Company and, as part of preparation and presentation of the financial statements, the Directors confirm, to the best of their knowledge that:

- The financial statements, prepared by the Management of the Company which was scrutinised by the external auditors, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- 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;
- The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored; and
- There is no doubt whatsoever upon the Company's ability to continue as a going concern.

As required under the BSEC directives, the Directors further confirm that:

- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.



- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed 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.
- The CEO and CFO have further certified to the Board that there are, to the best of their 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.

#### RETROSPECTIVE ADDITIONAL TAX DEMAND BY LTU- NBR

BATB is the highest tax payer in Bangladesh and ensuring compliance with the law is its highest priority. Nevertheless, on 23rd November 2013, Large Tax Unit (LTU) of National Board of Revenue (NBR) served a retrospective VAT and SD demand for BDT 1,924 crore upon BATB for selling its products Bristol and Pilot in the low segment instead of medium segment. The claim was initiated based on a competitor's complaint.

The demand from LTU of NBR has been declared illegal as per the judgment of the Appellate Division of the Supreme Court of Bangladesh. Therefore, at present, there is no claim against BAT Bangladesh.

#### OTHER REGULATORY DISCLOSURES:

Pursuant to the BSEC Notification on 'Codes of Corporate Governance' dated 3rd June 2018, the Directors of BATB also report that :

- The Company is aware of its various risks and concerns. The financial risk management has been disclosed under note 39.B.i of the financial statements;
- All transactions with related parties have been made on a commercial basis and the details of related party and transactions have been disclosed under note 40 of the financial statements;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been followed in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- The financial statements are prepared in accordance with IAS/IFRS and any departure therefrom has been adequately disclosed;
- The Company's IPO was made during inception. No further issue of any instrument was made during the year;
- From inception, the financial results of the Company have continued to grow as reflected in the yearly financial statements of the Company;
- No extraordinary gain or loss has been recognised in the financial statements of the Company;
- No significant variations have occurred between quarterly and final financial results of the Company during 2019;
- During the year, the Company has paid a total amount of BDT 87,000 as Board meeting attendance fees. The remuneration of Directors has been mentioned in Note 40 of the Financial Statements;
- All significant deviations from the previous year in the operating results of the Company have been highlighted and reasons thereof have been explained;

- The key operating and financial data for the last five years have been disclosed in the Directors' Report;
- The Company has proposed cash dividend for the year 2019;
- During 2019, a total of 8 (eight) Board meetings were held, which met the regulatory requirements in this respect. The attendance records of the Directors are shown in Annexure-1 to this report;
- Rights and interests of minority shareholders have been duly protected by means of transparent operations and proper disclosure of material information of the Company;
- No bonus or stock dividend has been declared as interim dividend during the year;
- A statement of 'Management Discussion and Analysis' has been presented in this Report;
- Shareholding pattern of the Company as on 31 December 2019 is shown in Annexure-1 to this report; and
- Directors' profiles have been included in the Annual Report as per BSEC Guidelines.

#### CORPORATE GOVERNANCE COMPLIANCE STATEMENT

The Company's Corporate Governance framework is directed towards achieving its business objectives in a manner that is responsible and in accordance with the high standards of honesty, reliability, transparency and accountability. As part of its governance pursuits, the Company emphasises on stronger diligence to business, all operations being apparent and invites broader involvement of stakeholders. The essential elements that define effective corporate governance at the Company are outlined in the Corporate Governance Statement which is appended in this Annual Report. The contents in the statement further expand on the broad practices at BATB. All employees are expected to live up to these principles and guidelines which are communicated regularly throughout the Company in the form of various training and awareness programmes.

In this respect, we have the pleasure to confirm that the Company has complied with all the necessary directives under BSEC CG Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018. The Compliance Report along with the necessary remarks and disclosures is appended in this Annual Report for the year 2019. Further, a Certificate of Compliance required under the said CG codes, as provided by M/s. Al-Muqtadir Associates, Chartered Secretaries, is also annexed to this report.

#### STATUTORY AUDITOR

As per requirements of law, the current statutory auditors, A. Qasem & Co., Chartered Accountants, will retire at the 47th Annual General Meeting. They have expressed their willingness to be re-appointed for the year 2020. Based on suggestions of the Audit Committee, the Board recommends the re-appointment of A. Qasem & Co., Chartered Accountants, as the statutory auditors of the Company for the year 2020 and continuation upto the next AGM at a fee of Tk. 11,00,000 (Taka eleven lac) only and requests shareholders to approve the appointment.



## COMPLIANCE AUDITOR

Pursuant to code 9.2 of the codes of corporate governance issued by BSEC, shareholders at the 46th Annual General Meeting (AGM) had appointed M/s. Al-Muqtadir Associates, Chartered Secretaries, as the Compliance Auditor of the Company for the year 2019. The Compliance Auditor is eligible for re-appointment. As proposed by the Audit Committee and recommended by the Board of Directors, the matter of appointment of M/s. Al-Muqtadir Associates, Chartered Secretaries, as Compliance Auditor of the Company for the year 2020 would be placed before the shareholders at the 47th AGM of the Company for approval.

## BUSINESS COMMITMENTS

The Board of Directors firmly believe that BATB has the necessary strengths, resources and commitments to further propel the Company to newer heights and thereby grow and augment its contribution to the nation. With these aspirations, the Board values and continuously updates its corporate strategies and commitments. It was more than 108 years ago, when the Company established itself on this land of opportunities and possibilities. Since independence of Bangladesh, BATB has demonstrated an unwavering dedication to the country and its people and this commitment is what sets BATB apart from any other business entity. This uniqueness is reflected through the passion and dedication of its employees and business partners that has taken BATB to great heights. BATB in Bangladesh is listed on both the Dhaka and Chittagong stock exchanges and is currently the highest corporate taxpayer. In this year alone, we have contributed Taka 22,630 crore to the Government exchequer in the form of Supplementary Duty, Value Added Tax, Income Tax, Custom Duty and other levies. BATB has always cherished and shall continue to value its treasured relationship with the Government of Bangladesh, esteemed shareholders and other stakeholders of the Company.

## AWARDS & ACHIEVEMENTS

Our remarkable performance and flawless management in the year 2019 has led us to achieve some prestigious awards from different credible organisations locally and internationally. In 2019, the Company was awarded with the following recognitions:

1. President Industrial Development Award;
2. Top Employer Award from Top Employers Institute;
3. Highest Tax Payer Recognition by National Board of Revenue (NBR);
4. 19th ICAB National award for best presented Annual Report;
5. 19th ICAB National award for Corporate Governance Disclosure;
6. SAFA Awards 2019 in Manufacturing Sector;
7. ICMAB Best Corporate Award 2019;
8. ICSB National Award for Corporate Governance Excellence;
9. Regional Award 2019, Asia Pacific Middle East;
10. Bangladesh Supply Chain Excellence Award 2019 in 'Excellence in Manufacturing Excellence';
11. Bangladesh Supply Chain Excellence Award 2019 in 'Excellence in Supply Chain Talent Development';
12. National Productivity and Quality Excellence Award 2018; and

Sd/-  
**Golam Mainuddin**  
Chairman  
22<sup>nd</sup> February 2020

13. Sixteen Local Government awards for Afforestation in different districts.

*(Details of these awards are mentioned in the achievements section of this Annual Report).*

## EXPECTATIONS IN 2020 AND BEYOND

BATB has always been a people oriented and socially responsive entity. Being a commoners' company, it nurtures an ambition to provide consumers' preferred quality products to its numerous customers/brand users. Looking ahead in 2020 and beyond, BATB thus desires to go ahead with the same zeal that it had started with almost a 108 years ago, to be the number one locally listed Company in turnover, in partnering with the national exchequer and to operate as a socially responsible Company. Moreover, the Company's initiatives for 2020 will bring about a positive change across the nation with various initiatives directed towards poverty alleviation, gender equality, human development and welfare, partnership in green cultivation practices, prevention of arsenic contamination, forest preservation and extending sustainable modern energy to off-grid areas.

## MANAGEMENT DISCLAIMER FOR IT SECURITY

BAT Bangladesh has been using some applications software packages for its day to day activities. To the best of knowledges these software packages are fully immune and tested against any external hacking. The Cyber Security platform is being periodically checked by inhouse Information & Technology Specialist Team.

## ACKNOWLEDGEMENTS

The Company's on-going progress would not have been the same without the continued and loyal support of our valued customers. At the same time, the Board also believes that the performance in 2019 is a collective result of the pledge, promise, energy and hard work of our Directors, Management and employees together. But that was derived indeed from the persistent support and guidance from shareholders and numerous other stakeholders of the Company. And keeping those in mind the Board would like to place on record its unstinted gratitude and appreciation to the Government of Bangladesh, particularly the Ministry of Finance, Ministry of Commerce, Ministry of Agriculture, Ministry of Labour and Employment, Ministry of Forest & Environment and Ministry of Housing & Public Works, National Board of Revenue, Bangladesh Investment Development Authority, Bangladesh Securities and Exchange Commission, the Stock Exchanges, Central Depository Bangladesh Ltd., RJSC and other numerous valuable stakeholders, the Company's vendors and other business partners during 2019.

The Board would also like to extend its warmest thanks to the management and employees for being an essential part of BATB during the year. It was their unrelenting commitment, dedication and diligence throughout the year that led the Company to achieving results, awards and accolades in 2019.

We are proud of you all and look forward to your continued support as we march ahead to take BATB forward as a leading player in Bangladesh's business community.

On behalf of the Board of Directors,

Sd/-  
**Shehzad Munim**  
Managing Director  
22<sup>nd</sup> February 2020

# MANAGEMENT DISCUSSION AND ANALYSIS- 2019

## (a) Accounting policies and estimation for preparation of financial statements

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

Financial statements have been prepared on a historical cost basis, except for debt and equity financial assets and contingent considerations that have been measured at fair value. The financial statements provide comparative information in respect of the previous period.

In January 2018, the Institute of Chartered Accountants of Bangladesh (ICAB) adopted the International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification, this recent adoption will not have any material impact on the financial statements of the company, going forward.

Details of the significant accounting policies are available in Note 6 of the financial statements.

## (b) Changes in accounting policies and estimation

The company applied IFRS 16 for the first time in 2019. The nature and effect of the changes as a result of the adoption of the new accounting standard is provided in Note 6T(i) of the financial statements.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the company. The company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

## (c) Comparative analysis of financial performance and operational performance

Financial Results (BDT cr.)	2019	2018	2017	2016	2015
Gross Turnover	26,985	23,312	20,414	16,563	14,371
Supplementary duty, VAT, HDSC	(21,303)	(17,848)	(15,218)	(12,188)	(10,382)
Net Turnover	5,682	5,464	5,196	4,375	3,990
Cost of Goods Sold)	(2,997)	(2,710)	(2,718)	(2,389)	(2,121)
Gross Profit	2,685	2,754	2,478	1,986	1,868
Financial Cost and Other Exp	(808)	(672)	(698)	(594)	(548)
Operating Profit	1,877	2,082	1,780	1,393	1,320
Profit before Tax	1,740	1,931	1,676	1,317	1,246
Tax	(816)	(930)	(893)	(559)	(659)
Profit after Tax	925	1,001	783	758	587

Financial Results (BDT cr.)	2019	2018	2017	2016	2015
EPS in BDT*	51.37	55.62	43.50	42.12	32.63

Operational results (BDT crore)	2019	2018	2017	2016	2015
Share capital	180	60	60	60	60
No. of employees	1,426	1,453	1,459	1,476	1,400
Contribution to the national exchequer	22,630	19,133	16,427	13,631	11,051

\* EPS before 2019 is revised as per new share capital

The Company's gross turnover for the year 2019 increased by 15.8% to BDT 26,985 crore. The growth was primarily driven by mix improvement & price increase in top segments. Low segment volume however decreased by 14% due to the continued increase in illicit since the 30% price increase in June 2018. The Supplementary duty and VAT contribution from BATB increased by 19.4% for the year 2019, thus resulting in only 1% increase in net turnover from cigarettes for the year. The leaf export performance improved significantly, especially in H2'19 fueled by the 10% export duty withdrawal in June.

The mix improvement in top 3 segments, along with an incremental material cost globally & adverse international FX impact have led to an increased cost of goods sold for the year. The company also invested considerably behind product improvements and trade marketing capabilities to ensure long term sustainability against new competition and growing illicit problems. The profit after tax for the year is BDT 925 crore, 7.6% decline which is in line with overall profit evolution in 2019.

## Cash flow Movement (BDT crore)

Cashflow Movement	2019	2018	2017	2016	2015
Cash generated from operating activities	2,482	1,789	1,518	1,089	1,409
Income tax paid	(892)	(843)	(526)	(662)	(486)
Interest paid	(31)	(45)	(19)	(3)	(13)
Net cash flow from operating activities	1,559	901	973	424	910
Net cash flow used in investing activities	(319)	(688)	(799)	(352)	(264)
Net cash flow used in financing activities	(786)	78	(510)	(180)	(549)
Net increase in cash and cash equivalents	455	291	(335)	(108)	96
Cash and cash equivalents at 1 January 2019	83	(208)	128	236	139
Cash and cash equivalents at 31 December 2019	539	83	(208)	128	236

BATB had a better cash position for the year 2019 due to strict cost control measures. Rising consumer demand from across diverse markets was met through a series of structured initiatives that resulted in improved machine efficiency and productivity.



## Dividend

In view of the performance of the company and considering the current liquidity position, the Board of Directors has recommended a cash dividend of BDT 40 per share for the year ended 31 December 2019, to be approved at the ensuing 47th Annual General Meeting. With this recommendation of proposed cash dividend, the summary of the total dividend in 2019 is represented below:

Operational results	2019	2018	2017	2016	2015
Profit after tax (BDT crore)	925	1,001	783	758	587
Earnings per share (BDT)	51.37	55.62	43.50	42.12	32.63
Final cash dividend (BDT crore)	720	300	360	360	330
Stock dividend ratio	-	1:02	-	-	-
No. of shares (000)	180,000	60,000	60,000	60,000	60,000
Cash dividend per share (BDT)	40	50	60	60	55
P/E ratio (as of 15th March)	17.7	-	-	-	-
Dividend yield (as of 15th March)	4.4%	-	-	-	-

## (d) Comparison of financial performance with peer industry

BATB is the only listed tobacco company in Bangladesh. Also, the nature of the tobacco business is different from the other industries, and hence it is not possible to compare the financial and cash flow position with peer companies.

## (e) Financial and economic scenario of the country and the global economy

### Global Economy

Global economic growth eased to 3.6% in 2019, from 3.8% in 2018 (Global Research, Standard Chartered). A multitude of factors played a role in this global economic slowdown, including the US-China trade war, unstable and undefined terms of exit of the UK from the EU i.e Brexit, and volatility in oil prices. The economic slowdown is likely to intensify in 2020 with the Covid-19 pandemic now having a significant economic impact too, with initial signs being highly concerning. The virulent outbreak continues to worry investors, especially given the already significant disruption of a wide range of global industries, including manufacturing, automobiles, technology, pharma, apparel, transportation, retail and tourism. The damage to the Chinese economy might take some time to repair and, as the spread continues outside China and around the world, uncertainty on account of economic dislocation looms large.

### Bangladesh Economy

Bangladesh's GDP growth for financial year 2019 was strong, despite initial uncertainty regarding the post-election environment. GDP growth for the year stood at 7.2%, driven by strong domestic demand – particularly private consumption – and recovery in exports, albeit mild. A strong turnaround in remittance after a two-year's decline stimulated private consumption. Agricultural output also recovered after weather-related disruptions in FY 2018, which gave an additional boost to consumption.

Sd/-  
**Golam Mainuddin**  
Chairman

The biggest challenge going into 2020 would be to sustain export earnings amidst lower consumer demand globally, along with increased competition from emerging countries like Vietnam and Ethiopia. Private investment is likely to remain weak as the private sector searches for growth capital. The banking sector faces issues related to stressed assets too, and higher government borrowing from banks is restricting the flow of financial resources.

Remittance growth remained strong at 18% YoY in July-October 2019, on the back of 2% cash incentive provided by the government, but this is likely to slow in H2'20 due to lower migrant numbers. Overall, the growth outlook for the year is moderate, with persistent challenges due to lowering consumption and investments.

## (f) Risks and concern issues related to the financial statements

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 earlier. The integrity of the Company's public financial reporting is further supported by several 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. BATB also integrated Sarbanes-Oxley Act (SOX) controls into its business operations for the first time in 2019 financial year and completed all requirements without any significant observations.

## (g) Future plans or projections or forecasts

BATB continues to pursue its ambition of providing the best quality products to the consumers through its numerous customers/brand users. Looking ahead, BATB is committed to continue with the same passion that it had started 108 years ago, to continue in partnering with the national exchequer and to operate as a socially responsible Company. Moreover, the Company's social responsibility initiatives in 2020 will bring about a positive change across the nation with various initiatives directed towards achieving the sustainable development goals related to poverty alleviation, gender equality, human development and well-being, partnership in green cultivation practices, prevention of arsenic contamination, forest green cover preservation and extending sustainable modern energy in off-grid areas.

## (h) Related party transactions

Details of related party transactions, along with the nature of the transactions, is provided in Note 40 (Related Party Disclosures) of the financial statements.

Sd/-  
**Shehzad Munim**  
Managing Director

## Annexure-01

## PATTERN OF SHAREHOLDING

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.	131,236,074	72.91%
ii) Directors/CEO/CS/CFO/Audit Head and their spouses and minor children	nil	nil
iii) Executives (HOD)	nil	nil
iv) Shareholders, who hold 10% or more:		
• Pictet Lux A/C Kffcf	18,385,943	10.21
v) Shareholders, who hold less than 10%		
• Investment Corporation of Bangladesh	10,476,132	5.82%
• Sadharan Bima Corporation	5,083,991	2.82%
• Bangladesh Development Bank Limited	598,794	0.33%
• President People's Republic of Bangladesh	386,824	0.64%
• Others	13,832,242	7.27%

### BOARD MEETINGS

The Board of Directors met eight times during the year 2019. The Company Secretary and Chief Financial Officer (Finance Director) were present in the Board meetings. The attendance by each Director is mentioned below:

Present Directors' Name	No. of Attendance	
Mr. Golam Mainuddin	8	
Mr. Shehzad Munim	8	
Mr. A.K.M Aftab Ul Islam FCA	7	(Appointed on 11 March 2019)
Mr. K.H. Masud Siddiqui	8	
Mr. Mohammad Moinuddin Abdullah	7	
Mr. Md. Abdul Halim	7	
Ms. Tahmina Begum	6	
Mr. Md. Abul Hossain	1	(Appointed on 27 October 2019)
Mr. Kazi Sanaul Hoq	8	(Resigned on 27 October 2019)
Mr. Stephan Matthiesen	3	(Appointed on 1 May 2019)
Mr. William Francis Pegel	5	(Resigned on 30 April 2019)

# CERTIFICATE OF DUE DILIGENCE BY CEO & CFO

(As required under the BSEC CG Code)

To the Board of Directors of

**British American Tobacco Bangladesh Company Limited**

Pursuant to the condition no. 1 (5)(xxvi) imposed vide the Commission's Notification No BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance 1969, we do hereby declare that:

1. The Financial Statements of British American Tobacco Bangladesh Company Limited for the year ended on 31 December 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2019 and that to the best of our knowledge and belief:
  - (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 collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (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 code of conduct for the company's Board of Directors or its members.

sd/-


Shehzad Munim  
Managing Director (CEO)

sd/-

Stephan Matthiesen  
Finance Director (CFO)

Dhaka  
22<sup>nd</sup> February 2020

## Annexure-03

 <b>Al-Muqtadir Associates</b> Chartered Secretaries & Consultants efforts ampteenith : ঐতিহ্য অঙ্গণে	<b>Business Office :</b> House #412, Apartment: 5 Road: 08, Block: D Bashundhara R/A, Dhaka-1229 Bangladesh	Phone: 01730 340 340 e-mail: muqtadir@muqtadirbd.com g-mail: alamuqtadir@gmail.com VAT Reg: 19041063900 BIN No: 000179575-0202
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Report to the Shareholders of British American Tobacco Bangladesh Company Limited on compliance with the Corporate Governance Code

(As required under the BSEC Codes of Corporate Governance)

We have examined the compliance status to the Corporate Governance Code by British American Tobacco Bangladesh Company Limited for the year ended on 31st December 2019. This code relate s to the gazette notification no : BSEC/CMRRCD/200-6 158/ 207/Admin/ 80 dated the 3rd June 2018 of Bangladesh Securities and Exchange Commission(BSEC.)

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and imp lementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance Code as well as provisions of the relevant Bangladesh Secretarial Standards(BSS) as adoptedby the Institute of Chartered Secretaries of Bangladesh (ICSB)in so far as those standards are not inconsistent with any condition of th e Corporate Governance Code.

We state that we have obtained all the information and explanations or representations, which we have required, and after due scrutiny and verification thereof, we report that in our opinion and subject to the remarks and observations as reported in the connected Compliance Statement:

- The Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- The Company has complied with the provisions o f the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by th is Code.
- Proper books and records have been kept by the Company as required under the Companies Act 1994, the securities laws and other relevant laws, and
- The standard of governance in the Company is satisfactory.

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2019.

**Al-Muqtadir Associates**  
Chartered Secretaries & Consultants



A.K.A. Muqtadir FCS  
CEO & Chief Consultant



Dhaka, February 22, 2020



## Annexure-04

# BSEC CORPORATE GOVERNANCE COMPLIANCE CHECK LIST

Status of compliance with the conditions set out by the BSEC Notification on Corporate Governance

(Report under Condition No. 9.3)

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 (a)	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 two Independent Directors in the BATB Board, namely: Mr. A.K.M Aftab Ul Isalm FCA and Mr. K.H. Masud Siddiqui
1.2 (b) (i)	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 (b) (ii)	Independent Director or his family members are not connected with the Company's any sponsor or Director or nominated Director or Shareholder of the company or any of its associates, sister concerns, subsidiary and parents or holding entities who holds 1% or more shares	Complied	DO
1.2 (b) (iii)	Independent Director who has not been an executive of the company in immediately preceding 2 (two) financial years	Complied	DO
1.2 (b) (iv)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	Complied	DO
1.2 (b) (v)	Independent Director is not a member or TREC (Trading Right Entitlement Certificate) holder, Director or officer of any Stock Exchange	Complied	DO
1.2 (b) (vi)	Independent Director is not a shareholder, Director excepting independent director or officer of any member or RREC holder of Stock Exchange or an intermediary of the capital market	Complied	DO
1.2 (b)(vii)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit service or audit firm conducting special audit or professional certifying compliance of Corporate Governance Code	Complied	DO
1.2 (b) (viii)	Independent Director shall not be an Independent Director in more than 5 (five) listed companies	Complied	DO
1.2 (b)(ix)	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 (b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude	Complied	DO
1.2 (c)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM	Complied	The appointments are duly approved at AGM
1.2 (d)	The Post of Independent Director(s) can not remain vacant for more than 90 (ninety) days	Complied	No vacancy occurred



Condition No	Title	Status	Remarks
1.2 (e)	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) A.K.M Aftab Ul Islam FCA & Mr. K.H. Masud Siddiqui are in the first term in office
1.3 (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business	Complied	The qualification and background of IDs justify their abilities as such
1.3 (b) (i)	Independent Director should be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association	Not Applicable	
1.3 (b) (ii)	Independent Director should be a Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Finance director or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company	Not Applicable	
1.3 (b) (iii)	Independent Director should be a Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law	Complied	Independent Directors are former bureaucrat and corporate leader with more than 12 years of experience
1.3 (b) (iv)	Independent Director should be a University Teacher who has educational background in Economics or Commerce or Business Studies or Law	Not Applicable	
1.3 (b) (v)	Independent Director should be a Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	Not Applicable	
1.3 (C)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in 1.3 (b)	Complied	Independent Directors are former bureaucrat and corporate leader with more than 12 years of experience
1.3 (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	Not Applicable	
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	Complied	Chairman of the Board and Managing Director are different individuals
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	Complied	The Managing Director does not hold the same position in any another listed company
1.4 (c)	The Chairperson of the Board shall be elected from amongst the non-executive directors of the company	Complied	The chairperson is elected from amongst the Non-Executive Directors
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	Complied	The roles and responsibilities of the Chairperson and Managing Director are clearly defined

Condition No	Title	Status	Remarks
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	Complied	In practice
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 including internal and external risk factors, threat to sustainability and negative impact on environment, if any	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, where applicable	Complied	The Directors' report complies with the guideline
1.5 (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)	Complied	Discussed at 'Financial Performance' and 'Other Regulatory Disclosures'
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	Complied	Mentioned at 'Other Regulatory Disclosures'. A statement of all related party transactions are disclosed under Notes to the Financial Statements no. 32
1.5 (vii)	A statement of utilisation of proceeds raised through public issues, rights issues and/or any other instruments	Complied	Mentioned in '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 Share Offer, Direct Listing, etc	Complied	Mentioned in 'Other Regulatory Disclosures'
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	Complied	Discussed in 'Financial Performance' and 'Other Regulatory Disclosures'
1.5 (x)	A statement of remuneration paid to the directors including independent directors	Complied	Mentioned in 'Other Regulatory Disclosures'
1.5 (xi)	A statement that 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
1.5 (xii)	A statement that proper books of account of the issuer company have been maintained	Complied	DO
1.5 (xiii)	A statement that 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)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), 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)	A statement that 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)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	Complied	Stated under section 'Going Concern' in the Directors' Report

Condition No	Title	Status	Remarks
1.5 (xvii)	A statement that there is no significant doubt 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 there of shall be disclosed	Complied	Discussed in the Directors' Report under section "Growth Pillar"
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	Complied	The Directors' Report complies with the guideline
1.5 (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	Complied	Stated in Annexure- 1 of the Directors' Report which complies with the guideline.
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	Complied	Final dividend declared. The Directors' Report complies with the guidelines
1.5(xxii)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	Complied	Stated in the Directors' Report
1.5 (xxii)	Patterns of shareholdings		
1.5 (xxiii) (a)	(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	Not Applicable	
	(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	Complied	The Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children do not hold any shares of the Company
	(c) Executives	Complied	The Executives (Sr. Managers) of the Company do not hold any shares
	(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	Complied	Stated in Annexure-1 of the Directors' report which comply with the guideline
1.5 (xxiv) (a)	a brief resume of the director	Complied	Stated in the profile of Directors in the Annual Report
	(b) nature of his or her expertise in specific functional areas	Complied	Stated in the profile of Directors in the Annual Report
	(c) names of companies in which the person also holds the directorship and the membership of committees of the Board	Complied	Stated in the profile of Directors in the Annual Report
1.5 (xxv) (a)	(a) accounting policies and estimation for preparation of financial statements	Complied	The Directors' Report complies with the guideline
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	Complied	The Directors' Report complies with the guideline
	(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	Complied	The Directors' Report complies with the guideline
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	Complied	The Directors' Report complies with the guideline
	(e) briefly explain the financial and economic scenario of the country and the globe	Complied	The Directors' Report complies with the guideline
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	Complied	The Directors' Report complies with the guideline

Condition No	Title	Status	Remarks
	(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	Complied	The Directors' Report complies with the guideline
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	Complied	Stated in Annexure-02 of the Directors' report which comply with the guideline
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	Complied	The certificate regarding compliance of the conditions is disclosed in the annual report
1.6	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	Complied	Company maintains a book for Board Meeting Minutes as per the provision of Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB)
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee for the Chairperson of the Board, other board members and Chief Executive Officer of the company	Complied	A code of conduct set for Chairman of the Board, other members of the Board and Chief Executive Officer of the company based on the recommendation of the Nomination and Remuneration Committee (NRC)
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	Complied	The code of conduct as determined by the NRC is posted on the website
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	Not Applicable	There is no subsidiary company of BATB
2 (b)	(b) At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	Not Applicable	
2 (c)	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	
2 (d)	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	
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable	
3. 1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)		The Company has appointed MD, CFO, CS and Head of Internal Audit
3. 1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	Complied	The MD, CFO, CS and Head of Internal Audit are four different individuals
3. 1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	Complied	In practice

Condition No	Title	Status	Remarks
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	Complied	The roles, responsibilities and duties of MD, CFO, CS and HIAC are clearly defined which have been approved by the Board as per requirement of BSEC notification
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	Complied	In practice
3.2	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:  Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	Complied	In practice
3.3 (a)	(a) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge	Complied	In practice
3.3 (b)	(b) The MD or CEO and CFO shall also certify that 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 code of conduct for the company's Board or its members	Complied	In practice
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	Complied	Disclosed in the Annual Report
4 (i)	There shall be an Audit Committee as a sub-committee of the Board.	Complied	Already in place
4 (ii)	There shall be a Nomination and Remuneration Committee as a sub-committee of the Board.	Complied	Already in place
5.1 (a)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors	Complied	Already in place. The TOR is available
5.1 (b)	The Audit Committee shall assist the Board 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	The AC duly discharged its responsibilities
5.1 (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	Complied	In practice. The duties are clearly set forth in writing in the TOR of the Audit Committee
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members	Complied	The Audit Committee is comprised of 4 (four) members
5.2 (b)	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 one Independent Director
5.2 (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	Complied	Based on the academic qualifications and professional experiences, 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 codes of BSEC. The members have also given their declarations

Condition No	Title	Status	Remarks
5.2 (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	Complied	In practice
5.2 (e)	The Company Secretary shall act as the secretary of the Committee	Complied	In practice
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director	Complied	In practice
5.3 (a)	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	Mr. A.K.M Aftab Ul Islam FCA has been appointed as Chairman of Audit Committee who is an Independent Director
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	Complied	In practice
5.3 (c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	Complied	In practice
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year	Complied	In practice
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	Complied	In practice
5.5 (a)	Oversee the financial reporting process	Complied	In practice
5.5 (b)	Monitor choice of accounting policies and principles	Complied	In practice.
5.5 (C)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	Complied	In practice.
5.5 (d)	Oversee hiring and performance of external auditors	Complied	In practice.
5.5 (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	Complied	In practice
5.5 (f)	review along with the management, the annual financial statements before submission to the Board for approval	Complied	In practice
5.5 (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	Complied	In practice
5.5 (h)	review the adequacy of internal audit function	Complied	In practice
5.5 (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report	Complied	In practice
5.5 (j)	review statement of all related party transactions submitted by the management	Complied	In practice

Condition No	Title	Status	Remarks
5.5 (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors	Complied	In practice
5.5 (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	Complied	In practice
5.5 (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission	Complied	There was no IPO/RPO/Rights Issue in 2019 or in recent past. Stated in the Directors' Report under 'Other Regulatory Disclosures'
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board	Complied	In practice
5.6 (a) (ii) (a)	report on conflicts of interests	Complied	In practice
5.6 (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements	Complied	In practice
5.6 (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations	None	
5.6 (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	None	
5.6 (b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	None	
5.7	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	None	
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	Complied	Already in place. The TOR is available
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	Complied	The NRC duly discharged its responsibilities
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	Complied	In practice. The Terms of Reference is clearly set forth in writing covering all relevant areas as stated in the code
6.2 (a)	The Committee shall comprise of at least three members including an independent director	Complied	The Committee is comprised of 3 members including an Independent Director
6.2 (b)	All members of the Committee shall be non-executive directors	Complied	In practice
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board	Complied	The NRC members are appointed by the Board

Condition No	Title	Status	Remarks
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee	Complied	In practice
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee	Complied	In practice
6.2 (f)	(f) The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee	None	No such occurrence during case during the year
6.2 (g)	The company secretary shall act as the secretary of the Committee	Complied	In practice
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	Complied	In practice
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	Complied	In practice
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	Complied	The Chairman of NRC is selected by the Board who is an Independent Director
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	Complied	In practice
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	To be Complied	To attend the forthcoming AGM In practice
6.4 (a)	The NRC shall conduct at least one meeting in a financial year	Complied	In practice
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	None	To be complied if necessary
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)	Complied	In practice
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	Complied	In practice
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	Complied	In practice
6.5 (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	Complied	In practice
6.5 (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks	Complied	In practice



Condition No	Title	Status	Remarks
6.5 (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	Complied	In practice
6.5 (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	Complied	In practice
6.5 (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	To be complied	No such list as yet
6.5 (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board	Complied	In practice
6.5 (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	Complied	In practice
6.5 (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies	Complied	In practice
6.5 (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Complied	The criteria, policy and activities of NRC are disclosed in the Annual Report
7.1	Statutory auditors not be engaged in the following services:	Complied	As declared by the auditor
7.1 (i)	appraisal or valuation services or fairness opinions	Complied	In practice
7.1 (ii)	financial information systems design and implementation	Complied	In practice
7.1 (iii)	book-keeping or other services related to the accounting records or financial statements	Complied	In practice
7.1 (iv)	broker-dealer services	Complied	In practice
7.1 (v)	actuarial services	Complied	In practice
7.1 (vi)	internal audit services or special audit services	Complied	In practice
7.1 (vii)	any service that the Audit Committee determines	Complied	In practice
7.1 (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1)	Complied	In practice
7.1 (ix)	any other service that creates conflict of interest	Complied	In practice
7.2	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; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	Complied	In practice
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	Complied	In practice
8.1	The company shall have an official website linked with the website of the stock exchange	Complied	Website is there which is linked with those of the stock exchanges
8.2	The company shall keep the website functional from the date of listing	Complied	In practice
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	Complied	In practice

Condition No	Title	Status	Remarks
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	Complied	The company obtained the certificate from M/s. Al-Muqtadir Associates regarding compliance of conditions of Corporate Governance of the Commission and such certificate is disclosed in the Annual Report
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	To be Complied	The compliance auditor, Al-Muqtadir Associates is duly appointed by the shareholders at AGM
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	Complied	Detailed status given at Annexure- C and published in the Report

# CORPORATE GOVERNANCE STATEMENT 2019

British American Tobacco Bangladesh (BATB) has always fulfilled its responsibilities as a trusted business organisation, cognisant of its obligation to all its stakeholders.

As a truly people’s entity, the Company is fully transparent and maintains the highest levels of integrity and accountability, practiced up to global standards. The Board of Directors of the Company are collectively responsible to shareholders for its performance and for the organisation’s governance framework, its value system and its growth strategies. The Board, comprising luminaries from diverse fields, provide the leadership necessary for the Company to meet its performance objectives within a robust framework of internal processes and controls.

Operating in a highly regulated and massively competitive industry environment, we consider it a bigger responsibility to ensure compliance with the highest standards of governance. As a leading tobacco manufacturing Company, we emphasise on integrity, transparency and accountability, which represent the key cornerstone of our corporate governance philosophy that powers sustainable growth and perpetual stakeholder value creation. The Company has always endeavoured to maintain the highest standards of governance and business conduct to be able to ensure sustainable shareholder value, while also safeguarding the interests of stakeholders and also maintaining investor trust and confidence.

## Addressing key governance issues in 2019 at BATB

	<b>Monitoring</b>	<b>1</b> Monitoring the strategic evolving risks and threats facing the business, while ensuring that we stay on course towards our stated goals and ambitions
	<b>Prioritisation</b>	<b>2</b> Prioritisation of implementation of tactical plans with regular monitoring, especially in the realm of operations and governance
	<b>Stewardship</b>	<b>3</b> Stewardship to ensure that we are able to safeguard our culture of honesty, ethics and transparency, despite operating in an environment of uneven competition
	<b>Intent</b>	<b>4</b> Intent on complying with all guidelines, policies and codes as issued by the Government and our regulators from time to time
	<b>Measurement</b>	<b>5</b> Measuring our performance, including our social performance, so as to ensure that strategy translates into measurable key performance areas and targets

Our Company’s governance framework extends beyond serving national legal requirements to embrace voluntary codes and international best practices. Importantly, our corporate governance

framework has been developed broadly in line with the BAT Group’s policies, principles and standards.

## Focus areas of Corporate Governance

	Strategic planning		Stakeholder engagement		Budget control		Talent planning
	Company policies		Regulatory compliance		Governance		Dividend policy

## Governing Board and structure

The Board's role and responsibilities are set out in the annually reviewed and adopted Board charter, which is compliant with the requirements of Bangladesh Securities and Exchange Commission (BSEC) and other applicable laws, rules and codes. This charter sets the tone and is indicative of the Board's commitment to the four values that underpin good governance:

- Responsibility
- Accountability
- Fairness
- Transparency

The Board charter provides that the Company and its affairs be managed under the direction of the Board, which has the authority to exercise all the powers and perform all the functions of the Company. The Board is the supreme authority of the Company, around which the policy, planning and functioning of the Company revolves. The Board provides leadership, wisdom and strategic guidance to enable the attainment of business objectives, while firmly anchoring the business within the framework of internal controls and also striving to meet the evolving expectations of all stakeholder groups.

While our Executive Directors are responsible for the successful implementation of Company-wide, business-specific strategies through the execution of the necessary operational decisions, Non-Executive Directors provide an independent perspective and complement the skills and experience of our Executive Directors. Non-Executive Directors objectively assess BATB's strategy, budget, performance, risk oversight, diversity, employment equity and standards of conduct. Further, the Board delegates specific responsibilities to Board Committees, which focus on the needs and strategies of the business, while meeting the reporting requirements of a DSE listed entity.

In order to achieve the goal of good governance, the BATB Board is committed to:

- Disclosure of the principles and practices of corporate governance
- Continuously improving regulatory alignment, taking cognisance of international developments and meeting investor expectations

## Corporate governance framework

BATB's corporate governance framework has been developed and enhanced based on the basic principles and best practices outlined in the following:

- Memorandum and Articles of Association of the Company
- Codes of Corporate Governance, as outlined by the Bangladesh Securities & Exchange Commission (BSEC);
- The Companies Act, 1994, and other applicable corporate regulations of Bangladesh;
- Dhaka Stock Exchange and Chittagong Stock Exchange listing regulations;

- Laws of the land;
- Standard of business conduct, policies and guidelines of the Company;
- Statement of Risk Management and Internal Control of the Company;
- Statement of delegated authorities of the Company; and
- Local and global best practices.

The Company's corporate governance framework is also reviewed and updated from time to time by the Board to ensure its relevance, effectiveness and impact in addressing the business challenges in an evolving and also fiercely and unevenly competitive environment.

All employees of the Company, including the Board of Directors, must remain in compliance with the Company's policies, guidelines and standards of business conduct. Since it is expected that all employees shall live up to the standards of business conduct, they are, accordingly, required to confirm their commitment and compliance by executing a declaration of compliance annually.

The Company has comprehensively embraced the highest standards of corporate governance principles and best practices, along with strategic risk management and internal controls, thus articulating the manner in which the governance principles and best practices are applied on a continuous basis.

To achieve the Company's business objectives, the BATB's corporate governance framework of BATB ensures sustainable business growth achieved in a responsible manner. To comply with the laws, rules, regulations, corporate governance codes, articles of association, policies and procedures, the Company continually exercises effective control processes, transparent disclosures, well-defined shareholders' rights and Board commitments. The approach of adherence to these principles and practices are outlined as follows:

### Corporate compliance

Corporate compliance to various laws, rules and regulations is one of the core fundamentals for good governance. Compliance helps build trust among Board members, shareholders, customers and other stakeholders, including regulators.

A culture of authenticity through adherence to integrity is practiced by the Board, which represents a crucial pillar of the Company. At every Annual General Meeting (AGM), shareholders validate their support towards our Board's leadership. BATB provides accurate and periodic reporting of issues/events and certifications, wherever necessary. Furthermore, BATB's management team always embraces the highest levels of compliance with all related legal and regulatory issues, which helps to ensure the practice of high levels of governance throughout the Company.

In compliance with the monitoring process of regulatory bodies, the Company provides a complete set of financial statements and relevant documents to the Bangladesh Securities and Exchange Commission (BSEC), stock exchanges, National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC), and all other relevant bodies and authorities. Moreover, the Company takes on many tasks for organising awareness sessions on existing and

proposed laws for enforcing compliance throughout the organisation. Overall, BATB strives to remain a fully compliant Company both in letter and in spirit.

**Policy on appointment of Directors**

The BATB Board is headed by a Chairman, while the management team is led by the Managing Director. The role of the Chairman and Managing Director is mutually-exclusive. The Company fully complies with the regulations issued by the authorities regarding the appointment of Directors. BSEC notifications and the Companies Act are strictly followed in this regard. As per the Companies Act, 1994, Directors are subject to retirement. At least one-third of the Directors shall retire by rotation in every AGM. In the Board, an appointed Director may have a tenure of three years and may prolong this duration for another term of three years. Independent Directors too may have two consecutive tenures of three years each. With regards to nomination, removal and casual vacancy of Directors, the Company follows all relevant rules and regulations of the respective regulatory bodies.

**Chairman of the Board**

The Board of Directors elects the Chairman of the Company whom the Board considers to be Independent.

**Roles and responsibilities of the Chairman**

- Defined by the Board as per BSEC’s notifications on Codes of Corporate Governance.
- As Chairman of the Board of Directors (or Chairman of any Committee formed by the Board) he does not personally possess the jurisdiction to apply policy-making or executive authority, neither does he participate in or interfere with the administration or operational and routine affairs of the Company.
- The Board functions as per the Memorandum & Articles of Association of the Company, along with other applicable laws which must be ensured by the Chairman.
- The Chairman presides over meetings of the Board and Company (at the AGM) and ensures good corporate governance in the conduct of the Board and the Company.
- Representing the Company (whilst in consultation with the Board and Managing Director), the Chairman liaisons with relevant stakeholders representing the Company as a responsible corporate citizen.
- The Chairman may assume any responsibility that the Board assigns within the purview of the relevant rules, regulations, acts and articles.

**Primary roles and responsibilities of the Managing Director**

- The Managing Director is responsible for driving business operations and entrusted with the responsibility of developing and executing the Company’s long-term strategies with a view to creating sustainable shareholder value.
- The Managing Director’s leadership role entails being ultimately responsible for all day-to-day management

decisions and for implementing the Company’s long- and short-term plans.

- The Managing Director acts as a direct liaison between the Board and the management of the Company, and communicates to the Board on behalf of the management.
- The Managing Director also engages on behalf of the Company with shareholders, employees, Government authorities, other stakeholders and the public at large.

**Management through people**

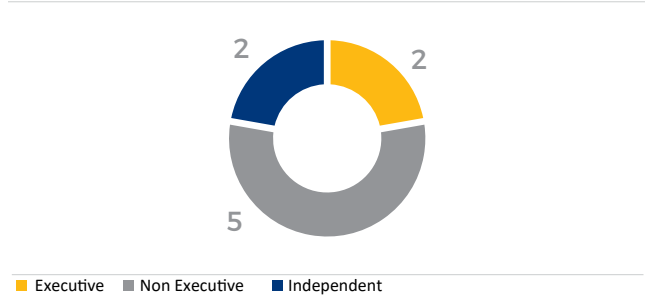
The BATB Board focuses on establishing the organisational direction and, in this regard, considers empowerment as the biggest driver of change. It is in this spirit that the Board delegates operational and financial authority to the Managing Director, empowering him to set up the organisational structure, recruit appropriate talent, manage the strategic business units and other functional areas and also provides the team guidance towards achieving the desired results and outcomes.

Being the apex authority of the Company, the Board remains abreast of the targets and initiatives of the Business Units and is also apprised of the financial performance on a regular basis. The Managing Director is in-charge of the operations of the Company and manages the affairs through close consultation with relevant employees from within the Company and/or, if necessary, outside experts.

**Empowering employees**

To ensure that there is proper delegation of authority and clear statement of accountability of the management staff all the way to the supervisory level, the Board has provided clear guidelines to the Managing Director. Individual performance is judged based on clearly set measurable goals and through objective assessment of their achievements.

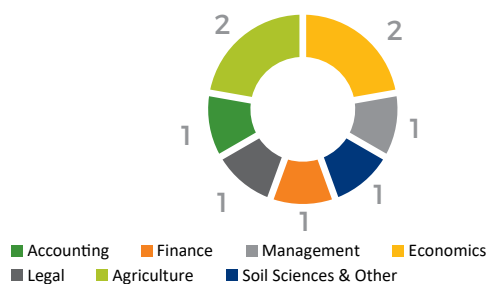
**Composition of Board of Directors in 2019**



At BATB, the overall effectiveness of the Board is enhanced by the diversity and sheer breadth of talent of its members, who combine professional and academic skills and rich experience, both locally and internationally, to enable the Company to achieve its goals and targets. Collectively, the Board also possesses sufficient financial acumen and knowledge. It is unified in terms of discharging its responsibilities to shareholders of the Company for its long-term success and the Company’s strategic direction, values and governance.

Amongst the nine Directors on the Board, five are Non-Executive Directors who are also senior officials or ex-officials of the Bangladesh Government and corporate leaders. The role of the Company Secretary is entrusted to a competent Fellow Chartered Secretary.

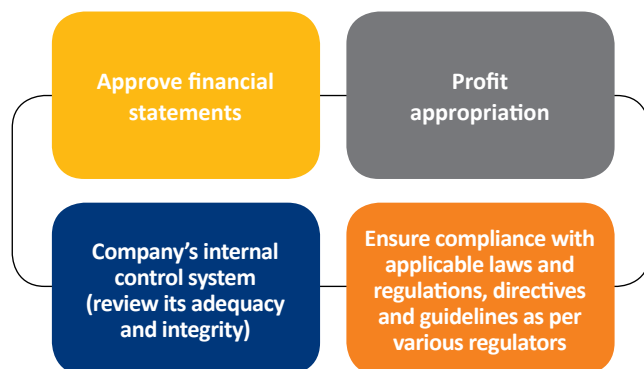
### Professional experience of Board members



### Principal responsibilities of the Board

- **Strategies:** Review long-term strategies and, accordingly, set goals and direction for the Company.
- **Risk assessment:** Review the Company's risk response mechanisms and confirm implementation of the necessary systems to manage these risks.
- **Leadership:** Provide the leadership necessary to ensure that business objectives are within the boundaries of internal controls, as described in the code statement.

### Key responsibilities



### Board's decision-making responsibilities

- Acquisition, disposal or closure of business
- New business establishment
- Capital investment and disposal of tangible assets
- Purchase and sale of trademark
- Proposal for borrowings or grant of extended credit facilities
- Any corporate restructuring (not covered by any of the above)
- Appointment of top management and expatriate officials

### Non-Executive Director's Independence

With the exception of the Managing Director and Finance Director, all other Directors are Non-Executive Directors on the Board. However, two Independent Directors are appointed as per BSEC corporate governance code, other than Executive and Non-Executive directors of the Company. The Directors attend Board and Committee meetings, discussing in detail the agenda assigned for the meetings.

### Board members and their attendance in meetings

The composition of the Board Committees as of 31 December 2019 and the attendance of Directors at the Board and Board Committee meetings along with Company Secretary held in 2019 are as follows:

Board Members	Board	Audit Committee	NRC	CSR Committee	AGM/EGM
<b>Mr. Golam Mainuddin</b> (Chairman of Board), Non-Executive Director	8/8	-	5/5	-	1/1
<b>Mr. Shehzad Munim</b> (Managing Director)	8/8	4/4	5/5	2/2	1/1
<b>Mr. Mohammad Moinuddin Abdullah</b> (Chairman, CSR Committee) Independent Director	7/8	4/4	-	2/2	1/1
<b>Mr. A.K.M. Aftab Ul Islam FCA</b> (Chairman, Audit Committee) Independent Director	7/8	3/4	-	1/2	1/1
<b>Mr. K.H. Masud Siddiqui</b> (Chairman, NRC Committee) Independent Director	8/8	4/4	5/5	2/2	1/1
<b>Mr. Md. Abdul Halim</b> Non-Executive Director	7/8	4/4	-	2/2	1/1
<b>Ms. Tahmina Begum</b> Non-Executive Director	8/8	4/4	2/5	2/2	1/1
<b>Mr. Md. Abul Hossain</b> Non-Executive Director (Joined on 25th Nov 2019)	1/8	-	-	-	-
<b>Mr. Kazi Sanaul Hoq</b> Non-Executive Director (Resigned on 27th Oct 2019)	7/8	4/4	4/5	-	1/1
<b>Mr. Stephan Matthiesen</b> Finance Director (Joined on 1st May 2019)	3/8	2/4	3/5	-	-

Board Members	Board	Audit Committee	NRC	CSR Committee	AGM/ EGM
<b>Mr. William Pegel</b> Finance Director (Resigned on 30th April 2019)	5/8	2/4	2/5	-	1/1
<b>Mr. Azizur Rahman FCS</b> Head of Public Affairs & Company Secretary	8/8	4/4	5/5	2/2	1/1

**Board Committees**

For better, quicker and informed flow of information and thereby exercising effective governance, the Board has also constituted three (3) sub-committees, viz: Audit Committee, Nomination and Remuneration Committee and CSR Committee and has delegated certain responsibilities to these Committees to assist the Board in the efficient discharge of its responsibilities. The role of the Board Committees is to review and assess respective areas and to advise and make recommendations to the Board. Each Committee operates in accordance with the respective terms of reference (ToR), as approved by the Board. The Board reviews the ToR of the Committees time to time. The Board also appoints the members and Chairman of each Committee. As mentioned, the Board Committees are:

- Audit Committee;
- Nomination and Remuneration Committee; and
- CSR Committee.

These Committees are responsible for assisting the Board in fulfilling some of the Board’s responsibilities. The Committees follow the Board-approved Terms of Reference (ToR). The ToR elaborates the roles, operating procedures and authorities which are reviewed frequently by the Board in line with local regulations and best practices.

**Directors’ time and directorship commitments**

The Directors provide disclosures about their other commitments so that they are able to spend adequate time for the Company’s affairs.

- Other directorship: As at 31 December 2019, none of our Directors, individually, held directorship in more than five

public companies, including BAT Bangladesh.

- Executive Directors: Our Executive Directors do not hold directorship in other public companies; however, they are encouraged to participate in professional, public and community organisations.
- Sufficient time and attention: Adequate and relevant time commitments have been made by our Directors over the years in matters and affairs of the Company.
- Other offices: Disclosure of Directors’ other commitments held within the country or overseas, including the number, identity and nature of the office is made, indicating time involvement.

In the election held at the Annual General Meeting (AGM) in 2019, respective candidates’ directorship held in listed public companies in the past three years were set out in the Annual Report of the year concerned.

**Appraisal of the Board’s performance**

Appraisal of the Board’s performance is done as per regulatory requirements. The outcome of the Board’s decisions has always had a positive impact on the Company, reflecting that the Board performed its duties diligently.

**Training and development of the Board**

BAT Bangladesh’s Board of Directors consists of members who are former as well as current Public Officials possessing wealth of experience and vast knowledge from various portfolios. The Company looks up to them for guidance on various needs. However, the Board is initially given an induction session regarding the operations of the cigarette industry so that the Board may be able to comprehend the Company better and provide their guidance in a more suitable manner for serving the best interests of the Company.

**Effective control processes**

The Board disseminates responsibilities for ensuring effective control processes in the organisation through the Board committees. Further, an Executive Committee at the top management level plays a significant role in managing the business as per the norms of corporate governance, while also ensuring that adequate internal controls are in place and supported through a robust risk management and MIS process.

**Leadership Team (Executive Committee)**



The Board is duly assisted by respective functional heads of the Company, i.e. the leadership team. The Managing Director leads the leadership team.

The leadership team drives the responsibility of policies and decision implementation of the Board, along with the overview of operations, developments, coordination and executive of corporate business strategies. The leadership team engages in a monthly meeting regarding the execution of the Company's strategy and ensures daily operational alignment with the Company's plans. Respective leadership team members get invitation to Board meetings based on the relevant information or update required by the Board.

### **Company Secretary**

A qualified Company Secretary assists the Board. The Company Secretary is appointed for maintaining the essential link and liaison with both internal and external agencies and at the same time ensuring active aggregation, compilation and timely flow of information to and from the Board. The BSEC Corporate Governance code also provides that a Company Secretary is to be appointed. The Company Secretary, being a governance official, drives the corporate compliance agenda, while also providing support to the Chairman and other members of the Board for ensuring its effective functioning. Apart from the core roles, the Company Secretary also performs the responsibilities of public affairs and is the authorised representative/signatory of the Company.

### **Financial reporting process**

The pillars of a successful information structure are crucial for any organisation is its financial reporting system. The Company has a robust financial reporting procedure with all financial statements made in accordance with International/Bangladesh Financial Reporting Standards (IFRS/ BFRS), Companies Act, 1994, Securities and Exchange Rules, 1987, and other applicable financial legislation. Financial data is captured from the financial reports segment of the enterprise resource planning system. Financial statements are reviewed by the CFO, CEO and Audit Committee on a regular basis. External auditors examine the financial reports in accordance with local financial reporting policies and Company procedures. Upon completion of internal scrutiny, financial reports are placed before the Board for final review and approval.

### **Internal control process**

The Company's internal control system is strategically conceived at the Board and management levels. It is designed for providing reasonable assurance regarding the attainment of the Company's objectives in respect of effectiveness and efficiency of operations, reliability (completeness and timeliness) of financial reporting and management information and compliance with applicable laws, regulations and Company policies. The Statement of Internal Control further elaborates the internal control processes. Some of the key policies and guidelines that govern the internal control process of the Company include:

### **Key policies and guidelines**

- Standards of business conduct (SoBC)
- Procurement policy and guidelines
- IDT security policy
- Finance policies and guidelines
- Marketing standard and guidelines
- Records management policy
- Agreement policy
- HR related policies

### **Risk Management Committee (RMC)**

The Finance Director heads the Risk Management Committee, consisting of select cross-functional managers, including internal auditor, who drive an effective risk management framework at the Company. RMC reviews the business twice a year and ensures that plans and actions are implemented to mitigate risks. Risk controllers periodically review the departmental risks and reports of the RMC. The Executive Committee endorses the key risks of the Company, which are further ratified by the Audit Committee. In order to ensure effective risk management within the Company, RMC is responsible for reviewing risks and ensuring effectiveness of the risk management process. The Company maintains a risk register where all associated risks as well as action plans are recorded.

### **Standards of business conduct**

The Company emphasises on high standards of business integrity through its standards of business conduct (SoBC), which must be followed by all employees and Directors of the Company. The scope of SoBC includes policies regarding Speak Up (whistle-blowing process), declaration of conflict of interest, bribery and corruption in the workplace, human rights and our operations. The scope also comprises guidelines for entertainment and gifts, charitable contributions and donations, accurate 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 and trade in the Company's products and sanctions.

The conduct of all employees, including Directors and all other employees, must be in accordance with the SoBC. Apart from adhering to the tenets articulated in the SoBC, all employees are required to confirm their commitment and compliance by executing a declaration of compliance annually.

### **Comprehensive performance management program**

BATB has a well-structured policy for evaluating performance. The comprehensive performance appraisal system allows the management to measure performance against business targets at the end of each year. The appraisal system is considered to be crucial to reward performance according to our rigorous criteria, while also providing other employees to further build their capabilities to ensure that they actively contribute to meet the Company's goals and objectives.



**Rewards and recognition program**

The Company’s rewards and recognition program takes into account employee performance, action, behaviour and consistency of efforts. It is based on the criteria that BATB has a competent rewards and recognition program. Short-term business results generating value for the business are rewarded through annual incentive schemes. Further, a reward is also presented for the collective achievement of well-defined corporate results, to which the individual has made contributions. BATB employs a range of non-cash as well as monetary forms of rewards through its various recognition and incentive schemes.

**Grievances and counselling**

The Company encourages employees to speak up regarding any grievances faced by them while working for BAT Bangladesh. Employees may report any grievance faced by them under the grievance procedure of the Company. Employees are also exposed to periodic counselling, thus enabling us to provide a platform for our employees to raise grievances and complaints.

**Ensuring a sound workplace**

Our people have always been the core strength of the Company. The Company invests time and resources to ensure a friendly and suitable work environment. All employees (both in office and in the factory) must respect the environment. A zero-tolerance policy is maintained across the Company against any sort of discrimination. Furthermore, all employees, irrespective of their gender, are presented with equal opportunities and not subjected to any deprivation of work opportunities.

**Statutory audit**

On the basis of the Audit Committee’s suggestions, the Board endorses the appointment of an auditor upon shareholders’ approval at the Annual General Meeting. Appointment of the statutory auditor is regulated by the Companies Act, 1994, Securities & Exchange Rules, 1987, and BSEC Codes of Governance, 2018. Shareholders not only approve the appointment of the statutory auditor, but also fix their remuneration. As per BSEC order, a statutory auditor cannot remain in office for more than three consecutive years. BATB maintains full independence of the statutory auditor. Prior to submission of the financial statements to the Board for approval, the Audit Committee meets with the statutory auditor to ensure the independence of the statutory auditor.

Further, to ensure adequate regulatory alignment, a Compliance Certificate is obtained from a licensed practicing professional who certifies on the basis of his audit that the Company has duly complied with all the regulatory requirements, as stipulated in the CG Code of Bangladesh Securities and Exchange Commission (BSEC). Such a report is presented to the shareholders and forms a part of the Annual Report of the Company. The appointment of the compliance auditor is also subject to approval of shareholders at the Annual General Meeting.

**Transparent disclosures**

Financial statements are prepared in accordance with the various applicable laws and regulations, some which include:

- International/Bangladesh Financial Reporting Standards (I/ BFRS)
- Companies Act, 1994
- Securities and Exchange Rules, 1987
- BSEC directives (issued from time to time)

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. Accounting estimates are made which are rational as per circumstances, with use of correct accounting policies and interpretations. The reports are then reviewed accordingly by respective authorities on a regular basis.



The external auditor attends the Audit Committee meetings to review the quarterly financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Company policies.

The Board reviews the financial statements of the Company at the end of every quarter. The quarterly financial statements, along with the notes, are published in two leading daily newspapers, as well as on the Company’s website. Furthermore, half-yearly and annual financial statements are also dispatched to all shareholders on a timely basis.

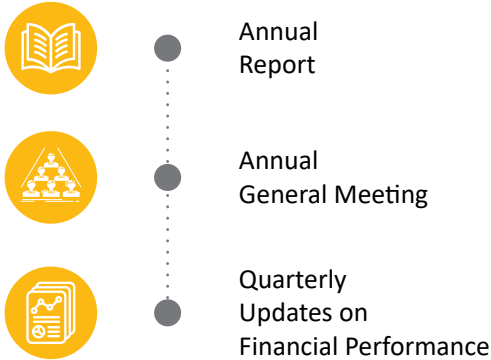
Directors prepare the Directors’ Report, which is an essential part of the Annual Report, as it discloses the financial performance as well as non-financial information regarding the Company’s growth, productivity, responsibilities and other information, in compliance with BSEC notification. The Company also abides by the applicable regulations in respect to price sensitive information (PSI).

**Ensuring participation of shareholders at the AGM**

Ensuring maximum participation of shareholders at the AGM is one of the main objectives of BATB and, towards this end, it delivers the Annual Report at least 2-weeks prior to the AGM. The date, time, venue and agenda are communicated to shareholders well in advance so that the shareholder may attend the AGM with considered views on each agenda. The meeting materials are sent by means of both messenger and digital media for quick distribution. Further, BATB is particular with respect to ensuring compliance with regulatory requirements. Towards this end, the Company ensures publication of the AGM notice in two widely circulated newspapers, with copies also sent to the stock exchanges and BSEC.

## Communication with shareholders

Regular communication with shareholders including other stakeholders are made through:



Information is disseminated by the Company to meet the best interests of shareholders. Exhibition of best practices is further made by providing comprehensive information on the Company's website, assuring investor trust and confidence. The Company's website acts as the right channel in case of retrieval of any publication. At the General Meeting, shareholders are offered the chance to ask the Board regarding the operations and prospects of the Company. A digital platform has been created ensuring effective and efficient way of communication with the shareholders, including other stakeholders of the Company.

## Well-defined shareholders' rights

For managing successful and productive relationships with shareholders, it is imperative to reinforce the importance of maintaining transparency and accountability. The Board ensures through the Company Secretary that shareholders of the Company are treated justly and honorably, and their rights are firmly protected.

The Company Secretary is the bridge between shareholders and the Board of Directors of the Company, delivering services to its valued shareholders and conforming to applicable laws and Articles of Association of the Company to safeguard the well-defined rights of shareholders. Shareholders are informed on all material developments in a routine manner on all major issues and changes in business, catering to the continuous requirement of disclosures so that shareholders can make informed decisions.

### Summary

BATB is of the view that effective governance is a continuous process that must weave all functions and employees of the Company into a unified whole to attain the ultimate corporate goals. Being a fully compliant entity, the Company upholds the spirit of transparency and accountability to the society through the establishment of an effective governance regime. Hence, the Company drives good governance procedures across all functions, as it is a key input in managing the business professionally, effectively and responsibly, which makes it transparent, ethical and law abiding, while ensuring accountability.

Overall, at BATB, we uphold our commitment to good corporate governance and pledge to continue to work in meeting the best interests of our shareholders and all other stakeholder groups.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL- 2019

## Awareness

The Board of Directors of British American Tobacco Bangladesh (BATB) declare their awareness and responsibility on the strategic importance of safeguarding shareholders’ investments and the Company’s assets, recognising the importance of risk management and internal control, which also includes the establishment of an appropriate control environment and framework, as well as reviewing its adequacy, integrity and competence.

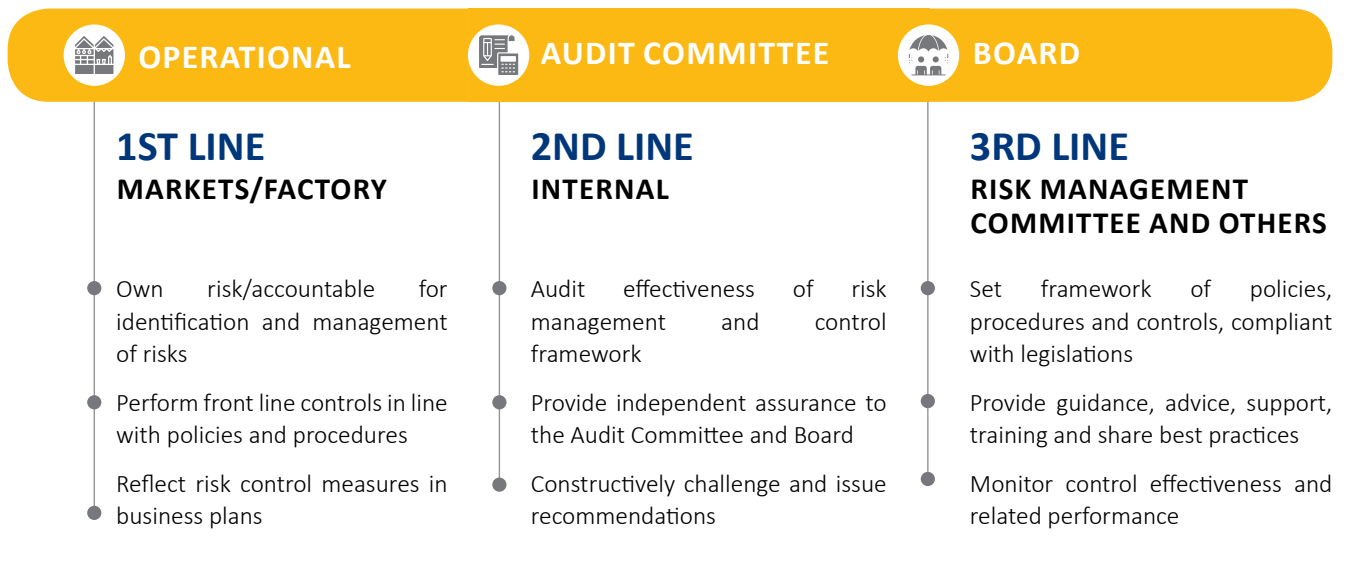
The Board regulates the nature and extent of the strategic risks which the Company takes to attain its objectives, while parallelly maintaining commensurate risk management and systems of internal control. The Board is aware of the competitive nature of the industry in which the Company operates, and hence it takes the view of balancing risk-reward situations, keeping risks to manageable and controllable levels.

The Board provides strategic guidance to the management to identify risks faced by the Company, and thus formulates, implements and monitors appropriate internal initiatives to mitigate and control risks. It must be noted that all control measures and internal practices work to reduce the impact of risks, rather than completely eliminating them, which acts as a hindrance to the Company’s business objectives and growth targets. Accordingly,

the Board can only provide reasonable but not absolute assurance against material misstatements or loss. The system of internal control covers financial, operational and compliance controls and risk management procedures.

BATB has in place an ongoing process (as 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 and considering the amendments in the regulatory, business and external environments. This process is reviewed by the Board through the Audit Committee. The Audit Committee’s responsibilities and duties are stated in the ‘Audit Committee Report’ of this Annual Report. The Company’s Standards of Business Conduct (SoBC) underpin our commitment to good corporate behaviour and is an integral part of our corporate governance framework. Our SoBC requires all employees to perform their duties embracing the highest standards of business integrity, ensuring compliance with all applicable laws and regulations and assuring that business standards are not compromised in any way for the sake of results. Our SoBC is made available to our stakeholders and employees on our corporate website: [www.batbangladesh.com](http://www.batbangladesh.com)

## Risk Management Framework: Three Lines of Defense



## Enterprise risk management framework

Risk management is critical for the sustainability of the Company and for sustainable enhancement of shareholder value. Hence, it is enforced and incorporated within the Company’s culture and management systems.

BATB’s risk management framework is aligned with its operating model and is a combined approach comprising the three lines of defense. The structure encourages communication and escalation of risk and control-related matters across the Company.

BATB's Board is responsible for the strategy of the Company and thus is also responsible for the risk appetite of the organisation. The Company's Risk Management Committee is accountable for operational directions of the business, taking control of responsibilities of risks and related internal control interventions. Some of the core risk areas are as follows:

- Financial risk
- Regulatory risk
- Transformation risk
- Operational risk
- Policy change risk

These comprise the core risk areas for our business. The IDT function ensures successful and effective alignment of functional business plans, aligned with the Company's strategy. Respective business units and their management teams are responsible for the delivery of operational performance and control of inherent risks. It is these teams who are responsible for the achievement of the Company's strategic objectives within the scope of our articulated policies and standards and that we conduct business in compliance with our code of conduct. The functional and divisional management structures is led by our Leadership Team (Management Committee), enabling a continuous process of identification, evaluation, management and mitigation of significant risks in those areas, thus enabling the attainment of the Company's business objectives. This enables effective and timely identification of actual and emerging risks and responses to mitigate impacts or capitalise on opportunities.

## Risk management process

BATB's enterprise risk management objectives:

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

## Risk management team and responsibilities

BATB's risk management team comprises senior managers from all functions of the Company and is led by the Finance Director. The team meets formally at least twice a year to:

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

The Audit Committee is briefed annually by the enterprise risk manager on the Company's risk management programme and its activities within the Audit Committee meeting.

The following are some of the responsibilities of the risk management team:

- Steer the Company's enterprise risk management programme;
- Promote a proactive risk awareness culture within the Company;
- Conduct bi-annual reviews of business risks;
- Coordinate the development and implementation of risk mitigation action plans;
- Develop and update business continuity plans for key business risks;
- Plan and coordinate testing of BCPs; and
- Organise training and awareness sessions for employees on risk management.

## Four-phase risk management process

- Identify** : Functional registers are maintained by RMC members
- Assess & Evaluate** : Engage in periodic reviews of functional risk registers by function
- Manage** : Risks with ratings of over 3 are included in the Corporate Risk Register
- Monitor** : Review risk management committee settings

### (1) Risk identification

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

### (2) Assessment and evaluation

Business risks are identified in terms of the impact the risks may have on business strategies, objectives and its probability of occurring.

- LIKELIHOOD of the risks materialising
- IMPACT of the consequences, considering the degree of internal control and risk management measures in place

Regarding both the 'likelihood' and 'impact' of risks, an assessment is conducted against pre-set criteria on a scale of one to three. Such a combination provides holistic risk rating on a scale of one to nine. Further, risks are categorised on the risk heat map, which measures the significance of the risks to the organisation and then assists in making a relative prioritisation with commensurate focus on mitigation of the risk. The outcome of the risk identification and evaluation process is both a risk heat map and a comprehensive risk register, which documents all the identified business risks.

### (3) Management and control

While reviewing the risk register, risk owners are identified who are entrusted with the responsibility of identifying and executing action plans in order to manage and alleviate risks within a pre-defined timeline. It is typically observed that senior managers and part of the functional leadership team are the risk owners.

#### (4) Monitoring

The risk management team conducts ongoing risk monitoring to assess if any conditions associated with the risk/s has changed and to further ensure that action and risk mitigation plans have been implemented. Status of action/mitigation plans are communicated to the Audit Committee on a bi-annual basis.

#### Business continuity and crisis management

Business continuity represents a strategy comprising the recognition of threats and risks facing a company. Such an identification ensures that personnel and assets are protected and are able to function in the event of any disaster. Business continuity planning (BCP) involves:

- Defining potential risks;
- Determining how those risks will affect operations;
- Implementing safeguards and procedures designed to mitigate those risks;
- Testing those procedures to ensure that they operate effectively; and
- Reviewing periodically the risk management process to ensure that it is up-to-date.

In order to actively respond to various potential disruptions, which could impact the Company and its operations, the Company has developed 19 BCPs, including manufacturing contingency sourcing plan and information technology disaster recovery/service continuity plan. In addition, a desktop review/simulation/live activation is conducted by the plan owners with the participation of plan-specific response team members and support of BCM facilitators periodically, based on the cyclical testing schedule.

In addition, the Company has embraced a well-structured approach to crisis management to ensure leadership and timely decision-making in the event of a crisis and to manage the situation effectively within timelines.

Our approach involves the immediate formation of a crisis management team (CMT), assisted by an incident response team (IRT). The roles and responsibilities of these teams are outlined below.

#### CMT

CMT identifies and deals with potential risks to employees and business operations when a crisis occurs. CMT takes into cognisance all available information and thus makes informed strategic decisions with the purpose of curbing any long-term detrimental effects on its operations, finance, employees and reputation.

#### IRT

The senior manager at the site of the incident aggregates available pertinent information and advises the CMT coordinator. This manager, assisted by appropriate local employees, assumes local control and deals with the incident directly until further directed by the CMT.

#### Risk profile

The outcome of risk assessment during the business planning process has not witnessed any major changes relative to the previous year. Risks and their relative possibility of occurring and the resultant impact remains consistent.

The Company views the key risk as that of being present in the tobacco sector and, considering the sensitivities around the sector, the ability to significantly impact the Company's results. In addition, the Company is subject to the omni-present risk of competitor actions. Steps to anticipate, mitigate and neutralise such risks are core to our business.

#### Risk management activities in 2019

##### Review of the company's risks

For the purpose of assessment of the Company's risks while monitoring its progress of key activities, the risk management team meets twice annually and, along with senior managers, they update the risk register and mitigation action plans. The conclusion of the meeting involves the identification, evaluation and mitigation of new risks. Tests on the effectiveness of the business continuity plans, along with updates on identification, evaluation and mitigation of new risks, are considered in the meeting.

##### Promotion of risk awareness

Proper communication regarding risk is an integral part of the risk management activity. Dissemination of risk information to relevant levels of employees and stakeholders is imperative for mitigation of risk. Suitable channels are available for employees to provide feedback on risk management issues and also provide suggestions for improvement. The risk management team is responsible for the risk awareness induction programme for new recruits. This induction programme is aimed at educating the staff on the Company's strategic approach to risk management and internal controls; and provides a forum to enhance the participant's knowledge on controls and on exercising that knowledge in managing risks.

##### Crisis management activation

The Company has activated a crisis management team to manage any risk situations, thus enabling the business to continue with uninterrupted operations and have a minimal financial impact. It is often found that the most challenging aspect of the situation is recovery once the crisis is resolved. This is normally successfully completed in a carefully sequenced and orchestrated manner, thereby minimising disruptions.

##### Business continuity plan simulation and testing

During the year 2019, a desktop/simulation/operational activation was conducted by the business continuity plan owners with the support of incident response team members across 19 BCPs. The review and testing indicated that the existing plans were still relevant to the current business environment.



## System of internal control

Self-assessment of controls (SAC) process is one of the core processes of the Company's system of internal control. The vital control checklist of the SAC process is its control navigator. Such a navigator sets out various key controls and process requirements across all functions within the Company. In order to measure the effectiveness of the process, respective managers assess controls and processes on an annual basis. Corrective actions and timelines are identified and agreed upon regarding the identified control gaps/weaknesses. SAC findings and trend analysis is then reported to the Audit Committee annually. A new SAP-enabled tool was deployed, which provided a standardised central solution that automated and monitored key risks and controls at the business-level. The new tool allowed the business to use a combination of automated work flows, certifications, manual controls and interactive reports to monitor and control compliance activities across the Company. This resulted in improved visibility of assessment throughout the business and enhanced transparency on issues of 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's 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 a 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 earlier). 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 reviews and recommendations by the Audit Committee and reviews and approvals by the Board.

## Internal audit

BATB's internal audit is made compatible with local laws including BSEC regulations and also the global audit functions (best practices) of British American Tobacco plc. A high level of independence and admittance of more skilled and specialised resources, especially IDT, that 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 Head of Internal Audit & Compliance can request assistance from global audit, if required, for any matter it considers appropriate. Internal audit and compliance function undertakes risk-based audit reviews towards the planning and conduct of audits which is consistent with the Group's established framework in designing, implementing and monitoring

its control systems. As such, the nature of audit performed is mainly focused on commercial processes, factory and supply chain processes, IDT processes and of any project or programme which are focused on significant business change initiatives. Other audits are those reviews that arise from a direct request, either from the management or the Audit Committee. 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, highlight to the Board and the Audit Committee any significant audit, accounting and internal control matters that require attention. A report is then given to the Audit Committee and to the management once a year after substantial completion of the year-end audit. Additionally, 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 the management being present. In 2019, the Audit Committee met twice with the external auditors without the Executive Directors and the management being present. During the year, as part of the annual statutory audit, external auditors were involved in performing certain reviews over the controls and processes affecting financial reporting. 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 the Audit Committee.

## Other key elements of the system of internal control

Apart from the above, 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 the 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 resolving operational deficiencies. All policies are approved by the Board and cases of non-compliance with policies and procedures that are in place are reported to the Board and the Audit Committee without exception

### Immediately reportable incidents

- The Company adheres to a control procedure termed 'immediately reportable incidents' to capture breakdowns in basic controls and expedite reporting and immediate action thereof. The main objective is to provide transparency over the control environment and to provide early visibility of issues to the relevant management. Early awareness and visibility enables the right discussions to transpire at the right time and support a control-conscious culture within the Company.



**Types of incidents/events that would trigger raising an ‘immediately reportable incident’ include:**

- Control issues in internal controls over financial reporting;
- Control issues around IDT general controls over significant systems;
- Basic financial or IDT control being inoperative and non-compliance with IDT policies;
- Significant control issues in other business processes that are not directly related to financial reporting, but exposes BATB to significant risks; and
- Suspected or actual fraud incidents.

**Strategic business plan, budget and performance review**

- Regular and comprehensive information is provided by the management for monitoring performance against the strategic plan, covering all key financial and operational indicators. On a quarterly basis, the Finance Director reviews with the Board all key performance metrics and highlights any issues;
- Annually, a detailed budgeting process is completed for the year and a monthly review of actual versus budget is performed and reviewed by the management
- 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 any material losses to the Company.

**Written declarations**

- Written declaration from all management personnel confirming their compliance with the Company’s SoBC 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/MD and CFO/FD, as required under BSEC guidelines.

**Board assessment**

Political instability and violence, including social unrest, terrorist attacks, etc., may also prevent the Company from operating its business smoothly and effectively. However, the Board is of the view that the Company’s overall risk management and internal control system is operating adequately and effectively and has received the same assurance from both the Managing Director and the 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 2019 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.

**Report Authorisation**

This statement is made in accordance with the resolution of the Board of Directors on 22 February 2020.



# AUDIT COMMITTEE



## STANDING FROM LEFT TO RIGHT

**Mr. Md. Azizur Rahman FCS**  
Head of Public Affairs &  
Company Secretary

**Mr. Shehzad Munim**  
Managing Director

**Mr. Mohammad Moinuddin Abdullah**  
Non-Executive Director

**Mr. Stephan Matthiesen**  
Finance Director

**Mr. Md. Zahidul Islam**  
Senior Manager Internal Audit

## SITTING FROM LEFT TO RIGHT

**Mr. Md. Abdul Halim**  
Non-Executive Director

**Mr. A. K. M. Aftab Ul Islam FCA**  
Independent Director

**Ms. Tahmina Begum**  
Non-Executive Director



# REPORT OF THE AUDIT COMMITTEE – 2019

The Audit Committee Report presented under condition 5 of the Bangladesh Securities & Exchange Commission (BSEC) Corporate Governance Code 2018, provides an insight on the functions of the Audit Committee during 2019.

The Audit Committee of BATB, a prime Board sub-committee, assists the Board in discharging its governance responsibilities. The Board has formed the Audit Committee, required under codes of Corporate Governance of BSEC with some specific assignments under its Terms of Reference.

## Audit Committee Composition along with Company Secretary

Directors	No. of meetings held	Attended	Attendance %
<b>Mr. A.K.M. Aftab Ul Islam FCA</b> Chairman, Independent Director (Appointed on 11 <sup>th</sup> March 2019)	4	3	75%
<b>Mr. Mohammad Moinuddin Abdullah</b> Member, Non-Executive Director	4	4	100%
<b>Mr. Md. Abdul Halim</b> Member, Non-Executive Director	4	4	100%
<b>Ms. Tahmina Begum</b> Member, Non-Executive Director	4	4	100%
<b>Mr. Kazi Sanaul Hoq</b> Member, Non-Executive Director	4	4	100%
<b>Mr. Azizur Rahman FCS</b> Secretary of the Committee, Company Secretary	4	4	100%

All members of the Committee are Non-Executive Directors and the Chairman of the Audit Committee is an Independent Director. 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 and Authority of the Audit Committee

The Audit Committee performs in coherence and consistency and ensures compliance with the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission (BSEC). The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review and, where appropriate, make recommendations to the

Board on business risks, internal controls, compliance and audit. 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 ensures a sound monitoring system within the business. The Audit Committee is accountable to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

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's legal advisor, tax consultant and statutory auditor, if required. The terms of reference of the 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.

## Responsibilities and Duties of the Audit Committee

The responsibilities and duties of the Audit Committee are:

### (i) Reviewing 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.

### (ii) Reviewing Related Party Transactions

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

### (iii) Prepare Audit Committee Reports

To prepare the annual Audit Committee Report and submit it to the Board. The report specifies the composition of the Audit Committee, terms of reference, number of meetings held and attendance thereat, summary of activities and the performance of internal audit services.

### (iv) Review and Ensure Internal Control

- To review Risk Management and Corporate Governance 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.



- To review the extent of compliance with established internal policies, standards, guidelines and procedures.
- To obtain assurance that proper control has been designed and implemented prior to the commencement of major change within the Company.

#### **(v) Monitoring Internal Audit**

- To appoint Internal Audit team ensuring the competency and qualifications necessary to execute the approved audit plans. Audit Committee also ensures full, free and unrestricted access to all activities, records, property for Internal Audit.
- To be satisfied that the plan, methodology and resource of Internal Audit are adequate before approving the internal audit plan.
- To ensure that appropriate actions have been taken to implement the audit recommendations.
- To recommend and guide Internal Audit for any action plan or further review if it is deemed necessary by Audit Committee

#### **(vi) Responsibility related to External Audit**

- To oversees hiring of External Auditors and to oversee External Audit performance by reviewing the nature and scope of audit plan, audit report, evaluation of internal controls and coordination of the external auditor.
- To hold meeting with the External Auditors to review Financial Statements, audit findings and recommendation before submitting to the Board for approval or adoption.
- To review any findings by the external auditor 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.
- To review External Auditor's assessment on the Statement on Risk Management and Internal Control for inclusion in the Annual Report.
- To review any matters concerning the appointment and reappointment, 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.

Beside all the above responsibilities Audit Committee will act on any other matters as may be directed by the Board which are not in conflict with the Corporate Governance Code mandated by BSEC.

### **Reporting of the Audit Committee**

#### **(i) Reporting to the Board of Directors**

The Audit Committee reports on its activities to the Board of Directors. The Audit Committee immediately escalates its concerns to the Board in case of following findings:

- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in

the financial statements;

- Suspected infringement of laws, including securities-related laws, rules and regulations; and
- Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.

The Audit Committee further ensures that, in compliance with condition no. 5 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended 31 December 2019, and they state that:

- They have reviewed the financial statements for the year ended on 31 December 2019 and that to the best of their knowledge and belief:
  - o These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - o These statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws; and
  - o There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct of the Company's Board of Directors or its members.

Such joint certificate of the CEO and CFO is thoroughly reviewed by the Audit Committee before submission to the Board.

#### **(ii) Reporting to the Authorities**

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

#### **(iii) 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 No. 5(6)(a)(i) of the BSEC Corporate Governance Code during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company.

### **Meeting Attendance**

The Audit Committee met four times during the year 2019. All the members were present in all meetings of the Committee. The details of attendance of each member at the Audit Committee meetings during 2019 are as follows:

The Managing Director, Finance Director, Head of Internal Audit & Compliance of British American Tobacco Bangladesh Company Limited and representatives of the External Auditor attended the meetings upon invitation by the Audit Committee. From

time to time, relevant stakeholders and other senior members of the management have also been invited in the meeting by Audit Committee. On an annual basis Audit Committee met with the External Auditors and Internal Auditors separately without presence of any Executive.

The Company Secretary, being the Secretary of the Audit Committee, facilitated the Chairman and other members for effective functioning of the Committee.

### Summary of Activities during the year 2019

In 2019, the Audit Committee reviewed its terms of reference, in line with the requirements of BSEC Corporate Governance Code. The Committee performed its duties in accordance with the Terms of Reference of the Audit Committee and carried out the following activities in 2019:

#### Reviewing Financial Reporting 2019

Audit Committee Reviewed the quarterly and annual financial statements of the Company with the Finance Director and Managing Director before recommending them to the Board of Directors for approval. The Committee also concluded that the financial statements presented a true and fair view of the Company's financial performance.

#### Monitoring Internal Control

BATB Audit Committee reviewed the Company's Risk Management including a deep dive into the key functional risks and mitigation plans. Besides, the Committee reviewed action plan status arising from various reviews including updates on breaches of the Standards of Business Conduct and whistle-blowing incidents.

#### Monitoring Internal Audit Process

Audit Committee reviewed and approved Internal Audit and Compliance Review plan 2019. The Committee also reviewed individual review report including findings, cause and impact. They also reviewed and monitored action plan arising from the reviews.

#### Reviewing External Audit Report 2019

Audit Committee reviewed the external auditor's audit plan, including its nature and scope, audit report, evaluation of internal controls and coordination between the internal and external auditors. They also reviewed Company's quarterly and annual financial statements before recommending them to the Board of Directors for approval.

#### Reviewing Related Party Transactions

Audit Committee reviewed reports of related party transactions and possible conflicts of interest. They also reviewed the estimated recurrent related party transactions mandate for the ensuing year, and recommended to the Board to seek shareholders' mandate at the upcoming Annual General Meeting of the Company.

#### Ethical and Integrity Areas

Audit committee deliberated reports on whistleblowing and SoBC breach incidents, security and safety matters and loss reports. They also periodically reviewed environmental, health and safety review reports.

#### Review Annual Report Process

Committee 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 2019 for inclusion in the Annual Report, 2019, and recommended their adoption to the Board.

### Internal Audit Report

The role of Internal Audit at the Company is designed in line with local legal and regulatory requirements, as well as the Global Audit function of British American Tobacco plc. (British American Tobacco plc. Group Internal Audit). The British American Tobacco Global Audit team comprises of a pool of experienced Auditors from different parts of the world. 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. Furthermore, in line with the Corporate Governance Code, a compliance review mechanism of cross-functional processes is also established in the organisation. The Head of Internal Audit & Compliance is a finance professional with Bachelors and Masters of Business Administration degree, along with eight years of cross functional work experience in BAT Bangladesh, within the Company's Internal Audit and other functional roles.

The strides of Internal Audit undertake risk-based audit reviews towards the planning and conduct of audits which is consistent with the Group's established framework in designing, implementing and monitoring of its control systems. As such, the nature of audit performed is mainly focused on commercial processes, factory and supply chain process, IT processes and any project or program which are focused on significant business change initiatives. Other audits are those reviews that arise from a direct request, either from the Management or the Audit Committee.

If required, British American Tobacco plc. assists the Audit Committee in reviewing the effectiveness of the Company's 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 & Compliance plan every year and reviews the plan on a quarterly basis. Any subsequent changes to the plan are approved by the Audit Committee. The scope of Internal Audit & Compliance covers reviews of all units and operations.

In 2019, the Internal Audit & Compliance team conducted a number of audit and compliance reviews and the findings were reviewed in the Audit Committee meetings. The Audit & Review reports were issued to the Audit Committee and Management Leadership Team. The specific action plans arising from the Audits enormously supported the company to have a stronger internal control mechanism.

### Report Authorisation

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 22<sup>nd</sup> February 2020.



# NRC COMMITTEE



STANDING FROM LEFT TO RIGHT

**Mr. Md. Azizur Rahman FCS**  
Head of Public Affairs &  
Company Secretary

**Mr. Saad Jashim**  
Head of Human Resources

SITTING FROM LEFT TO RIGHT

**Mr. Golam Mainuddin**  
Chairman

**Mr. K. H. Masud Siddiqui**  
Independent Director

**Ms. Tahmina Begum**  
Non-Executive Director

# REPORT OF THE NOMINATION & REMUNERATION COMMITTEE- 2019

Pursuant to Code 6.5(c) of Codes of Corporate Governance, the policy and report of the Nomination and Remuneration Committee (NRC) are presented hereunder at a glance. The tasks under the purview of HR for ensuring best practices in employment, recruitment and selection are important functions at BAT Bangladesh. Considering the magnitude and also to discharge its entrusted responsibilities, the Board of Directors of BAT Bangladesh has duly constituted a Nomination and Remuneration Committee, as per the requirements of the BSEC Codes of Corporate Governance. NRC assists the Board in formulating the nomination criteria for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives, as well as a policy for the formal process of considering the remuneration of Directors and senior level executives of the Company.

## Nomination and Remuneration Committee Composition along with Company Secretary

Directors	No. of meetings held	No. of meetings attended	Attendance %
<b>Mr. K.H. Masud Siddiqui</b> Chairman, Independent Director	5	5	100%
<b>Mr. Golam Mainuddin</b> Member, Non-Executive Director	5	5	100%
<b>Ms. Tahmina Begum</b> Member, Non-Executive Director	5	2	40%
<b>Mr. Kazi Sanaul Hoq</b> Member, Non-Executive Director	5	4	80%
<b>Mr. Md. Azizur Rahman FCS</b> Secretary of the Committee, Company Secretary	5	5	100%

NRC also assists the Board in formulating policy for supporting the formal and continued process of considering the remuneration/honorarium of Directors and other top-level executives. NRC fulfills a stewardship role by assisting the management to identify the Company's needs for employees at different levels and also determine their selection, transfer or replacement and promotion criteria. This report of the Nomination and Remuneration Committee is prepared according to the requirements of the CG Codes of BSEC. It covers nomination and remuneration policies, evaluation criteria and activities of the NRC.

## Terms of Reference

NRC has performed its duties as assigned to it by the Board of Directors, which is based on the Charter of NRC formulated in alignment with the Corporate Governance Code of BSEC, as well as comprising global best practices.

## Evaluation Criteria

### a) Executive Directors

The respective line authority of the Executive Director(s) sets the performance measurement criteria based on the respective role

profile and responsibilities through a Company appraisal process at the beginning of each calendar year. The Executive Director(s) prepare the performance document (half-year and year end). The respective line authority then evaluates the performance of the Executive Director(s) according to the measurement criteria.

### b) Independent Director & Non-Executive Director

The evaluation of performance of the Independent Directors (IDs) and Non-Executive Directors are carried out at least once a year by the Board of Directors, according to the following criteria:

- Attendance at the Board meetings and committee meetings
- Participation in the Board meetings and committee meetings
- Contribution to improving the corporate governance practices of the Company

### c) Top-level Executives & other Employees

The respective line authority of top-level executives and other employees sets the performance measurement criteria based on the respective roles and responsibilities to achieve people and business objectives through Company appraisal processes at the beginning of each calendar year. The employees concerned prepare the performance document (half-year and year end). The respective line authority then evaluates the performance of the employee(s) according to the measurement criteria.

## Activity summary of NRC during the year

- Reviewed the Terms of Reference of NRC and reported findings to the Board;
- Formulated a policy relating to the remuneration of Directors, top-level executives and all employees of the Company;
- Formulated the criteria for determining qualifications, positive attributes and independence of a Director;
- Formulated the criteria for evaluation of performance of Independent Directors and Board members;
- Identified criteria for selection, transfer or replacement and promotion at different levels of the Company;
- Review the salary and bonus at different levels of the Company;
- Adopted a code of conduct for the Chairman, Directors and top-level executives of the Company;
- Review the following HR related policies during the year:
  - Maternity Benefits Policy
  - Benefit Car Policy
  - Recognition Policy
- Reviewed vacancy positions or new positions and reported and/or recommended about it to the Board for ultimate appraisal

## Report Authorisation

This NRC Committee Report is made in accordance with the resolution of the Board of Directors on 22<sup>nd</sup> February 2020.



# CSR COMMITTEE



## STANDING FROM LEFT TO RIGHT

**Ms. Mubina Asaf**  
Head of Legal &  
External Affairs

**Mr. Md. Azizur Rahman FCS**  
Head of Public Affairs &  
Company Secretary

**Mr. A. K. M. Aftab Ul Islam FCA**  
Independent Director

**Mr. K. H. Masud Siddiqui**  
Independent Director

**Mr. Shehzad Munim**  
Managing Director

## SITTING FROM LEFT TO RIGHT

**Ms. Tahmina Begum**  
Non-Executive Director

**Mr. Mohammad Moinuddin Abdullah**  
Non-Executive Director

**Mr. Md. Abdul Halim**  
Non-Executive Director

# REPORT OF THE CSR COMMITTEE- 2019

Corporate social responsibility (CSR) is core to the responsibility policy of British American Tobacco Bangladesh. The Company’s CSR focus is embedded into the culture of the Company, not only enabling the enhancement of corporate sustainability, but also ensuring commitment to long-term stakeholder value creation. BAT Bangladesh’s CSR initiatives comprise three major projects of substantial impact, including Bonayan, Probaho and Deepto.

## CSR Committee purpose

The purpose of the Board CSR Committee is to ensure stronger management of the Company’s CSR initiatives in a way that secures business sustainability, as well as creates and sustains a positive impact on the reputation of the Company.

## Authority

The CSR Committee is authorised by the Board of Directors to guide, monitor and evaluate the strategy and ongoing social activities in order to maximise impact on the society. The terms of reference of the Committee is subject to amendments from time to time, as per requirements, subject to prior approvals by the Company’s Board of Directors.

## Committee and its meetings

The Committee usually meets three times a year, ensuring the presence of all members in the meeting. Mr. Mohammad Moinuddin Abdullah, Chairman of the Board CSR Committee, guided the Company in its CSR initiatives, ensuring alignment to best-in-class standards and compliance, while adding value to the overarching CSR endeavours of BAT Bangladesh. The table below exhibits the Committee’s composition and attendance in 2019.

## CSR Committee Composition along with Company Secretary

Directors	No. of meetings held	No. of meetings attended	Attendance %
<b>Mr. Mohammad Moinuddin Abdullah</b> Chairman, CSR Committee, (Non Executive Director)	2	2	100%
<b>Mr. Md. Abdul Halim</b> Member, Non-Executive Director	2	2	100%
<b>Mr. A.K.M. Aftab UI Islam FCA</b> Member, Independent Director	2	1	50%
<b>Ms. Tahmina Begum</b> Member, Non-Executive Director	2	2	100%
<b>Mr. Kazi Sanaul Hoq</b> Member, Non-Executive Director (Resigned 27 Oct 2019)	2	2	100%
<b>Mr. Md. Azizur Rahman FCS</b> Secretary of the Committee, Company Secretary	2	2	100%

Head of Legal and External Affairs and the Corporate Affairs Manager are permanent invitees to the CSR Committee meetings by means of their position. Mr. Jalal Ahmed, former Director of the Board, also served as a consultant to the CSR Committee. Other relevant managers and stakeholders also attended the meeting by invitation.

## Activities summary

The Company’s CSR activities are aligned with the Government’s initiatives and are framed to meet the objectives under the Sustainable Development Goals (SDGs). In 2019, the CSR Committee highlighted the following matters:

- The Company’s initiative under the Farmers’ Community Club, named as ‘Shikor’, commenced its journey with the aim of improving farmers’ livelihood through community development.
- The Company’s CSR portfolio includes three major high-impact programs- Bonayan, Probaho and Deepto, which together help create a holistic positive impact on the society.

## Bonayan

BAT Bangladesh initiated its Bonayan programme in 1980, in collaboration with the Forest Department, to combat the adverse effects of climate change. Every year, BATB distributes 4-5 million free saplings and so far, the organisation has distributed 105 million free saplings across the country. This relentless effort makes the programme the largest private sector-driven afforestation drive in the country. Going forward, BATB is committed to continue its engagement with this programme, in line with the global and national drive to combat the adverse effects of climate change, as well as to adhere to the Bangladesh Government’s aspiration to achieve the Sustainable Development Goals (SDGs) by 2030.

## Probaho

Recognising the necessity of water and sanitation, specifically in the context of the SDGs, BAT Bangladesh has stepped forward with a safe drinking water project christened ‘Probaho’ for vast swathes of communities. So far, BATB has established 87 water filtration plants in arsenic-prone locations. These plants provide more than 450,000 litres of safe drinking water that is free from arsenic and other impurities to ensure pure potable drinking water for more than 220,000 people every day. As a result of extensive engagement in this CSR programme, in 2018, BAT Bangladesh was awarded the eminent ‘Bangladesh Innovation Award’, organised by Brand Forum in the SDG inclusion category. Earlier to this, Probaho was recognised by Enterprise Asia with ‘Area Responsible Entrepreneurship Award 2015’.

## Deepto

Deepto, a solar home system project, was initiated in 2011 by BATB with the aim of bringing electricity to the lives of people living in the off-grid areas of Bandarban, Khagrachari and Rangamati districts. Today, almost 13,000 people are getting electricity for the first time through 2,330 units of solar home systems installed by BAT Bangladesh. As many as 260 units solar home systems were installed in 2019. This initiative complements the Government’s efforts in the renewable energy sector in achieving the SDGs under clean energy. BAT Bangladesh won the ‘Asia Responsible Entrepreneurship Award’ in Green Leadership category in 2018. Deepto has also been recognised by CMO Asia and World CSR Day in the ‘Community Development’ category.

As a responsible business organisation, BATB believes that businesses have a major role to play in helping the society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress. In this context, the Company’s CSR activities are designed to contribute to the environmental, social and economic sustainability of communities within which we operate. To ensure sustained contribution to the SDGs, the Company is looking beyond its current CSR initiatives to further contribute to the society and is also exploring opportunities, in alignment with Government policy and taking into cognisance the aspirations of stakeholders.

## Report Authorisation

This CSR Committee Report is made in accordance with the resolution of the Board of Directors on 22<sup>nd</sup> February 2020.

# STANDARDS OF BUSINESS CONDUCT (SOBC)

BAT Bangladesh demonstrates the highest standards of conduct, which is enshrined in the Company's Standard of Business Conduct (SoBC), a policy amalgamating best global and local practices. Compliance to SoBC is held to maintain the integrity of our operations, while expressing our fundamental purpose of existence. All members in the Company, i.e. from the Board of Directors to all other employees, must abide by the policy, complying with all applicable laws and regulations that govern our business operations. Responsibility and trust comprise the two core elements that define our conduct and have been articulated in detail in our SoBC. Essentially, SoBC is an integral part of our Corporate Governance.

Our SoBC comprises the following broad tenets that we must embrace and abide by:

- Ensure that decisions and judgements made by employees are lawful and comply with high ethical standards.
- Help employees who are faced with making difficult judgements at work.
- Set a tone and culture for the organisation, which will enable it to be regarded as a good corporate citizen.
- Give assurance to the Company's stakeholders.

The broad areas covered by the standards include the following:

- Whistle-blowing (Speak-Up) with respect of bringing to light any malpractice or wrongdoing
- Conflicts of interest
- Bribery and corruption
- Entertainment and gifts
- Respect in the workplace
- Human rights and our operations
- Charitable contributions
- Accurate accounting and record-keeping
- Protection of corporate assets
- Confidentiality and information security
- Insider dealing and market abuse

- Competition and anti-trust
- Money laundering
- Illicit trade
- Sanctions

The relevant provisions of Anti-Bribery and Anti-Corruption have been incorporated in the newly amended version of SoBC which has been approved by our board in January 2020.

## Ethics and Compliance

All management employees, along with the Board of Directors, must declare their allegiance with the SoBC for assuring compliance and, as such, must reveal any conflicts of interest on an annual basis. It is in the spirit of compliance that revelation of conflicts of interest must be made. Conflict of interest may arise when an employee and/or immediate family may have an interest in or association with the operations of the Company/business. The immediate family members constitutes parents, spouse, children, brothers and sisters as well as step and adoptive relations.

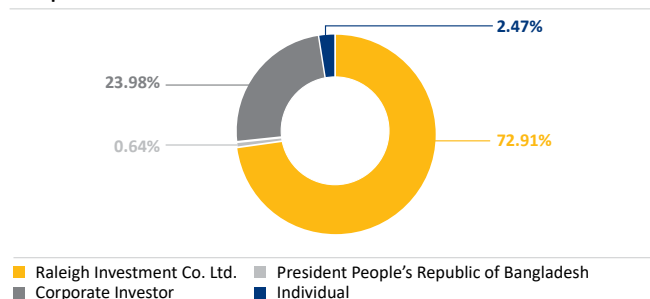
Compliance with the SoBC is monitored regularly by the Board of Directors and the Audit Committee of the Company. On an annual basis, the Board of Directors must get reports from the Legal & External Affairs Department/Company Secretary regarding the compliance of these Standards by BAT Bangladesh and its employees. Employees must proactively report any wrongdoing at work or incidences of non-compliance, as it is a part of their duty as well.

The Company is committed to providing a safe and secure working environment for its employees. Bullying of any sort is strictly prohibited, as highlighted in the 'Human Rights and Operations' segment. Furthermore, we affirm that we do not engage in the employment of child labour. The Head of Legal and External Affairs, as well as the Company Secretary, conduct training sessions in different regions and in the Head Office to ensure that employees have an accurate understanding of the Company's principles and standards covering all the sections of the SoBC.

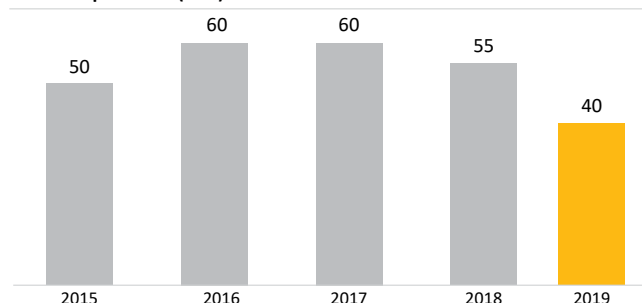


# SHAREHOLDERS' INFORMATION

Composition of shareholders



Dividend per share (BDT)



## Share Performance 2019

Month	Dhaka Stock Exchange			Chittagong Stock Exchange		
	High (BDT)	Low (BDT)	Close (BDT)	High (BDT)	Low (BDT)	Close (BDT)
January	3,567	3,448	3,567	3,550	3,325	3,500
February	3,717	3,527	3,717	3,500	3,750	3,750
March	4,904	3,715	4,547	4,910	3,699	4,572
April	4,607	1,341*	1,371*	4,568	1,372*	1,372*
May	1,440	1,259	1,326	1,393	1,259	1,329
June	1,418	1,344	1,368	1,422	1,349	1,368
July	1,348	1,220	1,231	1,350	1,234	1,234
August	1,239	1,172	1,210	1,244	1,170	1,206
September	1,211	1,102	1,150	1,213	1,104	1,151
October	1,150	1,097	1,150	1,154	1,060	1,148
November	1,149	1,073	1,073	1,149	1,080	1,080
December	1,089	955	970	1,079	952	968

\* Share Price adjusted after the record date for bonus dividend

## Financial Calendar 2019

Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
		Dividend Declaration 2019; Record Date	AGM; Q1 2019	Dividend Dispatch		H1 2019			Q3 2019		

### Company Website

Anyone can get information regarding the Board of Directors, top management and key financial information of the Company, including price sensitive disclosures. The website also has information about sustainable agricultural initiatives of the Company and career opportunities for potential applicants.

### Investor Relations

Local and international investors, financial analysts and other members of the professional financial community requiring additional financial information can visit the Investor Relations section of the Company's website: [www.batbangladesh.com](http://www.batbangladesh.com)

### Digital Platform

The digital platform in social media named as 'BATB Shareholders' has been

created for ensuring effective and efficient communication with the shareholders and other stakeholders.

### Shareholder Services

If you have any queries relating to your shareholding, please contact us : Md. Atiqur Rahman, Contact Number: +8801755532753, Telephone Number: +88029842791-5 Ext-394, or write an email to the Share Office of BAT Bangladesh: [shareoffice@bat.com](mailto:shareoffice@bat.com)



# KEY FINANCIAL HIGHLIGHTS

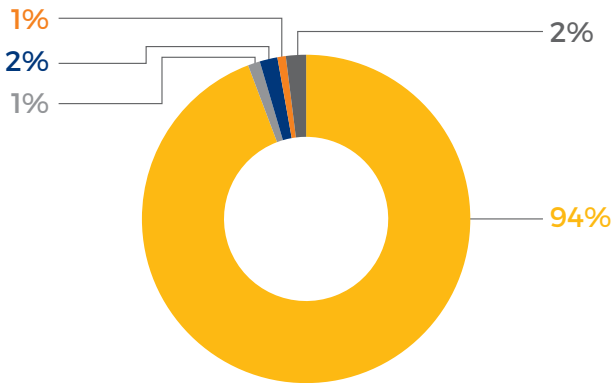
*At BATB, the strong progress we achieved to date and the performance we delivered in 2019 against a challenging operating environment sets us on a good pace for the future ●*

Financial summary	2019	2018	2017	2016	2015
<b>Financial performance (Tk. '000)</b>					
Revenue	269,854,574	233,118,187	204,139,715	165,633,760	143,711,664
Gross profit	26,848,550	27,543,470	24,783,001	19,862,880	18,682,383
Profit before tax	17,403,927	19,314,324	16,759,519	13,170,380	12,459,612
Comprehensive income for the year	9,264,601	10,016,416	7,829,856	7,582,462	5,874,074
<b>Financial position (Tk. '000)</b>					
Paid-up capital	1,800,000	600,000	600,000	600,000	600,000
Shareholders' equity	35,793,455	29,528,854	23,112,438	18,882,582	14,609,519
Total assets	59,430,237	56,543,229	46,414,508	35,347,583	29,590,831
Total liabilities	23,636,782	27,014,375	23,302,070	16,465,001	14,981,312
Current assets	28,226,049	30,059,642	25,499,348	19,935,710	15,925,816
Current liabilities	17,014,375	22,922,858	19,597,386	13,636,965	12,450,286
<b>Cash flow (Tk. '000)</b>					
Net cash flows from operating activities	15,589,240	8,925,259	9,733,374	4,234,670	9,100,719
Net cash flows used in investing activities	(3,185,960)	(6,877,829)	(7,990,824)	(3,514,897)	(2,642,653)
Net cash flows used in financing activities	(7,856,256)	783,684	(50,097,319)	(1,801,747)	(5,493,756)
<b>Financial ratios</b>					
Current asset to current liability	1.7	1.3	1.3	1.5	1.3
Debt to equity	-	18%	13%	9%	-
Operating profit margin	33%	38%	34%	32%	33%
Net profit margin	3%	4%	4%	5%	4%
Return on equity	26%	34%	34%	40%	40%
Return on assets	16%	18%	17%	21%	20%
<b>Ordinary shares information (Tk.)</b>					
Ordinary shares outstanding	180,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Face value per share	10	10	10	10	10
Cash dividend on paid-up capital	40	50	60	60	55
Net asset value per share	198.9	492.2	385.2	314.7	243.5
Net operating cash flow per share	86.6	150.1	162.2	70.6	151.7
Earnings per share (Diluted)	51.37	55.62	43.50	42.12	32.63

# VALUE ADDED STATEMENT

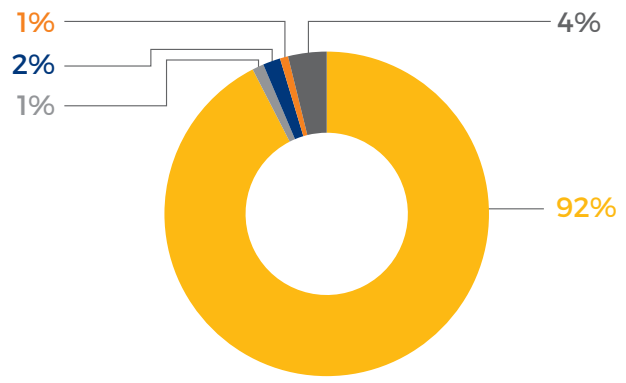
Particulars	2019		2018	
	Amount (BDT)	%	Amount (BDT)	%
Gross turnover	269,854,574		233,118,187	
Less purchase of materials & service	29,747,686		26,190,412	
<b>Value added</b>	<b>240,106,888</b>	<b>100%</b>	<b>206,927,775</b>	<b>100%</b>
<b>Applications</b>				
Government	226,302,333	94.25%	191,332,402	92.46%
Employee benefits	2,864,880	1.19%	2,372,964	1.15%
Shareholders' dividend	4,200,000	1.75%	3,600,000	1.74%
Depreciation	1,985,594	0.83%	1,693,334	0.82%
Reserves and surplus	4,754,081	1.98%	7,929,075	3.83%
<b>Total</b>	<b>240,106,888</b>	<b>100%</b>	<b>206,927,775</b>	<b>100%</b>

VALUE ADDED STATEMENT, 2019



■ Government   
 ■ Employee benefits   
 ■ Shareholders' dividend  
■ Depreciation   
 ■ Reserves and surplus

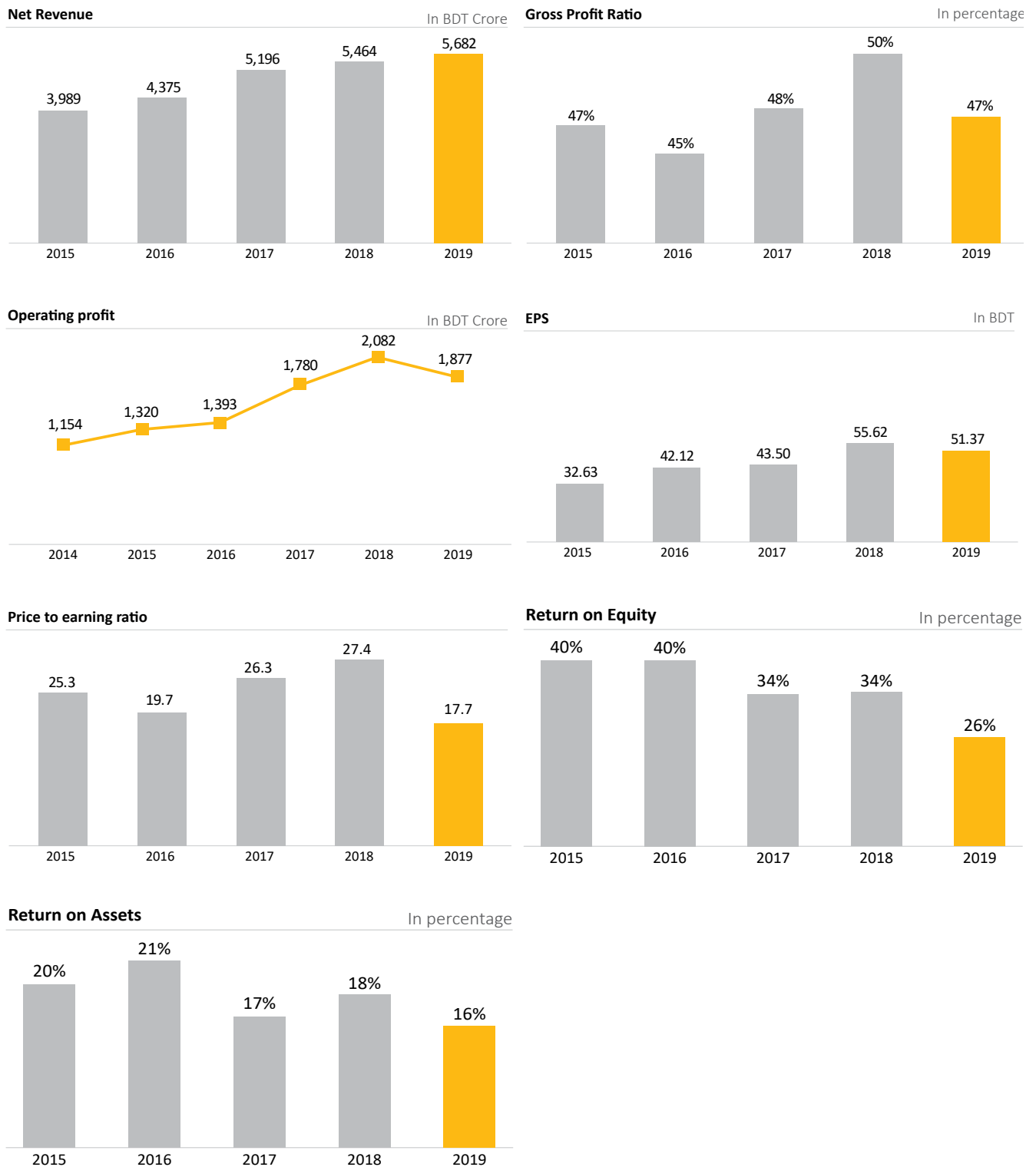
VALUE ADDED STATEMENT, 2018



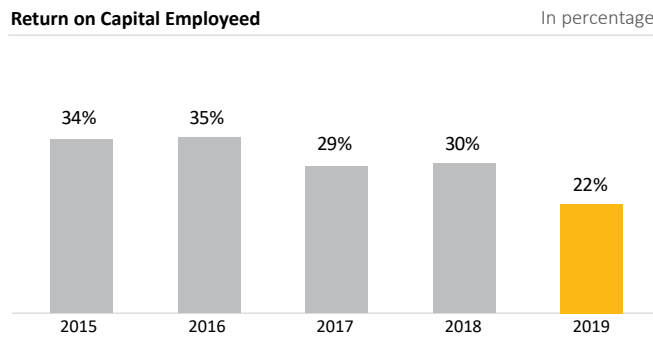
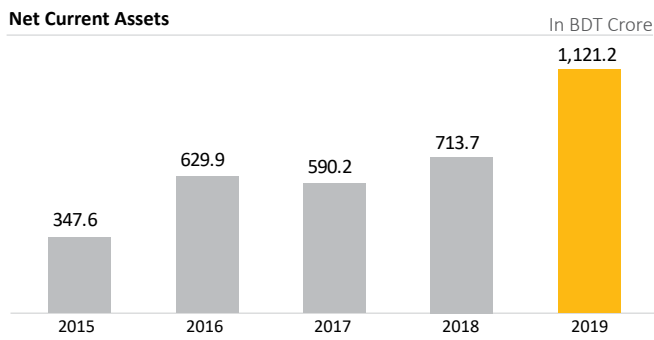
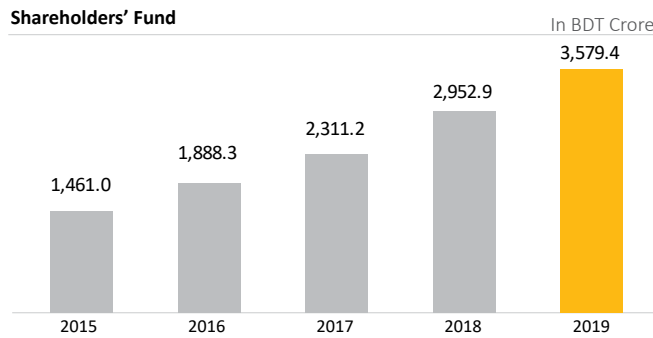
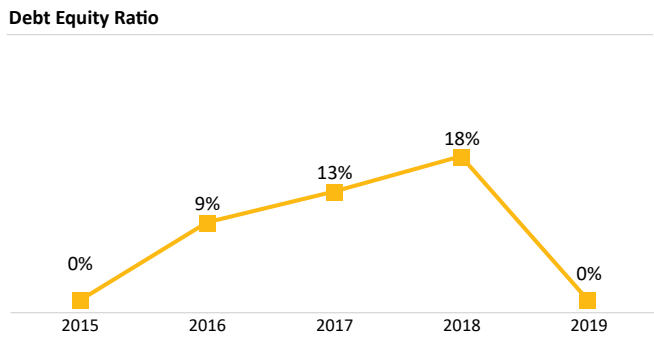
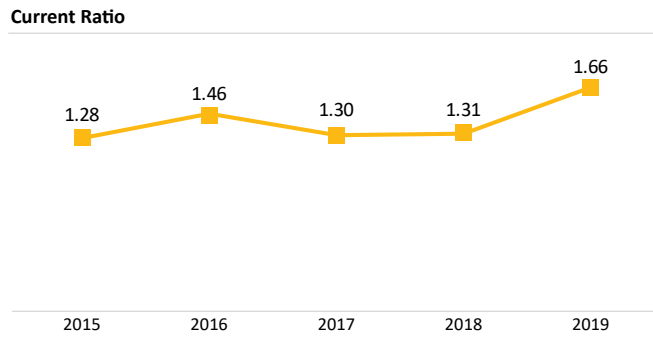
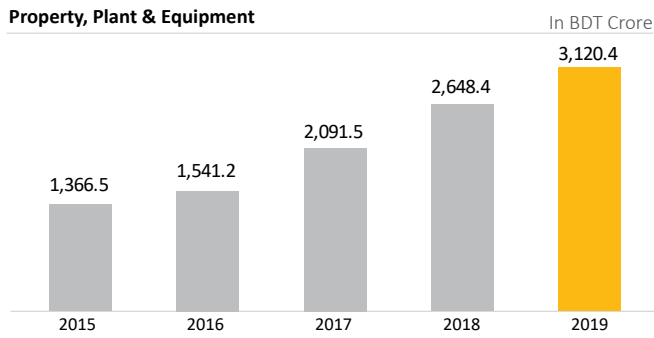
■ Government   
 ■ Employee benefits   
 ■ Shareholders' dividend  
■ Depreciation   
 ■ Reserves and surplus

# PERFORMANCE

## Key performance indicators



# FINANCIAL PERFORMANCE



# HORIZONTAL & VERTICAL ANALYSIS

## British American Tobacco Bangladesh Company Limited Horizontal analysis for statement of financial position

Particulars	2019 Change (19 vs 18)	2018 Change (18 vs 17)	2017 Change (17 vs 16)	2016 Change (16 vs 15)	2015 Change (15vs14)
<b>Assets</b>					
Property, plant and equipment	11.5%	26.6%	35.7%	12.8%	13.7%
Right of use assets (ROU)	-	-	-	-	-
<b>Non-current assets</b>	<b>17.8%</b>	<b>26.6%</b>	<b>35.7%</b>	<b>12.8%</b>	<b>13.7%</b>
Inventories	-14.9%	11.2%	25.0%	63.4%	-6.0%
Trade and other receivables	-37.5%	80.3%	117.9%	12.9%	-18.4%
Advances, deposits and prepayments	-23.6%	1.8%	42.3%	-18.3%	33.0%
Cash and cash equivalents	230.2%	67.0%	-37.5%	-33.6%	35.4%
<b>Current assets</b>	<b>-6.1%</b>	<b>17.9%</b>	<b>27.9%</b>	<b>25.2%</b>	<b>5.8%</b>
<b>Total assets</b>	<b>5.1%</b>	<b>21.8%</b>	<b>31.3%</b>	<b>19.5%</b>	<b>9.3%</b>
<b>Equity</b>					
Share capital	200.0%	0.0%	0.0%	0.0%	0.0%
Capital reserve	0.0%	0.0%	0.0%	0.0%	0.0%
Retained earnings	17.5%	28.6%	23.2%	30.6%	29.1%
<b>Total equity attributable to owners of the Company</b>	<b>21.2%</b>	<b>27.8%</b>	<b>22.4%</b>	<b>29.2%</b>	<b>27.4%</b>
Net defined benefit plans	-2.8%	12.6%	8.5%	73.6%	25.3%
Deferred tax liabilities	36.8%	9.8%	39.9%	-2.0%	81.5%
Lease liabilities	-	-	-	-	-
<b>Non-current liabilities</b>	<b>61.9%</b>	<b>10.4%</b>	<b>31.0%</b>	<b>11.7%</b>	<b>67.8%</b>
Bank overdrafts	-100.0%	-73.8%	956.0%	-	-100.0%
Short term bank loans	-100.0%	-	-100.0%	-	-100.0%
Trade and other payables	16.3%	4.1%	22.9%	4.8%	9.7%
Lease liabilities	-	-	-	-	-
Current tax liabilities	-32.0%	10.3%	114.7%	-28.6%	28.2%
Provisions for expenses	-72.1%	21.7%	-5.0%	2.0%	3.2%
<b>Current liabilities</b>	<b>-25.8%</b>	<b>17.0%</b>	<b>43.7%</b>	<b>9.5%</b>	<b>-11.7%</b>
<b>Total liabilities</b>	<b>-12.5%</b>	<b>15.9%</b>	<b>41.5%</b>	<b>9.9%</b>	<b>-4.0%</b>
<b>Total equity and liabilities</b>	<b>5.1%</b>	<b>21.8%</b>	<b>31.3%</b>	<b>19.5%</b>	<b>9.3%</b>

**British American Tobacco Bangladesh Company Limited**  
**Vertical analysis for statement of financial position**

Particulars	FY-19	FY-18	FY-17	FY-16	FY-15
<b>Assets</b>					
Property, plant and equipment	49.7%	46.8%	45.1%	43.6%	46.2%
Right of use assets (ROU)	2.8%	0.0%	0.0%	0.0%	0.0%
<b>Non-current assets</b>	<b>52.5%</b>	<b>46.8%</b>	<b>45.1%</b>	<b>43.6%</b>	<b>46.2%</b>
Inventories	27.8%	34.4%	37.6%	39.5%	28.9%
Trade and other receivables	4.4%	7.4%	5.0%	3.0%	3.2%
Advances, deposits and prepayments	6.2%	8.5%	10.2%	9.4%	13.8%
Cash and cash equivalents	9.1%	2.9%	2.1%	4.4%	8.0%
<b>Current assets</b>	<b>47.5%</b>	<b>53.2%</b>	<b>54.9%</b>	<b>56.4%</b>	<b>53.8%</b>
<b>Total assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Equity</b>					
Share capital	3.0%	1.1%	1.3%	1.7%	2.0%
Capital reserve	0.1%	0.1%	0.1%	0.2%	0.2%
Retained earnings	57.1%	51.0%	48.4%	51.5%	47.1%
<b>Total equity attributable to owners of the Company</b>	<b>60.2%</b>	<b>52.2%</b>	<b>49.8%</b>	<b>53.4%</b>	<b>49.4%</b>
Net defined benefit plans	1.6%	1.7%	1.9%	2.3%	1.6%
Deferred tax liabilities	7.2%	5.5%	6.1%	5.7%	7.0%
Lease liabilities	2.4%	0.0%	0.0%	0.0%	0.0%
<b>Non-current liabilities</b>	<b>11.1%</b>	<b>7.2%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.6%</b>
Bank overdrafts	0.0%	1.4%	6.6%	0.8%	0.0%
Short term bank loans	0.0%	7.7%	0.0%	4.2%	0.0%
Trade and other payables	20.6%	18.6%	21.8%	23.3%	26.5%
Lease liabilities	0.7%	0.0%	0.0%	0.0%	0.0%
Current tax liabilities	6.8%	10.5%	11.6%	7.1%	11.8%
Provisions for expenses	0.6%	2.3%	2.3%	3.2%	3.7%
<b>Current liabilities</b>	<b>28.6%</b>	<b>40.5%</b>	<b>42.2%</b>	<b>38.6%</b>	<b>42.1%</b>
<b>Total liabilities</b>	<b>39.8%</b>	<b>47.8%</b>	<b>50.2%</b>	<b>46.6%</b>	<b>50.6%</b>
<b>Total equity and liabilities</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**British American Tobacco Bangladesh Company Limited**  
**Horizontal analysis for statement of profit or loss and other comprehensive income**

<b>Particulars</b>	<b>2019 Change (19 vs 18)</b>	<b>2018 Change (18 vs 17)</b>	<b>2017 Change (17 vs 16)</b>	<b>2016 Change (16 vs 15)</b>	<b>2015 Change (15 vs 14)</b>
Gross revenue	16%	14%	23%	15%	13%
Supplementary duty and VAT	19%	17%	25%	17%	14%
<b>Net revenue from contracts with customers</b>	4%	5%	19%	10%	12%
Cost of sales	11%	0%	14%	13%	7%
<b>Gross profit</b>	-3%	11%	25%	6%	18%
Operating expenses	20%	-4%	18%	8%	30%
<b>Operating profit</b>	-10%	17%	28%	6%	14%
Net finance income/(expenses)	-1%	156%	408%	-70%	-22%
Non-operating income/(expenses)	-262%	-161%	-192%	-171%	-38%
<b>Profit before contribution to WPPF</b>	-10%	15%	27%	6%	15%
Contribution to WPPF	-10%	15%	27%	6%	15%
<b>Profit before tax</b>	-10%	15%	27%	6%	15%
Income tax expense					
Current tax	-22%	11%	44%	0%	30%
Deferred tax	256%	-61%	-2427%	-104%	270%
	-12%	4%	60%	-15%	44%
<b>Profit for the year</b>	-8%	28%	3%	29%	-6%
<b>Other comprehensive income</b>					
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</b>					
Remeasurement loss on defined benefit plans	-198%	100%	-100%	-67%	100%
Deferred tax impact on defined benefit plans	-141%	100%	-100%	-67%	100%
<b>Other comprehensive loss for the year, net of tax</b>	317%			-67%	
<b>Total comprehensive income for the year, net of tax</b>	-8%	28%	3%	30%	-7%
<b>Earnings per share</b>	-8%	-57%	3%	30%	-7%



**British American Tobacco Bangladesh Company Limited**  
**Vertical analysis for statement of profit or loss and other comprehensive income**

Particulars	FY-19	FY-18	FY-17	FY-16	FY-15
Gross revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Supplementary duty and VAT	-78.9%	-76.6%	-74.6%	-73.6%	-72.2%
<b>Net revenue from contracts with customers</b>	21.1%	23.4%	25.5%	26.4%	27.8%
Cost of sales	-11.1%	-11.7%	-13.4%	-14.4%	-14.8%
<b>Gross profit</b>	10.0%	11.9%	12.1%	12.0%	13.0%
Operating expenses	-3.0%	-2.9%	-3.4%	-3.6%	-3.8%
<b>Operating profit</b>	7.0%	8.0%	8.7%	8.4%	9.2%
Net finance income/(expenses)	-0.2%	-0.2%	-0.1%	-0.02%	-0.09%
Non-operating income/(expenses)	0.01%	-0.01%	0.01%	-0.02%	0.03%
<b>Profit before contribution to WPPF</b>	6.8%	8.7%	8.7%	8.4%	9.1%
Contribution to WPPF	-0.3%	-0.4%	-0.4%	-0.4%	-0.4%
<b>Profit before tax</b>	6.5%	8.3%	8.2%	8.0%	8.7%
Income tax expense					
Current tax	-2.6%	-3.9%	-4.0%	-3.4%	-3.9%
Deferred tax	-0.4%	-0.1%	-0.4%	0.02%	-0.7%
	-3.0%	-4.0%	-4.4%	-3.4%	-4.6%
<b>Profit for the year</b>	3.4%	4.3%	3.8%	4.6%	4.1%
<b>Other comprehensive income</b>					
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</b>					
Remeasurement on defined benefit plans	0.01%	-0.02%	0.0%	-0.01%	-0.04%
Deferred tax impact on defined benefit plans	-0.01%	0.02%	0.0%	0.0%	0.02%
<b>Other comprehensive loss for the year, net of tax</b>	0.01%	0.002%	0.0%	-0.006%	-0.02%
<b>Total comprehensive income for the year, net of tax</b>	3.4%	4.3%	3.8%	4.6%	4.1%
<b>Earnings per share</b>	0.000019%	0.000024%	0.000064%	0.000076%	0.000068%



# INTEGRATED WORK SYSTEM (IWS)

20ppt OEE Overall equipment effectiveness achieved within a span of four years

700% Improvement in mean time between failure achieved within a span of four years



# INTEGRATED WORK SYSTEM (IWS)

## STOP THE STOPS



Manufacturing team posing for photo during celebration of IWS Phase-1 completion

Over the past few years, the scale of manufacturing at BAT Bangladesh has witnessed substantial growth that has maximised production capacity to cater to the increased market demand. The prime enabler for this change was Integrated Work System (IWS), which is a renowned lean manufacturing practice. IWS represents a holistic work platform that enables the build-up of organisation-wide capabilities to help achieve superior results on a consistent basis. IWS focuses on loss elimination through establishing standards in working processes and applications, while emphasising on minimising rework.

IWS works on two fundamental principles - zero loss mindset and 100% employee involvement, which are supported by 10 individual pillars. These pillars work harmoniously to eliminate 8 kinds of losses that prevail in any manufacturing process. It also promotes a culture of servant leadership, employee ownership and learn-do-teach methodology, where all employees work together on loss identification, prioritisation and loss elimination through effective decision-making and ownership.

Our IWS journey commenced in a pilot production line at our Dhaka factory with RTT (run to target) in 2015, and within a record time, IWS was deployed across the factory. This resulted in tremendous improvement in terms of productivity, delivery, quality, cost, etc. After stabilising the RTT rollout, IWS pillar concepts were introduced at the end of the year 2017. This resulted in yet another transformation across related areas. Finally, the Dhaka factory was certified as IWS Phase-1 in the presence of Global Head of Manufacturing and Global IWS Manager, in November 2019.

The major roadblock in this journey of shopfloor process reorientation and technical capability-building was skill levels and trainability of operators. Undaunted, the team went through rigorous classroom and on-the-job training to improve their knowledge of IWS processes. The team showed great resilience to achieve zero loss and with a 100% ownership mindset, which resulted in an unprecedented drive in the IWS journey. This also translated into an increment of 20ppt OEE (overall equipment effectiveness, a measure of machine efficiency) and 700% improvement of MTBF (mean time between failure: a measure of machine runnability), within a span of only 4 years, which eventually led to the esteemed status of IWS Phase-1 Factory in the BAT group.



Head of Manufacturing Ilker Ogretir and Head of Operations Ozsan Ozbas receiving the IWS Phase 1 Certificate

**IWS**  
STOP THE STOPS



**IN OPS AND  
BEYOND**

## THE MAGIC OF IWS

TRADITIONAL APPROACH		IWS APPROACH
Hide Problems	1	Celebrate the REOs
Focus on Results	2	Focus on Processes = Results
System Driven by "Force"	3	Self Sustaining System
Top-down Decision Making	4	Bottom up Decision Making

## DELIVERING MORE WITH THE SAME

**+15%**

Factory Efficiency Improvement

**+10 bn**

Additional Volume

**BDT 468.1 Cr**

Capex Avoidance worth 8 machines

## NEXT STEPS: IN OPS



### STABILITY PHASE

Extend time between failures and dramatically increase skill



### PILLAR ACTIVATION

To decrease inventory, supply chain costs, and a more stable supply network



### FOUNDATION PHASE

Stabilize variation in equipment, process and people to deliver breakthrough results

## NEXT STEPS: GOING BEYOND OPERATIONS



Field Force/  
BAT MGT.

Volume/Value/  
Market Insights

Retailer  
Management

Improved  
Trade Relation

Consumer  
Feedback

Satisfied  
Consumers

# LABORATORY EXCELLENCE

*At BATB, we operate an internationally-compliant and world-class analytical laboratory that furthers our objectives in research and development and also showcases our focus on pursuing benchmark innovation* ●

Amongst the BAT Group, we have a world-standard laboratory that is equipped with the latest technology through state-of-the-art equipment, a diverse and empowered team comprising 50% women participation, international-standard processes that are directly supervised by our global R&D and a track record of zero accidents, showcasing 100% EH&S awareness and compliance.



## Some of the key features of our analytical laboratory include the following

- Excellence in Chemical Management System, certified by Bureau Veritas
- Outstanding performance in fire and health safety, which is also certified by Bureau Veritas
- Electrical SLDs, comprising the latest safety standards, that helps to prevent electrical overload in our sophisticated lab equipment



## Our laboratory has also successfully undergone such audits as

- EH&S Audit by Regional and Global Assessors (achieved compliance, as per EH&S standards)
- Asian Collaborative Study (annual cross-check with cross-country Government labs and other industries)
- Yearly GAT Crosscheck (compatibility checks with all BAT labs by Global Analytical Team)
- TRM Sample Cross Check (tobacco reference material is tested on a daily basis)



Latest  
Technology

State-of-the-art  
machines



Diverse and  
Empowered  
Team

50% female  
employment in  
chemical lab



World  
Standard  
Process

Processes directly  
supervised by  
Global R&D



No Accident  
in 25 years

100% EH&S  
compliance and  
awareness



Excellence in Chemical Management System

Certified by BUREAU VERITAS



Outstanding performance in Fire and Health Safety

Certified by BUREAU VERITAS

EH&S Audit By Regional and Global Assessors

Achieved compliant as per Environment, Health and Safety standards

EH&S

Electrical SLD Latest Safety Standards

Single Line Diagram to avoid electrical overload in sophisticated lab equipment



Health



Safety



Environment



Global Benchmarks Audits



Asian Collaborative Study

Yearly Cross check with Cross Country Government Labs & Other Industries



Yearly GAT Cross Check

Compatibility checks with all BAT Labs by Global Analytical Team (GAT)



TRM Sample Cross Check

Tobacco Reference Material is tested on daily frequency

# INITIATIVES TO GO GREEN

*At BATB, we consider our supply chain network as a partner in our sustainable development initiatives that facilitates a better path to development through shaping a future that links economic progress with ecological sustenance ●*

## Overview

BATB envisions sustainable business growth to cater to the country's economic upliftment. The company plans to achieve the targets as reflected in the major sustainable development goals (SDGs) of the United Nations. The goals strive to enhance economic development while tackling climate change and eradicating key systemic barriers to development, such as weak institutional capacity, unsustainable consumption patterns, environmental degradation and so on.

The development initiatives undertaken by BATB throughout its value chain have focused on ensuring environmental and economic sustainability. Over the past decade, demand for our products have risen significantly for which there is a growing need for enhancing our logistical

capacities. While augmenting this, BATB has emphasised on embracing efficient processes and practices that help to achieve environmental and economic sustainability. Through achieving our corporate objectives, we serve a few major national objectives, such as affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, responsible consumption and production, climate action, etc., tenets that are enshrined in the SDGs.

## Fostering value chain responsibility

BATB strives to integrate responsible consumption and production practices throughout its value network. The concept of circular economy is at the heart of our operations. Leaf by-products from our Dhaka factory and GLT are converted by briquetting and then distributed onwards

among farmers with the purpose of using it as an alternative to fuel for tobacco curing.

Further, much of our plastic waste is recycled into plastic mat, filter tow waste is reused in the bedding industry and all paper and metal waste is recycled externally. Besides, our sewage treatment plant (STP) is capable to reprocess 60,000 litres of water daily. We have also installed the latest technology in our effluent treatment plant (ETP), with the result that as much as 30% of the treated wastewater is reused internally for gardening and cleaning-related tasks. By re-using steam water from heaters in the factory, we save 5,000 litres of water every day. Moreover, network optimisation initiatives have also been contributing significantly, helping us to optimise our overall manufacturing and supply chain costs.



98%

Waste is recycled



70%

Energy cost saving



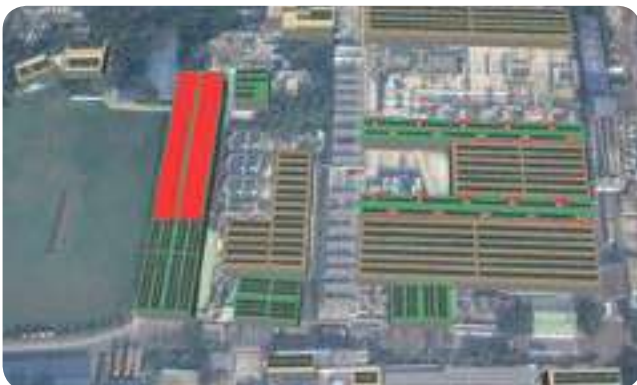
18%

Carbon emission annually



13%

Water consumption reduction



Rooftop solar panel



Briquette machine in briquette room





*Vertical expansion- Rack installation*



*Prismatic lights*

Currently, nearly 98% of the waste is recycled in the factory and hence we believe that achieving zero waste to landfill is just a matter of time.

To ensure optimum energy consumption, BATB has embraced maximising daylight utilisation through installation of prismatic skylights and replacement of CFL/incandescent lights with LED lights in the factory and warehouses. We have also installed inverter ACs, occupancy sensors, IE4 efficient motors etc. These initiatives support the saving of nearly 70% of the overall energy cost. Besides, we have installed 166 kW solar panels in our factory in Dhaka and in external warehouses, whose capacity is expected to expand by almost 3-fold by 2020. Further, we have been able to moderate carbon emissions by 18% and water consumption by 13% in 2019, as compared to 2018. To further reinforce energy savings, our procurement policy has embedded energy savings as one of the major criteria of any electrical equipment purchase. Energy savings behaviour and mindset is encouraged among our employees by incorporating energy savings in the company's KPIs (key performance indicators) that is helping us to attain the goal of Affordable and Clean Energy.

### **Optimising warehousing and logistics**

Bangladesh is in a state of saturation in terms of warehousing space. Therefore, to cater to the economic growth momentum, immediate and innovative solutions are required to ensure business continuity, build resilient infrastructure and promote the major macro theme of inclusive and sustainable industrialisation. In this regard,

warehouse reduction through network design review and vertical expansion at our Dhaka factory and external warehouses has helped to relieve the country's growing demand pressure of warehouses.

Network optimisation, one of the game-changers and a core company strategy, focuses on cash release and cost reduction. Redesigning the overall supply network has brought efficiency and simplification by releasing nearly 368k sft of warehouse area. We are also continuing with the innovative approach of shared capacity between prized leaf and green leaf through progressive usage, which helps BATB's supply chain to augment warehouse utilisation by more than 25%. Thus, we plan to release more unrequired warehouse space and aid to meet the country's growing need of this space within the existing national capacity that drives the sustainable development goal of Industry, Innovation and Infrastructure.

Alongside focusing on optimising warehousing and transportation networks, BATB's supply network operation has also taken up initiatives to reduce the Company overall carbon footprint. Our network optimisation plan has helped reduce the frequency of intermittent trips between leaf growing areas and the Dhaka factory significantly. Further, direct distribution of finished goods to external depots from our Dhaka facility has also optimised truck movement within our network. Trip optimisation within the network has thus significantly impacted carbon emission reduction. Through consistent trials, a new approach to stacking in leaf transport has been introduced for which capacity utilisation has increased by around 30% per truck, reducing one-month of

corresponding carbon emissions of close to 170 MT annually. Our overall transport efficiency drive in the finished goods distribution process has resulted in as many as 1,870 trip reductions, equivalent to approximately 185 MT of carbon footprint reduction. Around 2,400 tons of carbon emission reduction has been achieved in our factory. Adding to that, our environment, health and safety policies are strongly adhered to in all our warehousing activities, creating a positive approach in the use of limited environmental resources of earth, including a pilot rainwater harvesting project in the leaf region. All these initiatives reflect our target of achieving the goal of climate action.

### **Working towards our goals**

BATB's supply operations are developed aiming to promote sustained, inclusive and sustainable economic growth and efficient and productive employment through work process improvement that resonates with the goal of decent work and economic growth. Initiatives such as job simplification, job time observation and elimination of unnecessary movement has been piloted and planned for further rollout through our full value chain. Standard work processes have also been developed by eliminating unnecessary and non-value added activities from our supply operations to drive maximum output from minimum input. Further, a zero loss mindset is encouraged to further drive the agenda, thereby integrating our sustainable development agenda in our day-to-day processes.

# ENVIRONMENT, HEALTH AND SAFETY

*At BATB, our environment, health and safety (EH&S) practice unifies our focus on holistic responsibility extended internally to our employees and externally to our value chain stakeholders* ●

## Overview

As a Company, British American Tobacco Bangladesh believes in creating a harmonious, inspiring, motivating and high-performing working environment for all its employees across the world. As a socially-responsible organisation, BATB puts a lot of effort and resources in maintaining world-class standards and practices in environment, health and safety.

With Bangladesh coming to the fore as one of the world's fastest-growing countries, improvement in environment, health and safety standards has become a priority for corporate sustainability, principally centered around employee welfare and environmental stewardship. During the year 2019, several initiatives were embraced to further improve our operating facility and raise EH&S awareness among our employees, with the result that there was substantial ongoing improvement achieved in our work practices.

British American Tobacco Bangladesh

is fully committed to ensure a safe and healthy workplace environment for all people who come into our premises, as well as minimise impact on the environment to protect our planet. We expect our people working inside and outside of our premises to embed safety into their day-to-day practices so that they can get back home safe and sound.

In the manufacturing industry, most accidents occur due to machine entrapment or fall from heights. To avoid such incidents/accidents, reassessment was conducted for all our machines and for work done in areas much above the floor height. Accordingly, necessary innovation and modifications were done, thereby further securing and safeguarding our premises.

## Progress achieved in 2019

### Leaf operations

We brought our complete Leaf operations under the cover of a state-of-the-art fire detection and protection system. The strategy was formulated considering future network optimisation with the rest of our

premises.

### Warehousing

In order to ensure safe loading and unloading of goods, all our warehouses were equipped with proper loading-unloading bays to ensure heightened levels of safety. Further, to reduce manual handling during the loading-unloading process, an automated conveyer system was introduced on a pilot basis. Upon successful demonstration of results, the system was scaled to cover 14 locations.

### Awareness sessions

An 'EH&S Awareness Week' was held at GLT, during which comprehensive campaigns and awareness sessions were held, focusing on health and safety. Apart from high-engagement initiatives, such as games and other activities that were conducted for all employees, free medical check-ups and external training sessions for contractors and supervisors were also conducted during the week.

As a responsible organisation, BATB is dedicated to meeting its consumer needs in an environmentally-responsible and



EH&S Awareness Week 2019



*EH&S Week is celebrated in various BATB compounds to increase EH&S awareness among employees*

sustainable way, both in direct operations and also across our wider supply chain. The company emphasises on embedding the ‘Go Green’ agenda, showcasing how the adoption of eco-friendly practices can have a positive influence on the bottom-line, can keep customers happy and can also protect the future of the planet. BAT Bangladesh ensures environmental sustainability by design across its operations, focusing

on such levers as reducing factory and transportation emissions and encouraging agri-sustainability through encouraging farmers to optimise water consumption.

**Focus on responsible water management**

BATB is committed to reduce 35% of its water withdrawal against 2017 by 2030, aligning with the BAT group targets. To

address this target, BATB has adopted MBBR, a modern water treatment technology, to upgrade its effluent treatment plant (ETP). The company has also installed sewage treatment plant (STP), which takes us a step ahead to becoming a zero discharge factory in the future.



*STP in Dhaka factory premises*



*Demonstration of Fire & Safety training*

**30% Reuse of water withdrawn from operations in 2019**

Water recycling and reuse is yet another initiative that helps us reduce water withdrawal in an efficient manner. A consolidated quantum of 30% of water withdrawn from operations is reused for meeting various purposes, including cleaning activities, etc., and the quantum

continues to increase every year. Below are some of the major water savings initiatives achieved in 2019:

Water discharged from the ETP is reused for:

- Gardening and greening initiatives
- Road cleaning
- Toilet flush
- Vacuum pump operations
- Bio-filter operations
- Automatic faucets were installed in the washrooms
- Condensate return was used in the boiler, which optimised boiler water consumption

**Solid waste management**

BATB is also working towards reducing waste generation and waste to landfill as well. In 2019, 98.73% of waste was recycled and reused through third-party vendors and also through various innovative methods. The whole process was monitored end-to-end by BATB through its waste management workgroup that helped minimise our environmental impact. Aligned with our strong belief in environmental protection, we are also planning to achieve zero waste despatched for landfill.



*Leaf warehouse Vadalia, Kushtia*



*Finished Goods Depot at Bogura*

## 98.73% Solid waste re-purposed and re-used in 2019

### Ensuring vehicle and passenger safety

According to WHO, Bangladesh has one of the highest road fatalities in the world. Aligned with this reality, we take road safety very seriously. Most incidents happen due to poor driving behaviour and hence we have installed advanced telematics systems in all company-owned cars. The system can identify over-speeding, rapid acceleration, harsh braking, harsh cornering, continuous driving and seatbelt non-use, etc. It is a point-based system that helps us identify drivers with poor

driving behaviour so that they can be given constructive feedback to improve their driving skills. Importantly, the installation has enhanced driver awareness, while also helping us reduce vehicle incidents and repair costs and improving fuel efficiency to eventually lower our carbon emissions. While changing driving behaviour is a journey, doing so has not only enabled us to protect our resources and assets, but has also enabled us to have a positive impact on the environment. We have planned to install telematics in motorbikes in 2020 too.

In addition to telematics installation, all cars now being purchased are brand new instead of reconditioned/used vehicles. This ensures reliability, safety, fuel efficiency and a long useful life of the asset. The new cars come pre-installed

with standard and advanced safety features, such as airbags, seatbelts, rear camera, ABS, traction control, fog lights and emergency safety kit, etc.

In 2019, we also introduced a Night Travel Policy that strictly prohibits night-time driving on highways. All intercity travel is planned earlier in the day so that trips are completed before dusk. Further, as part of our ongoing safety engagement, our drivers continue to receive annual defensive driving training and medical examinations are also conducted, with such checks as audiometry, vision, EEG and blood sugar, among others. These initiatives are implemented to ensure accident-free fleet operations.



*Aluminium extracted from waste foil*

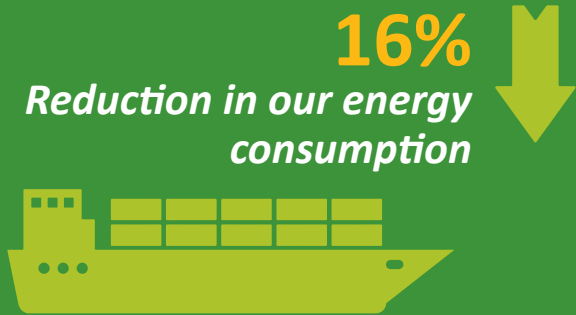


*Plastic mats prepared from waste plastic strapping*

# Our new emissions and energy targets aim to reduce CO<sub>2</sub> emissions by 2030:



**30%**  
Reduction in  
Scope 1 and  
2 emissions\*



**30%** ↓  
reduction in  
our energy  
consumption

## 30%

*of our total direct energy use  
to be from renewable sources*

\*Scope 1 represents direct emissions from fuel used by our fleet or sites. Scope 2 reflects indirect emissions from purchased electricity, steam and hot water, and Scope 3 accounts for all other emissions from the supply chain.

**Bonayan - The Largest Private-sector Driven Afforestation Programme in Bangladesh**

40





**years of Bonayan**



## YEARS OF **BONAYAN**

2020 marks the 40th anniversary of BAT Bangladesh's flagship CSR initiative Bonayan. In collaboration with the Ministry of Forest and Environment, Government of Bangladesh, Bonayan's primary objective comprises the conservation of forests and to combat the adverse impacts of climate change. Since then, the program has distributed 105 million saplings free of cost across the country, distributing approximately 4.25 million saplings every year. This initiative remains the largest private sector driven afforestation program in the country. Today, Bonayan plays a pivotal role in the lives of the beneficiaries, with more than 80% beneficiaries earning their livelihood through engagement in commercial tree plantation activities and 35% amongst whom are financially capable to capitalise on other business platforms.

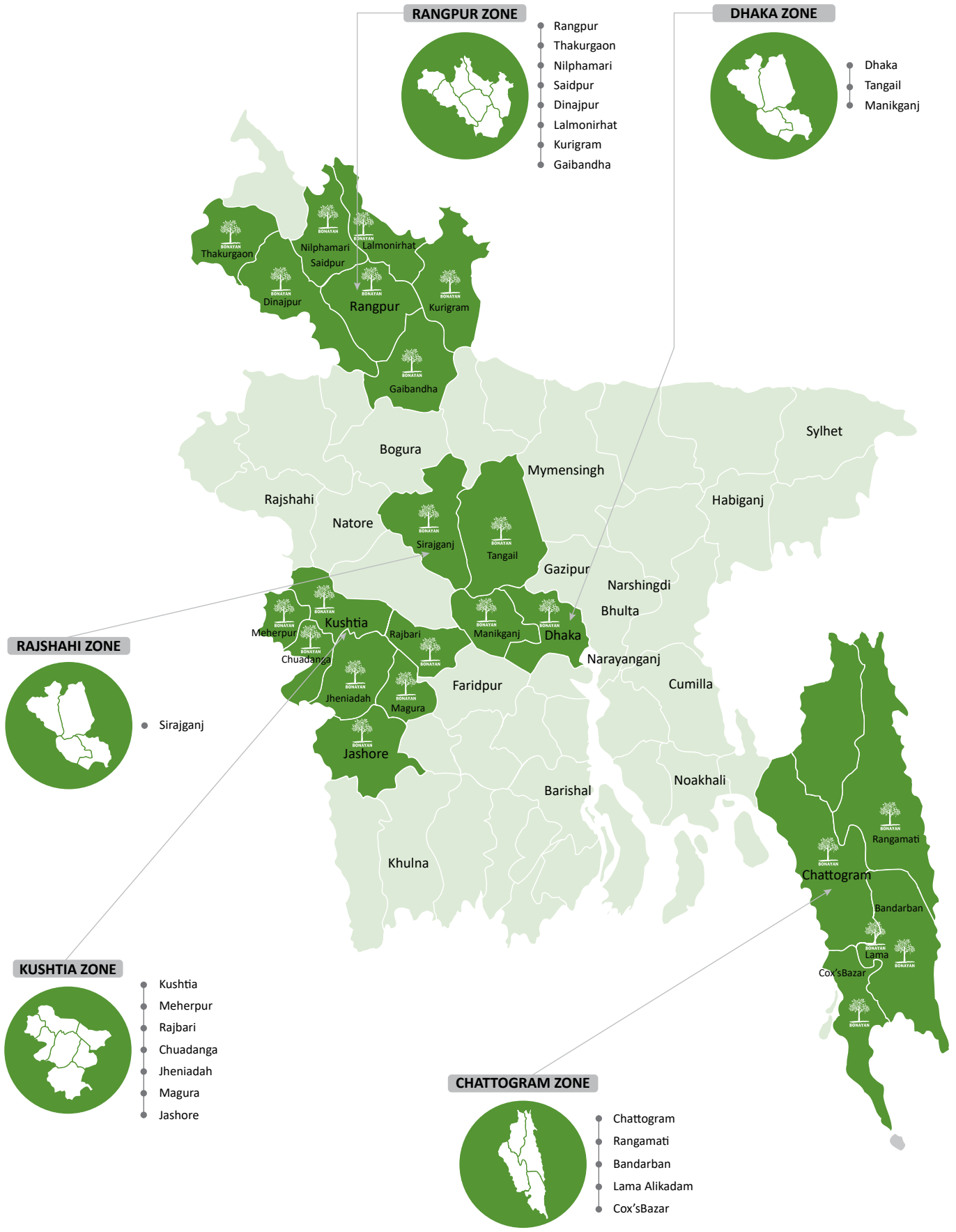
Bonayan, as a substantive afforestation program, helps to attain environmental sustainability and contribute to the welfare of those seeking self-reliance in livelihood generation. Bonayan's overall impact has improved the ecological system of the rural communities. All these factors contribute to the Government's aim of achieving its SDG goals by the year 2030. BAT Bangladesh has received much acclaim for such an innovative initiative, winning five national awards from the Government and an international award from Asia Responsible Enterprise Award (in 2014). Today, the renovation and beautification of iconic landmarks of Bangladesh, which includes Shah Amanat International Airport, Lalon Shah Bridge, Jamuna Multi-Purpose Bridge, Lama-Alikadam highway, Polashbari highway, Kushtia G-K canal side plantation, etc. are some of the model highlights representing our Bonayan program.



এই অগ্রযাত্রায়  
আপনার সহযোগিতার জন্য  
আমরা কৃতজ্ঞ



# Geographic Footprint of Bonayan



# BONAYAN SUCCESS STORY IN MEDIA

**সমকাল** ১২ অক্টোবর ২০১৯ ১৪

**একজন বৃক্ষপ্রেমী গিয়াসউদ্দিন**



**কন্যাঘরের সামলনাপাখা**

**একজন বৃক্ষপ্রেমী গিয়াসউদ্দিন**

৯ স্বাধীনতা ইতিহাসিক, ১৯৭১-এ স্বাধীনতা ঘোষণার পূর্বে ছিলেন কলকাতার একজন ব্যবসায়িক পুত্র। ১৯৭১ সালে স্বাধীনতা ঘোষণার পরে তিনি ২১ বছর বয়সে দেশে ফিরে আসেন। তিনি কলকাতার একটি বড় ব্যবসায়িক পরিবারের সন্তান। তিনি কলকাতায় থেকে আসেন এবং কলকাতার একটি বড় ব্যবসায়িক পরিবারের সন্তান। তিনি কলকাতায় থেকে আসেন এবং কলকাতার একটি বড় ব্যবসায়িক পরিবারের সন্তান।

**সমকাল** ৫ অক্টোবর ২০১৯ শেষ পাতা

**কন্যাঘরের সামলনাপাখা**

**'গাছ কখনও বেইমানি করে না'**



৯ স্বাধীনতা ইতিহাসিক, ১৯৭১-এ স্বাধীনতা ঘোষণার পূর্বে ছিলেন কলকাতার একজন ব্যবসায়িক পুত্র। ১৯৭১ সালে স্বাধীনতা ঘোষণার পরে তিনি ২১ বছর বয়সে দেশে ফিরে আসেন। তিনি কলকাতার একটি বড় ব্যবসায়িক পরিবারের সন্তান। তিনি কলকাতায় থেকে আসেন এবং কলকাতার একটি বড় ব্যবসায়িক পরিবারের সন্তান।

**সমকাল** ১৯ অক্টোবর ২০১৯ শেষ পাতা

**বেড়ে উঠছে হুছাইয়ের স্বপ্ন**

**পাহাড়ে বনায়নের সামলনাপাখা**



**বেড়ে উঠছে হুছাইয়ের স্বপ্ন**

৯ স্বাধীনতা ইতিহাসিক, ১৯৭১-এ স্বাধীনতা ঘোষণার পূর্বে ছিলেন কলকাতার একজন ব্যবসায়িক পুত্র। ১৯৭১ সালে স্বাধীনতা ঘোষণার পরে তিনি ২১ বছর বয়সে দেশে ফিরে আসেন। তিনি কলকাতার একটি বড় ব্যবসায়িক পরিবারের সন্তান। তিনি কলকাতায় থেকে আসেন এবং কলকাতার একটি বড় ব্যবসায়িক পরিবারের সন্তান।



# BONAYAN

**105** Million  
saplings since the **1980s**

**Bonayan, an afforestation programme** initiated in the 1980s by British American Tobacco Bangladesh aims to conserve the forests and combat the negative impacts of climate change. With free sapling distribution in more than **16 locations all over Bangladesh**, Bonayan has been positively impacting millions of lives since its inception and compliments several of the **UNs Sustainable Development Goals.**

# TRAINING & DEVELOPMENT

*BATB's training center is an organisational focal point of excellence for promoting constant learning and development* ●

BATB relentlessly focuses on skill development of its employees through a pioneering focus on cutting-edge educational curriculum. While BAT Bangladesh's HR process and departmental method for work deal with an individual's improvement through focal conventional preparation over on work learning, BAT Bangladesh's Technical Training Center (TTC) complements this upskilling journey in the realm of operations. Based on the loss analysis, skill needs analysis and prioritisation, TTC focuses on the three major interventions comprising:

- Technical capability building
- IWS capability building
- Onboarding

For technical capability building, TTC provides specialised technical training through its in-house subject matter experts and trainers, organises advanced-level OEM technical training, develops loss-linked trainings, conducts modular training programs, supports quality and EH&S training and also partners with HR and leadership teams to conduct soft-skill trainings to promote a high performance organisational culture.

**35,845**  
**Person-hours of**  
**classroom and on-the-**



Group picture of capsule inserter training

## job training extended by BATB's technical center in 2019

With site autonomous maintenance pillar progression and aspiration for component-level capability building for IWS phase 2, TTC has reviewed the traditional training system and redesigned it to offer a task-based technical training approach that is called 'Everyday T-Training'. Everyday T-training is for technical upskilling, which is task-based and time-bound. It is for everyone and designed for every task. Currently, technical training is being conducted with a batch of five trainees for respective technology.

Our training center also organises high-level overseas training to facilitate acquiring capability for developing subject matter experts and frontline technicians on existing technology, as well as on cascaded or new technology. The training center also regularly organises technical training in coordination with OEMs (original equipment manufacturers) or other BATB factory resources to impart technical knowledge and hands-on training. Our center has also coordinated with other BAT factories over the past few years to provide several batches of potential shop-floor resources with exposure to work in different factories through short-term

interventions for production support, knowledge sharing and to demonstrate their capability of working in foreign environments.

Under the new manufacturing concepts comprising embedding Integrated Work System (IWS) for zero loss mindset and 100% employee ownership, the training center played a crucial role for IWS overview and DMS training for operators during RTT rollout. The training center also organised different capacity-building workshops for various IWS pillars on a regular basis, including regional and global workshops, collaborating across different end markets.

Further, the training center also conducted diverse onboarding programs for new recruits in operations and also frontline management roles to fast-track their learning and familiarisation, as well as to facilitate anchoring and settlement in their new roles in a quicker manner and deliver business results as quickly as possible.

In 2019, a total of 35,845 person-hours of classroom and on-job training was conducted through 557 sessions in the Dhaka factory, out of which 29,098 man-hours of training was imparted directly through the training centre, covering both shop-floor employees and management staff.



Operations onboarding programme uplift kick off session

# EMPLOYEE ENGAGEMENT AND WELFARE

*At BATB, we are working relentlessly to ensure employee safety, welfare and wellbeing through various well-structured programs and activities* ●

BATB has been at the forefront of being a responsible and law-abiding organisation through introducing and implementing a number of unique employee engagement initiatives and practices.

With around 1,426 people as direct employees and about 50,000 indirect people associated with it, including farmers, distributors and local suppliers, BAT Bangladesh has been consistently recognised as one of the most preferred employers in the country. The organisation is committed to ensure best practices in employee welfare, which has resulted in a culture where every employee passionately contributes to the betterment of the company, their community and the country. Indeed, BAT Bangladesh is at the forefront of social development, which is achieved through continuously raising the standards of efficiency in utilising human resources.

Some of BAT Bangladesh's initiatives to ensure robust employee welfare include:

## Food and nutrition

Catering to their proper nourishment and hygiene by providing them with healthy and nutritious food, as well as running free-of-cost campaigns on hygiene.

## Medical consultation

For health services, there is a dispensary providing 24/7 round-the-year medical consultation service for all employees. The services offered in the dispensary include doctor consultation, medicine dispensing and also ambulance services. Doctors (both male and female), pharmacists and drivers work in 3 shifts. OHS guidelines are strictly followed and 100-120 patients regularly avail of the dispensary services.

## Combine medical consultation and health benefit

The company bears the full expense for hospital tests and admission costs for employees, and also offers regular blood pressure test services and medicines within the premises.

## Work with recreation

BAT Bangladesh arranges a diverse range of employee welfare programs to keep the employees engaged and energized beyond work. Family Day, representing a day-long event, is one of the many programs arranged by BAT Bangladesh. It comprises a fun-filled and environment-friendly event for all employees and their families, spent in a secure and hygienic location. There is provision for rides such as merry-go-round, puppet shows and mini train rides to delight young members. Musical shows, snacks and *mehendi* corners are also organised/ provided for the entertainment of adults. Further, arrangements are also made for family sketches and portraits. Prominent artists nationwide *encompassing mega* cultural event throughout the program. Thus, Family Day comprises a full-day of entertainment and relaxation for all members of our employees' families.

Recently, on the occasion of Family Day, BAT Bangladesh recognised the contribution of employees who completed 25 years of service and those who retired from the organisation. In addition, special



Annual Iftar 2019



Family Day 2019



Angels Nest Day Care Center

recognition was given to employees who retired from BAT Bangladesh after completing their tenure.

BATB holds an Employee Line of Sight as well, where employees can have a day-off for their enjoyment and take part in myriad types of sports and indoor games. A business session is also held so that employees have a better understanding regarding the future of the business and the organisation. Regular events like Eid e-Milad-un Nabi and Team-Iftar during the month of Ramadan are some of the other annual celebrations held by the organisation.

#### Educational assistance

BAT Bangladesh provides scholarship for the highly meritorious children of its employees for achieving exemplary

results in S.S.C/O Level and H.S.C/A Level exams. This scholarship continues till the graduation of the student to encourage him/her to continue with their education. In 2019, a total of 104 students were awarded scholarships on the basis of their results.

#### Safety and security

The company promotes EH&S and OHS (occupational health and safety) by educating employees about the benefits of maintaining good health, a proper diet and practicing workplace safety. Along with the Company's well-equipped dispensary, we also have round-the-clock medical services, such as ambulance and pharmacists working in shifts, etc. There are also provisions for employees to have their audiometry, spirometry,

vision, hepatitis, vaccination and other tests carried out. Warning signs and slogans regarding occupational safety are also displayed in suitable spots to spread awareness.

On the security front, the Company has modern fire safety alarms, fire extinguishers and emergency exits at all its premises in order to protect employees in case of emergencies. Furthermore, to create a healthy work environment, the Company has prioritised ambient workplace temperatures through central air-conditioning, ambient lighting systems, canteen facility, separate prayer rooms for both males and females and sufficient sanitary facilities, etc.

To raise employee awareness on health and safety, the company carried out



Winners of BATB Olympiad football league



Champion of John Player Cup 2019

various kinds of communication and awareness programs for managers, employees and contractors throughout the year. Furthermore, week-long campaigns under 'EH&S Awareness Week' were also arranged, focusing on safe work practices on the shopfloor, in warehouses and in offices. At BAT Bangladesh, we believe that 'our people are our strength' and accordingly nurture our human resources in the best possible way.

**BATB Olympiad**

BATB arranged its first ever Olympiad which comprising of more than 40 games

and sports activities where around 800 employees both from management and shop floor signed up. In line with our continuous commitment to create an equal environment for females, this was the first time a female futsal tournament took place in Olympiad. Apart from the boosting of physical and mental health, this also acted as a key platform for employee engagement across all levels in BATB.

**Mental wellbeing**

Over the years, we have embraced several initiatives that serve our purpose of fostering both mental and physical wellbeing of our employees. As a step

forward in this endeavour, in 2019, we partnered with LifeSpring Bangladesh, a leading mental health organisation that specialises in mental health. Through this association, we are able to offer our employees:

- 24x7 online and telephonic counselling
- Face-to-face counselling with a team of experts at their premises
- Face-to-face counselling at BATB premises (on select weekdays)
- Focused, educative sessions on aspects relating to mental wellbeing and mindfulness (proposed)



Shop-floor Employee Line of Sight

# INSPIRIT: BANGLADESH'S FIRST-EVER CORPORATE CROSS-INDUSTRY DIVERSITY AND INCLUSION FORUM

*BATB has joined hands with six of the country's most prominent multinational organisations, including the likes of Unilever, Nestle, Grameenphone, Robi Axiata, Standard Chartered Bank (SCB) and Hong Kong and Shanghai Banking Corporation (HSBC) to launch "Inspirit", Bangladesh's first-ever corporate diversity and inclusion forum.* ●

The forum represents BAT Bangladesh's first-ever initiative to work beyond the diversity agenda of the organisation alone and spearhead benchmark practices to combat structural impediments across industries to enable women to realise their full potential.

As a back-to-back recipient of the "Most Female Friendly Organisation" accolade in the country, and also with its women managers achieving numerous leadership awards in various capacities, BAT Bangladesh prides itself in providing leading benefits and policies geared towards the development and meeting the unique needs of its women managers, including the country's first-ever 9-month (maximum) maternity leave opportunity for mothers working in geographically-disparate, remote trade and leaf operational locations or continuous shift operations. Further, BAT Bangladesh has also built a strong organisational foundation

of female role models across numerous functions and today, the Company looks beyond this realm to give back to the country by enabling women across the nation to access the right infrastructure and know-how necessary for success, thereby aligning with the Bangladesh Government's ambition of achieving the UN Sustainable Development Goal (SDG) number 5 on 'Gender Equality'.

With seven large multinationals coming together on one table and united by a common purpose, the objective of Inspirit is to leverage the widespread reach and network of these organisations to activate three pillars:

- **Sharing geographically-disparate operation zone infrastructure:**

This platform intends to tackle the skepticism and age-old social perceptions on geographically-disparate commercial frontline roles

being unsuitable for women, by focusing on collaborative practices like accommodation sharing, hygiene facility mapping and access to regional networks and stakeholders.

- **Mobilising cross-industry mentorship:**

This platform focuses on a multidimensional approach to mentoring, involving mentors comprising 15 senior female managers representing a variety of leadership teams across diverse sectors.

- **Deploying leadership development programs:**

This platform prioritises leadership development and initiating long-term behavioural changes in such aspects as mental resilience, unconscious bias training, etc.

Recently, BATB hosted the launch of the 'Mentorship' platform of Inspirit,



Ms. Rumana Rahman Regional HRD APME hosted a leadership session organised by Inspirit



comprising a cohort of participants from across the 7 member organisations. Ms. Adrita Datta, HR Business Partner Operations, BAT Bangladesh, facilitated the session as one of mentors of the platform, alongside 15 senior women managers across various industries.

Moreover, a special leadership session was also hosted by Ms. Rumana Rahman, Regional Head of HR, Asia Pacific and the Middle East, BAT Group, who happened to be visiting Dhaka at that time. She addressed around 70 young women leaders from different industries who had enthusiastically signed-up to hear her share her story of a South Asian woman breaking the proverbial glass ceiling in

a global multinational organisation and navigating personal leadership to take on critical business challenges in dynamic environments.

The day concluded with a networking cocktail where participants got the unique opportunity to interact with prominent leaders across industries and share their thoughts on furthering the strategic imperatives of this platform to enable long-term impact creation in the realm of diversity and inclusion.

Mr. Saad Jashim, Head of HR, BAT Bangladesh, reflected on the purpose of the platform and said, "This is a brilliant initiative that enables BAT Bangladesh to

interact with the extended members of the society and pursue sustainable long-term engagement with social advocacy groups and policy-makers up to the highest levels of the government to achieve the SDGs and deliver meaningful nationwide impact."

Mr. Shehzad Munim, Managing Director, BAT Bangladesh, added, "With this spirit of partnership and collaboration, Inspirit represents an amazing opportunity to go beyond business and disseminate best people practices across industries. Surely, we can learn a lot from each other and pave the path for the women of tomorrow to maximise their full potential, irrespective of whatever career path they choose."



A TV Talk show with senior leaders from Inspirit Organisations was held to discuss Inspirit initiatives and their impact on the Diversity and Inclusion landscape of Bangladesh



Senior leaders from Inspirit organisations with BATB's senior leaders.



Members of Inspirit Organisations at the Women's Mentoring Network Launch



Cross Industry Inspirit Core Team Members with Managing Director, BATB

# WOMEN EMPOWERMENT INITIATIVES

*Bangladesh is ranked as the top country in South Asia in terms of reducing the gender gap, as stated in a World Economic Forum report. Reflecting the progress on this fundamental national developmental indicator, BAT Bangladesh has also achieved success in reducing its internal gender gap, while enhancing gender diversity ●*

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At BAT Bangladesh, it has been long recognised that empowered women positively impact and actively contribute to the overall performance of the business. Hence, enhancing the level of senior women representation in the business has been a longstanding priority for the Company. As an organisation focused on gender equality and diversity, BAT Bangladesh has deeply entrenched talent development through various platforms and forums.

At BAT Bangladesh, development programs for women start as soon as they are inducted into the Company. Various trainings are organised that prepare young women to be ready to take on corporate leadership roles in the future. For example, one such training, 'Will to Lead', provides young women an immersive leadership simulation experience through various activities. Further, beyond the structured training programs, several 'Conversation

Platforms' have also been established, where women leaders within the BAT sphere share insights on their professional journey to inspire other young women, instilling in them the confidence and courage to dream.

The percentage of women across all levels of the business has significantly increased, in comparison to the past years.

More women are now a part of diverse and exciting roles that expose them to challenging, yet inspiring environments. In light of this, BAT Bangladesh also recognises that women don multiple hats – both in professional as well as personal fronts. With a view to extend our support to women for them to thrive across all spheres of their life, at its core, the



*Listening Ear with Ms Mubina Asaf*



*Rendezvous with Sue Meldrum*

Company has various progressive policies and initiatives in place that are geared towards creating a facilitative ecosystem for enabling women to holistically meet their unique needs.

For instance, Parents@BAT is a progressive maternity benefit policy that the Company has embraced that provides support to new and adoptive parents, offering 6 months of fully-paid maternity leave with a return to work guarantee, followed by flexible

work opportunity. Further, new mothers in geographically-dispersed roles and continuous shift operations can also access 3 additional months of maternity off-time, making it a total of 9 months of leave, which is the first of its kind anywhere in the country. The Company also has a best-in-class daycare facility, 'Angel's Nest', where employees can be assured of their children being in professional and empathetic care.

Having built a strong organisational base of women role models across numerous functions, BAT Bangladesh now looks beyond this realm to give back to the nation by enabling women across the country to access the right infrastructure and the knowhow necessary for success, thereby aligning with the Government's ambition of achieving the UN Sustainable Development Goal (SDG) number 5 on 'Gender Equality'. For the first time, BAT Bangladesh joined hands with 6 of the country's most



Coffee and Conversation with Fiona NG



Head of HR BATB Mr. Saad Jashim addresses the participants attending from Inspirit Organisation



Participants from accross 7 different organizations were present at the Inspirit Outstation Infrastructure sharing launch held at Unilever Premises

prominent multinational organisations to launch 'Inspirit', Bangladesh's first ever corporate diversity and inclusion forum. The objective of Inspirit is to leverage the collective widespread reach and network of member organisations, with the aim to mobilise cross-industry mentorship, deploy leadership development programs and share geographically disparate

operations zone infrastructure. Truly, Inspirit represents an opportunity for the Company to go beyond business and disseminate best people practices across industries, which will eventually help establish women leadership for tomorrow.

BAT Bangladesh also prides itself in being a recipient of the prestigious 'Most

Female Friendly Organization' accolade in Bangladesh for two consecutive years. Further, several women managers across the organisation have also received numerous awards in various capacities, and have also been a part of numerous forums, sharing their experiences on a national stage.



Challenging the status quo and pushing against boundaries, Adrita Datta, senior HR Business Partner, Operations, is one such glorious example of a senior woman leader at BAT Bangladesh, taking up various commercially critical roles within the group in Bangladesh, Japan and Sri Lanka, whilst also balancing and relishing the experience of motherhood. Her successful journey and creditable achievements have not only been extensively reported in several leading national dailies, she has also been recognised as a 'Progressive Woman Leader' by Bangladesh Brand Forum in 2017.



*HR Business Partner Ms Adrita Datta receives the 'Progressive Women Leader' in 2017 by Bangladesh Brand Forum (BBF)*



*Procurement Team with Mr. Lance Mucalo, Regional Operational Manager*

Nashva Bint Hamid is yet another senior leader who has strong and diversified exposure and expertise in the critical technical function of Finance. Even though her specialization lay in Finance, yet she challenged herself to move out of her comfort zone to spearhead a leadership role as the first female Head of Procurement at BAT Bangladesh. Nashva is known for her commitment and passion towards work, and her ability to continually challenge the status quo. Under her leadership, the Procurement function has delivered many successes and achievements. As an empowered leader, she actively drives the people development agenda while also challenging herself and her team to continually progress and create new benchmarks.

Or take the example of Farah Zabeen. Farah started her career with BAT Bangladesh as the first ever woman team leader in the Operations team and she has successfully moved up to be the first ever female member of the Bangladesh Operations Leadership Team. She has led various male dominated teams through multiple challenging roles and her courage, resilience and drive to step out

of her comfort zone has set a model example for all corporate women. Her contribution has also been recognized by Bangladesh Brand Forum through awards in 'Progressive Women Leader' category in 2015 and 'Inspiring Women Leader' category in 2019. She has also shared her trajectory of success in various Women Empowerment discussions to inspire others such as the NSU



*Ms Farah is being recognised with the 'Inspiring Women Award'*



*Ms Farah sharing her experience at National Career Fair 2019 - Career prosper for Women in Technical Industries*

National Career Fair 2019 & ACI Group event ‘Inspiring Women at Workplace’ on the career prospect of women in Technical Industries & how to overcome barriers and grow. We are also immensely proud of Mubina Asaf, Head of Legal and External Affairs at BAT Bangladesh. Mubina is the only woman member of the Leadership Team of BAT Bangladesh, leading a team of around 50 people. With an experience of breaking through patriarchal boundaries, Mubina

maintains a fundamental belief in helping other women realise their potential & grow— both in the professional and personal spheres. She received multiple acknowledgements through various platforms in 2019. The IUB & Pathao Leadership Award, ‘Ladies in Leadership’, which recognises women contributing to the welfare of the country by breaking patriarchal limitations is one of the many awards she has been a recipient of.



Head of Legal & External Affairs Ms. Mubina Asaf addressing the audience as a panelist in CXO Summit (held in November 2019)



Head of Legal and External Affairs Ms Mubina Asaf receives award 2020 jointly commemorated by IUB & Pathao

Mubina’s illustrious career and experience has enabled her to carve a unique distinction as a thought leader in various capacities. She has shared her journey and insights through several platforms, both as a BAT Bangladesh representative and also from an individual perspective. From television talk shows, such as Sokaler Bangladesh on Jamuna TV, to panel discussions, she has highlighted best CSR practices of BAT Bangladesh, both nationally and internationally. Furthermore, Mubina has also contributed to inspiring and empowering women through sharing her own journey and experiences. She was a part of a panel discussion titled ‘Women out of the box’, aimed to empower women towards positive change, organised by City Alo in association with JCI (Junior Chamber International) Dhaka North & Samakal, where she shared her story of breaking boundaries in the workplace.

She was also a panelist of an esteemed event, the CXO Summit, where she highlighted the importance of being empowered and being able to take proactive initiatives that help create one’s own unique identity. Even within the organisation, she motivates and inspires women across all fields on every opportunity. Outside of this, without impeding her daily work, Mubina also undertakes personal initiatives that help give back to the community. For instance, ‘Care in Need’ is one such project in which Mubina is a founding member. Care in Need provides home care services to assist senior individuals, helping families in caring for their loved ones. Mubina’s positive outlook in life, her resilient attitude and contributions in a variety of spheres is a true testament to her philosophy of empowering self and empowering others.



Hon’ble Speaker Ms. Shirin Sharmin, Economic Advisor to Hon’ble PM Mr. Moshirur Rahman and Major (Retd.) Rofiqul Islam Bir Uttam presides as Chief guests in the ‘Care in Need’ program.

It is an undeniable fact that women empowerment is crucial, and BAT Bangladesh holds this belief at its core. The organisation relentlessly pursues the establishment of an ecosystem that helps

women balance multiple roles, whilst also contributing to their empowerment and enabling them to realise their potential as leaders in their own capacities.

# BATTLE OF MINDS (BOM): THE COUNTRY'S PIONEERING TALENT PLATFORM

*BATB marks its 16th year of country's pioneering talent platform* ●

## Overview

Battle of Minds (BoM), Bangladesh's pioneering youth talent platform, stepped into its 16th glorious edition in 2019. Ever since its inception in 2004, BoM has continued to be the premier platform for bringing together the brightest minds of the country.

Following its inaugural global launch in 2018, BoM was ready for its biggest-ever edition, where the top talent of the country would carry the nation's flag onto a global stage, while getting the unparalleled opportunity for an internship at BAT almost anywhere in the world. The stage was set for the participants, as they geared up to showcase their knowledge and talent on how they could compete with the best and "Change The Game".

Battle of Minds 2019 started its journey in Bangladesh with a series of roadshows across the top universities of the country, including the University of Dhaka, North South University, Jahangirnagar University and the Islamic University of Technology, among others. The roadshows drew a massive response from students nationwide, who gathered for an exclusive information and grooming session with

BoM alumni, comprising winners of the previous edition, as well as top managers from BAT Bangladesh.

Coming after a successful global launch in 2018, Battle of Minds 2019 expanded the horizons to encompass participants from as many as 40 countries from across the globe. In the latest edition, top-notch talent from participating countries took part in the online round of Battle of Minds, where they had to submit a short video pitch of an idea that could revolutionise the automotive, digital banking, retail, or any other industry of their choice. Thousands of submissions poured in from across the world, with talent from Bangladesh leading the charge.

From tens of thousands of registered participants, the best submissions were identified, and the top-180 were selected for the Bootcamp round. Incidentally, over the years, the Bootcamp round has offered a unique experience to candidates by giving them the attractive opportunity to undergo grooming by top managers of BAT Bangladesh and work together in a collaborative and enriching environment to solve diverse pressing challenges.

In 2019, the Bootcamp round was bigger than ever, with 180 participants from 21

different universities coming together under one roof. The day started with a unique ice-breaking session conducted by Ghaashphoring Choir, with the candidates enjoying the symphony of an energetic orchestra backed by organic body-percussions, setting the passion and enthusiasm for the rest of the day. Next up, candidates engaged in an interesting networking challenge, where the task was to identify other fellow participants using clues in the form of interesting personality traits and unique life events exclusive to each participant of the Bootcamp.

## 180 Youth from 21 different universities participated in the BoM Bootcamp in 2019

Following the ice-breaking and networking sessions, the event upped the ante by moving to its Keynote session. Aligning with the year's theme of digital transformation and upskilling, an engrossing presentation was delivered by Mr. Mohammad Oli Ahad, Founder, Intelligent Machines, and a veteran in



*Mr. Mohibul Hassan Chowdhury MP, Deputy Minister of Education addressing at the Battle of Minds Program*



*Participants gather with senior officials of BATB and chief guest after completion of first-round of the event*



*Champions of Battle of Mind 2019 receiving the award from Former Senior Secretary of Ministry of Education Mr. Sohrab Hossain and Mr. Golam Mainuddin, Chairman BATB. Managing Director Mr. Shehzad Munim and Head of HR Mr. Saad Jashim are also present*

digital analytics and transformation. The Keynote address revolved around the enormous strides taken by the public and private sector companies of Bangladesh to enhance digital connectivity, especially at the grassroots, and the tremendous socio-economic impact fostered by enabling people the access to transformative digital tools and technology.

The session was followed by addresses from the chief guest, Mr. Mohibul Hassan Chowdhury MP, Deputy Minister of Education, and special guest, Mr. Muhammed Alamgir PhD, Member of the University Grants Commission and former Vice Chancellor of Khulna University of Engineering and Technology (KUET). Both speeches commended Battle of Minds for its remarkable impact in developing and upgrading management talent among the country's youth, while ushering young leaders to play a pivotal role in paving the way for a digital Bangladesh.

Post lunch, candidates participated in a session conducted by Mr. Saad Jashim, Head of HR, and Mr. Golam Safwat Choudhury, Head of Marketing, both members of BAT Bangladesh's leadership team. The interactive conversation revolved on the importance of building resilience to navigate through the challenges of a dynamic and fast-evolving developing country like Bangladesh, and the pressing need of the youth to step up and make the most of the opportunities

presented by a vibrant and fast-growing economy.

The final task of the day comprised a group activity, where participants were split into mixed teams and given an impromptu challenge of crafting a solution to engage and upskill the grassroots population of Bangladesh to seamlessly enable them to then embrace digital technology and benefit from it. Candidates were groomed by former Battle of Minds alumni, who guided the teams to deliver on their strategic approach and presentation pitch. Thus followed the elevator pitches from candidates who presented their ideas to an elite panel of judges, followed by a series of rapid fire Q&As. Teams impressed the judges with their innovative take on bringing digital technology to rural Bangladesh, outlining their plans of leveraging youth power and energy to fast-track the strategic imperatives of realising the vision of a digital Bangladesh.

Under the mellow glow of ambient lights and soft house music, the evening marked the close of an energy-packed day, as more alumni and senior managers joined in the festive atmosphere. Another successful Bootcamp thus concluded, only this time it happened to be the biggest-ever in BoM history, consolidating the eminent platform's vision of mass youth outreach with benchmark practices in management grooming to empower youth for a better tomorrow.

With the conclusion of the Bootcamp round, top-80 candidates were called to BAT Bangladesh headquarters for their next challenge, as they went head-to-head in the Group Discussion round. From there on, top-30 participants were selected for the Semi-Final round, where they were paired up in teams of 3, thereby constituting the top-10 teams to eventually slug it out in the concluding rounds of Battle of Minds 2019.

For the Semi-Final round, the teams were given the task of preparing a viable plan to revamp the Union Digital Centers (UDCs) established by the Government across the country. Students had to collect primary and secondary data while doing their research on UDCs and eventually come up with a strategy to revitalise these hubs to make them more accessible and essential to the masses who could thus avail various services through them. The teams received mentorship from BAT managers who were able to provide them with their own real-world experiences, which played a crucial role in shaping their solutions. The teams then pitched their ideas to a panel of judges consisting of senior managers from BAT Bangladesh. The top-5 teams were thereafter selected to battle it out for ultimate glory.

The final challenge required the shortlisted teams to conduct a BTL activation



*Teams presenting their ideas in the final round during Gala Night of Battle of Minds 2019*

program to showcase the efficacy of the newly revamped UDCs directly to their beneficiaries. The teams then gathered for the Grand Finale and gave their final presentations before a panel of judges, consisting of Mr. Saad Jashim, Head of Human Resources, Mr. Stephan Matthiesen, Finance Director, and Mr. Golam Safwat Chowdhury, Head of Brand and SP&I, all from BAT Bangladesh.

All the teams came up with innovative solutions and brought their unique perspectives and insights to solving the final challenge. Though all the ideas were meritorious and praiseworthy, only one team got to bask in the glory of becoming the champion. “The Beetles” from the Institute of Business Administration,

University of Dhaka (IBA-DU), were crowned as the champions. Team “Now You See Us” from Bangladesh University of Professionals (BUP), and ‘Three Horsemen’, another team from IBA-DU, were awarded as the first and the second runners-up, respectively.

Mr. Md Sohrab Hossain, Senior Secretary, Ministry of Education, inaugurated the grand finale as the Chief Guest. While addressing the event, Mr. Hossain said, “The government is working relentlessly to develop skilled workforce in the country.” He urged other organisations like BAT Bangladesh to come forward with such high-impact initiatives for promoting sustainable development of the country. Commenting on the event,

Mr. Shehzad Munim, Managing Director, BAT Bangladesh, said, “Battle of Minds creates a rare opportunity for students to unbox their talents and ideas, which will help them to contribute to the country’s development.”

“The Beetles” and “Now You See Us”, as the top-2 teams, now have the exceptional opportunity to represent Bangladesh in the regional round of Battle of Minds 2019, as they prepare to go up against the best talent of the Asia Pacific and the Middle East. Being the defending champions, the teams from Bangladesh go into this round with the confidence and belief that they can bring back the Champions Trophy once again and raise the nation’s flag and stature on the global stage, one more time.



*Winners of Battle of Mind (BoM) 2019 with senior officials of BATB during the closing ceremony of the Gala Night*



# TOP EMPLOYER AWARD

Only Bangladeshi company awarded as the 'Top Employer' for the second consecutive time by the Top Employer Institute, for exceptional standards in employee conditions.



# CORPORATE SOCIAL RESPONSIBILITY

At BATB, our approach to corporate social responsibility is directed by the BAT Group's CSR framework, which articulates how companies are expected to develop, deliver and monitor community investment programmes ●

Being a responsible business, BAT Bangladesh creates a sustainable impact through its three benchmark CSR initiatives – Bonayan, Probaho and Deepto.

These initiatives contribute to the continual improvement of the country by complementing the Bangladesh Government's efforts to achieve the national goals in support of the United Nations' Sustainable Development Goals (SDGs).



**BONAYAN**

## Sustainable agriculture and environment

Focuses on the socio-economic and environmental sustainability of agriculture and also other environmental issues



**PROBAHO**

## Bringing a health transformation through pure potable water

Focuses on arsenic free distilled water for a healthier community.



**DEEPTO**

## Sustainable energy solutions

Focuses on the impact of renewable energy in far-flung and off-grid locations across Bangladesh



Bonayan Initiatives at Hatimura, Khagrachari



**Bonayan: Our focus on enhancing the green cover through afforestation and reforestation**

Bonayan is the flagship CSR program of BAT Bangladesh, which in collaboration with the Forest Department, Government of Bangladesh, is combating climate change and contributing towards a greener Bangladesh since 1980. Till date, Bonayan has distributed 105 million saplings free of cost across the country and remains as the largest private sector driven afforestation initiative in Bangladesh. Bonayan plays an essential role in the lives of the beneficiaries, with more than 80% beneficiaries earning their livelihood through engagement in commercial tree plantation activities and, 35% amongst which are financially capable to capitalize into other business platforms. Through this initiative, BAT Bangladesh plays a significant role in the socio-economic development of this country and contributes towards 5 out of 17 UN's Sustainable Development Goals (SDGs). The Company has received much acclaim for this initiative winning various accolades such as Asia Responsible Enterprise Award (2014) along with many prestigious national awards. Bonayan primarily focuses on:

- Enhancing the environment through tree plantation
- Increasing economic benefits
- Supplying adequate food from plants
- Bringing positive impact on health through medicinal plants
- Improving livelihoods

There are approximately 38,000 contracted farmers who are the primary beneficiaries of Bonayan. According to a research carried out by our leaf team, more than 80% of beneficiaries were generating income through commercial tree plantation, and 35% amongst them had become financially capable to venture into other business fields.

The earning profile of communities engaged with Bonayan is illustrated below:

- Around 26% of the respondents were earning BDT 5,000-10,000 per year
- Nearly 22% were earning BDT 10,000 to 20,000 per year
- About 14% had an annual income of BDT 20,000-30,000 per year

It was found that the majority of beneficiaries, around 68%, invested in medium-sized businesses, such as crop production, agro-business, fish farming, restaurants, shops, etc. Some of them also invested in small business, such as fish processing, fruit and vegetable retail, grocery stores, tea shops, etc.



**Probaho: Bringing a health transformation through distilled potable water**

BAT Bangladesh launched Probaho in 2009 with the aim to provide with safe drinking water free from arsenic and other impurities to the rural communities in Bangladesh. This project is directly aligned with the Government's targets to achieve the Sustainable Development Goals (SDGs) by ensuring clean water and sanitation. Over the span of 10 years, 87 water filtration plants have been installed under this project, providing 450,000 liters of pure drinking water to 220,000 beneficiaries every day. According to the statistics extracted from a recent CSR research, 55% of the population living in the arsenic prone rural communities have suffered from water borne diseases per year. Now, 99.7% people from the beneficiary communities do not suffer from such diseases. Probaho's impact has been applauded and given immense recognition through the bestowal of various awards such as the prestigious 'Asia Responsible Entrepreneurship Award (AREA)' in 2015

and Bangladesh Innovation Award 2018 by Bangladesh Brand Forum and Mastercard under the 'SDG Inclusion' Category.



**Deepto: Renewable energy through sustainable methods**

Deepto was launched in 2011 by BAT Bangladesh to provide electricity from solar system to the habitats of off-grid remote villages in Chittagong hill tracts. It has been successfully operating in Bandarban, Khagrachari and Rangamati districts improving the lives of the people living in the vicinity. Before Deepto was introduced, beneficiaries living in the intervention areas did not have any alternative power source and the absence of electricity would mean a halt in their livelihood and lifestyle. Through this project, BAT Bangladesh has installed 2,590 solar home systems in more than 25 remote villages improving the livelihoods of more than 13,000 beneficiaries living within the locality. With the onset of electricity, 99% of the beneficiaries have now started engaging in basic household chores and various income generating activities. Moreover, Deepto plays a key role towards attaining to the Government's agenda in the clean renewable energy sector. Deepto has earned massive acknowledgment for BAT Bangladesh by winning the eminent 'Centenary Award 2014' from the Metropolitan Chambers of Commerce and Industries, and the 'Asia Responsible Entrepreneurship Award' in 2018.



Water collection from Probaho plant

- Increasing economic benefits
- Enhancing security because of lighted areas
- Empowering women as they take part in income generating activities
- Bringing positive impacts on education
- Improving livelihoods



**2,590**  
Solar Home Systems

# IMPACT STUDY (SURVEY) ON CSR ACTIVITIES

The Management conducted an Impact Study (survey) on its CSR activities through Nielsen Company (Bangladesh) Limited, a leading global research organisation, to ascertain the socio-economic impacts on stakeholders from the CSR initiatives extended so far by the Company. The impact study focused on economic development, environmental sustainability and prospects of these three CSR activities of BAT Bangladesh. In order to find out the outcome of this study, household survey and face to face interview were conducted alongside validation workshops.

Professor ASM Amanullah, Department of Sociology, University of Dhaka, the Technical Consultant shared details of his study and outcomes of the study to the Company. The summary of the outcome are as follows:



## IMPACT OF BONAYAN

800 people were part of this study where 400 people (intervention area) received saplings while 400 people (control area) did not receive saplings.

### Economic

Revenue growth, job opportunities and direct/ indirect business investment increased significantly in intervention area while there was no change in control area. Financial benefit was also significant in intervention area in comparison with control area.

### Ecological

With the increased number of trees, balancing environment and intensive farming, ecological improvement has been seen in 97% intervention areas.

### Behavioural

The Bonayan program has inspired a significant number of people to plant trees for various reasons, including earning money, saving the environment and growing forests.

### Community Lives

The lives of the members of the rural community were greatly benefitted by the program. The increasing number of trees resulted in greener environment, more fruits and increased awareness, while roadside plantation can stabilize the roads by holding the soil i.e. by reducing soil erosion & can protect lives by preventing sliding vehicles to go off-road. Also provide shade to the pedestrians .



## IMPACT OF PROBAHO

800 people were part of this research where 400 people (intervention area) received water supply while 400 people (control area) did not receive water supply.

### Knowledge

Safe drinking water is now available for use. Moreover, now they have the knowledge that safe water has to be germ free and arsenic free.

### Practice

More people are keeping their water source clean and are concerned about hygiene than before.

### Efficiency

Overwhelming proportion of intervention people reportedly spend more time on other tasks with lesser waiting time. Earlier, women had to walk a long distance to collect water but now they can collect safe drinking water from the nearby Probaho plant as and when required.

### Awareness

People are now aware of the health risks arsenic poses in human bodies. They are also concerned about whether the tube wells are tested or not for arsenic contamination.

### Health

Waterborne diseases have reduced significantly after installations of Probaho plants.

### Economic Condition

After 2010, around 60% people spent very little or no money on health hazards.



## IMPACT OF DEEPTO

500 people were part of this study where 250 people (intervention area) received Solar Home Systems while 250 people (control area) did not receive Solar Home Systems.

### Electricity

The community people received 100% electricity supply while there was no electricity in those areas before. As a result, the rural people got access to light and they could study and cook at night. This also allowed them to work faster and work for longer hours.

### Income

After 2012, when the solar home system was installed, people from intervention area experienced less expenses compared to control areas. In intervention areas, people's income increased up to 42%.

### Education

Post 2012, children in surveyed areas have been getting access to light at night to study due to solar power.

### Women Empowerment

Besides regular household chores, women can do handicrafts, weaving blanket, threshing paddy etc. with the help of electricity and they feel that their productivity has increased.

### Standard of Living

After 2012, financial capability of the people in intervention areas increased and around 37% people bought new assets. Moreover, 92% of the people were reported of being more connected via cell phone.

# ALIGNMENT WITH THE SDGS

*At BATB, we have always believed in giving back to the communities we operate in. As the first multinational and amongst the largest consumer companies in Bangladesh, we have relentlessly focused and channelled our resources and manpower to execute our social responsibility agenda ●*

As one of the first multinational organisation that is focused on creating a sustainable and sustained community impact, we have aligned our social activities with Bangladesh Government’s commitment to achieving the UN SDGs.

Today, our three major CSR programs – Bonayan, Deepto and Probaho – have been well-accepted within their own micro-communities, catering to local requirements and creating a deep positive impact. Our programs impact 11 of the 17 SDGs, as illustrated below.

 <p><b>~1.3 Million Retailers</b> <b>38,000 Farmers</b></p>	 <p><b>CSR Beneficiaries</b> <b>Easier Access to Education</b></p>	 <p><b>Most Female Friendly</b> organisation at Women Leadership Summit, an initiative of Bangladesh Brand Forum</p>
 <p><b>450,000 liters of safe drinking water</b> <b>220,000 beneficiaries everyday</b></p>	 <p><b>In-house-generated solar power</b> <b>2590 Solar Home Units</b> <b>13000 Beneficiaries</b></p>	 <p><b>Top Employer 2020 and 2019</b> <b>also 2018 Dream Employer</b> to work for in 2018</p>
 <p><b>Highest Taxpayer</b> in 2019 and 2018</p>	 <p><b>Pioneers of CSR in the country</b> <b>Bondhusheba- Connecting registered farmers with Good Agricultural Practices</b></p>	 <p><b>98% Waste Recycled</b> in the factory</p>
 <p><b>~2400 Tonnes Carbon Emission</b> <b>Reduction in the factory</b></p>	 <p><b>105 million free saplings in 40 Years.</b> <b>Recognised as a ‘Green Leader’</b></p>	 <p><b>Battle of Minds – Prestigious Talent</b> <b>Recruitment platform in collaboration</b> with the Government</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

## Realising sustainability potential through shared value

BATB is committed to being an ethical and responsible corporate citizen with a focused and dedicated approach to achieving ESG

sustainability. This focus therefore forms a crucial part of our daily operations, even as we actively manage the trade-offs between economic viability and social, environmental and governance responsibility. This forms the heart of our ESG practice.

BATB's ESG approach is aligned to its business strategy. Our ESG goals support our strategic business themes. The following illustration provides a summary of our ESG sustainability goals and supporting objectives, as well as our sustainability enablers:



**Environmental**

BATB recognises the pressure on global natural resources. As natural capital is a key focus area of our business model, we actively and responsibly manage our natural resources to ensure the long-term sustainability of the environment. Notably, our water and solid waste management programs are top-notch and express our emphasis on responsible resource consumption and management.

We also address our environmental sustainability initiatives through our three major programs:

- Bonayan:** This globally-recognised afforestation initiative best manifests the reconciliation of economic pursuits with environmental considerations. Today, we are looking to expanding the scope of Bonayan as a key reforestation enabler too, especially for greening and beautification around major infrastructure projects
- Probaho:** Already benefitting a large number of communities across rural areas, our priority is to now extend the impact of Probaho to pressured and dense urban areas by providing

safe and contaminant-free drinking water

- Deepto:** Anchored on sustainable electrification through solar energy, Deepto has brought electricity for the first time ever to many remote communities living in the Chittagong hill tracts. We are now planning to deepen the impact of Deepto by taking solar electricity to agri-communities, hence enabling the possibility of delivering low-cost, clean and dependable energy as a key farm input



## Social

High-performance teams enable BATB to deliver on its vision and strategy. In order to support this performance, growth and development of our employees is crucial. Our investments in human capital development contributed to the creation of a more agile and better skilled workforce, larger pools of potential candidates and an improved understanding of the associated behaviours needed for success and performance excellence among our employees.

BATB is a business with a strong Bangladeshi heritage and base and believes in realising the country's latent potential. We understand the importance of embedding a culture of transformation and are committed to ensuring that employment demographics reflect the society within which we operate. This not only creates shared value for the business, but also supports the government's employment agenda.

BATB also contributes to social, economic and cultural transformation through its community empowerment projects. This enables us to support the sustainable development goals, specifically with

regards to focusing on responsible agri transformation.

As one of the largest consumer companies in Bangladesh, BATB deeply values the trust of its consumers. In the interest of public health, the Company also advocates stringent governmental enforcement against illicit tobacco products that have untrustworthy quality standards and integrity. Our innovation focus is also aligned to the Company's social agenda to support the principles of responsible choice and consumption among our adult consumers.



## Governance

Good corporate governance ensures that practices and processes support BATB's commitment to excellence and responsible corporate citizenship. Therefore, sound governance principles are embedded in all aspects of our business.

The effective management of social and environmental risks can create shared value, which includes improved business performance through cost savings and higher efficiency. Similarly, social and environmental opportunities could lead to growth through innovative product

development and accessing new markets. BATB manages these opportunities and risks through its robust governance structures and by setting performance targets for selected sustainability KPIs.

We directly and indirectly affect a wide range of stakeholder groups through our business activities. To ensure that we address stakeholders' needs, interests and expectations, we are committed to adopting a stakeholder-inclusive approach in the execution of our governance role and responsibilities, as recommended by BSEC regulations. BATB embraces a structured stakeholder engagement process, and has identified communication as a critical enabler in achieving its sustainability goals.

We believe that sustainability is about ensuring long-term business success, while contributing to economic and social development, a healthy environment and a stable society. The need for businesses to address all three has been well-encapsulated in the concept of the 'triple bottom-line'. BATB is cognisant of this reality and considers the trade-offs between the six capitals in its efforts to achieve its ESG sustainability goals, firmly anchored on its supporting objectives.



# FARMERS' SUSTAINABILITY

*At BATB, as part of our commitment to sustainability, we focus on creating a positive ecological impact, and this is best manifested in our partnership with our contract tobacco growers* ●



We have a proud legacy of partnering with our contract tobacco growers and have been contributing to their socio-economic progress by offering sustainable agricultural solutions. Improving soil fertility, conserving water, combating environmental pollution and ensuring health and safety are some of the integral elements of how we foster good agricultural practices.

To ensure success of farmers in all aspects of farming, we have undertaken a number of initiatives to inform them about various environment-friendly sustainable agricultural technique and have also developed skill-based training programmes for their application.

## Environmental sustainability

### Green manuring

One of our key agricultural sustainability initiatives include green manuring with Dhaincha (*Sesbania aculeata*), which represents an effective approach to enrich soil health and fertility in a bio-friendly manner. Till date, we have distributed 2,985 MT of Dhaincha seeds among our registered farmers.



*Green manuring through dhaincha cultivation by farmers to enrich soil fertility*

### Biodiversity

We acknowledge the importance and impact of biodiversity to maintain the balance of our ecosystems. We have established 94 biodiversity corners with the help of our contracted farmers. These biodiversity corners comprise medicinal species which includes some rare species. Farming communities are using these medicinal species as herbal medicine and helping for ecological conservation.



*Biodiversity Corner with different medicinal species*

### Integrated Pest Management (IPM)

The company has been expanding Integrated Pest Management Clubs (IPM Clubs) in tobacco growing areas taking guidance & support from the Department of Agricultural Extension (DAE) of the Government of Bangladesh to educate farmers on implementing chemical alternative biological approaches for controlling pests & diseases of crops.



*IPM Club for farmers training on IPM through FFS (Farmers Field School)*

## Surokkha

Improper disposal of CPA (Crop Protection Agent) empty containers & packets is proven to have an adverse negative impact on living beings, water bodies, air and on soil fertility. To minimise the effects from such acts, BATB has initiated a project with the broad concept of 'Empty CPA Container Safe Disposal Programme – Surokkha' in 2018 by designing a well-structured disposal technique of empty CPA containers used by farm communities. The Surokkha programme was launched as a pilot in six extension centers of Kushtia covering 651 farmers. The Director, Department of Environment, Government of Bangladesh inaugurated the launch event in the presence of Officials from the Department of Agricultural Extension (DAE), Bangladesh Crop Protection Association (BCPA) and pesticide company. Farmers were provided with waste bins to collect empty CPA containers and with the support from a third-party vendor, the Wastes were collected in three phases of crop cycle from different pre-communicated collection points. Farmers received a monetary reward in return which encouraged them to preserve & handover the wastes and helped them to enhance their farm income.



*Surokkha Project: Agrochemicals waste collection from farmers*

## River protection campaign

We strive to achieve excellence in every aspect to comply with the Sustainable Tobacco Program (STP) guidelines. In order to protect water sources and our environment, it is important to ensure that no source of water is contaminated by agrochemical applications. Though tobacco is grown in dry/winter season, BATB has taken a step for river protection to ensure that farmers cultivate tobacco at least 50 feet away from the water level of rivers. Compliance with this campaign reduces the risk of contamination of water bodies by agrochemicals. As a preventive measure, farmers are encouraged to cultivate alternative crops like French beans, long-yard beans, groundnuts, pumpkins, watermelons, etc., instead of tobacco, near the riverbanks. In the year 2019, BATB distributed 2,180 kg seeds of these winter crops to farmers free of cost and has closely monitored the overall campaign as well. This will not only ensure compliance but also enhance the income levels of farmers. Through this timely initiative, BATB plays a vital role in protecting the environment by safeguarding water bodies as well as by ensuring farm sustainability.

## Carbon Footprint

Company contracted farmers produce two types of tobacco viz FCV (Flue Cured Virginia) & ACB (Air Cured Burley). For FCV tobacco, which is around 60% of total tobacco in Bangladesh, needs flue or heat for curing (drying tobacco leaf moisture) through a systematic process. However, choosing an environment-friendly curing fuel has been one of the most challenging agendas for BATB. A



*Alternative fuel through Dhaincha stick*

continuous drive to developing an innovative environment-friendly approach resulted in a good solution. After many trials and errors, the leaf team invented briquetting technology from tobacco waste. Today, briquettes are produced commercially by our vendors and delivered at the doorstep of our farmers at a marginal cost. Beneficiaries have had a good experience of using briquettes as alternate fuel as it saves both time and labour.

Through this innovation, we are ensuring not just tobacco waste recycling, but also generating beneficial financial outcomes, while reducing landfill waste as well. Also, almost 6% of the curing fuel has been replaced by using briquettes.

Apart from the tobacco waste briquette, BATB continuously promotes other alternative fuels for curing, such as waste paper briquette, rice-husk briquette, jute stick, Dhaincha stick, maize & tobacco stalk, sugarcane bagasse etc..

Our focus on innovation for reducing our carbon footprint is not limited to commercialising briquettes alone, but also in improving barn (curing house) design. Today, most barns are designed in a more efficient way, such as the 'rocket barn' that optimises functionality and lessens the carbon footprint. Further, afforestation activities by across farm communities under BATB's Bonayan programme has been one of the most remarkable and effective initiatives to protect the environment and create a greener Bangladesh.



*Rocket Barn (with 15 - 20 % fuel saving efficiency)*

## Empowerment

### Short duration crops

One of the major initiatives we have undertaken is to popularize short duration crops like paddy, vegetables, tobacco etc. to farmers through benefits demonstration and free of cost seed distribution. Through this initiative, BATB plays a significant role in the socio-economic development of the country, while also contributing towards zero hunger.



Short Duration Aman Rice seed distribution

## Integrated Farm Management Component (IFMC)

### Mushroom cultivation

Another breakthrough initiative to uplift farm income in 2019 was the utilisation of a curing barn for mushroom cultivation. After using the curing barns for 1-2 months during tobacco season the barns are mostly kept idle for the rest of the months of a year. With this initiative farmers can increase their barn utilisation to 75%, while can add additional income with little effort from farm women.



Mushroom just before harvesting

## Innovation

### Farmers Sustainability Management (FSM)

In order to ensure compliance with all aspects of farm sustainability, farm monitoring and data collection have been a common practice for long. BATB has digitalised the old practice of manual data management and launched an application named 'Farmer's Sustainability Management (FSM)' to provide an efficient solution for farm monitoring and management. The app was successfully launched in Bangladesh in 2018.



Field Technician is collecting farm data by using "Farmers Sustainability Management" App

### Bondhusheba

Leveraging advanced technology, BATB has introduced 'Bondhusheba', a web-based messaging platform to support farm communities. This platform enhances farmer outreach, enabling us to provide the required information regarding weather, good agricultural practices (GAP), preventing child labor, ensuring children schooling, protecting health & safety of farm people, ensuring workers' human rights in the farm, crop planning, etc. through SMS.



Bandhusheba, SMS based communication platform for farmers

### Shikor

Taking sustainability to a new height, BATB initiated the first-of-its-kind project called 'Shikor', a farmer community club and training facility aimed to improve the livelihood of the farm community. The objective of 'Shikor' is to provide skill development, enhance farm productivity and household income, while creating a community voice. We are aiming towards supporting the SDG initiatives as well.



'Shikor', a farmer community club and training facility center



**PROBAHO**

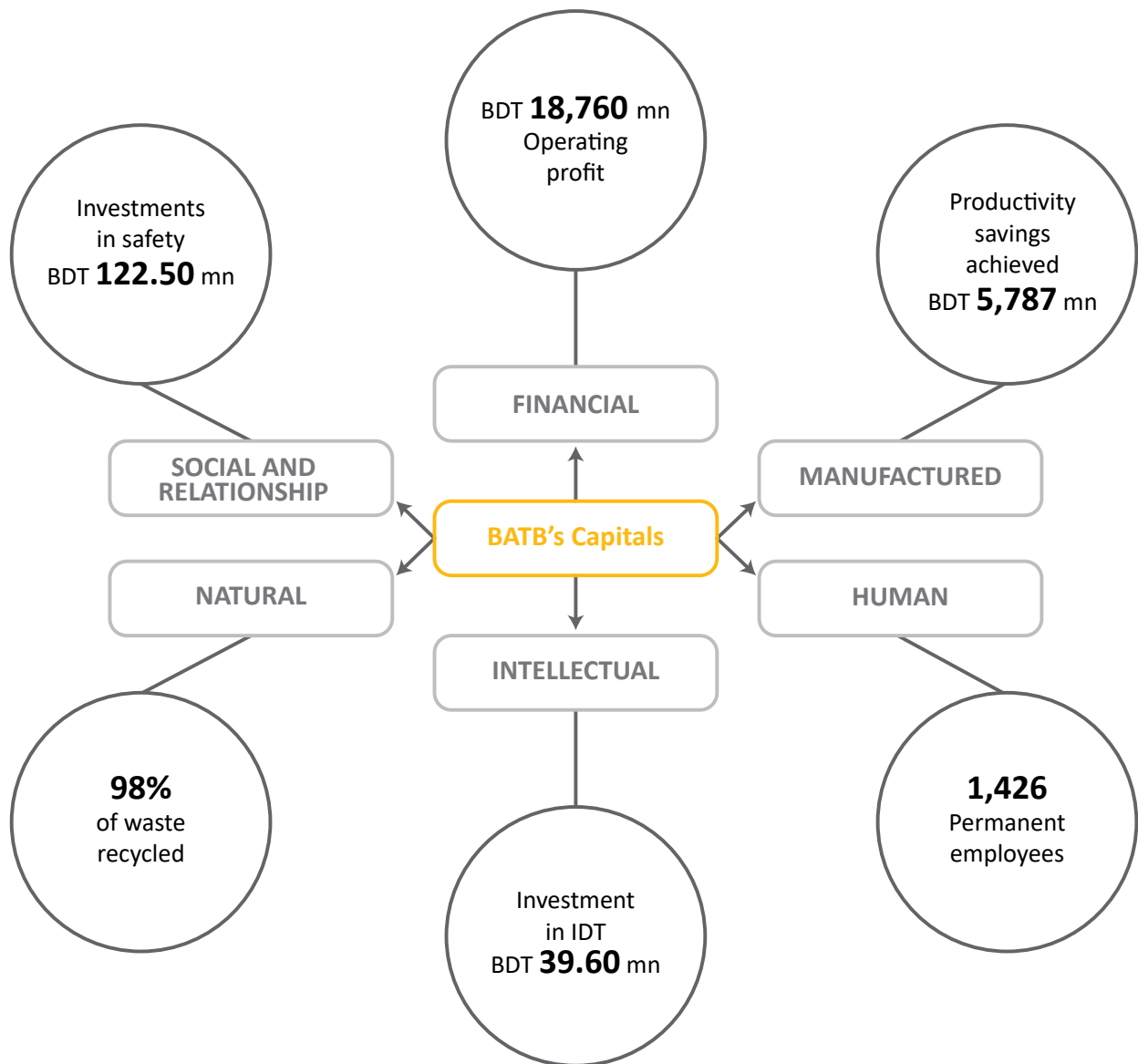
**98.7%**

of people directly drink this purified water.  
This implies that people collecting water from  
Probaho trust their source of water as a safe source.

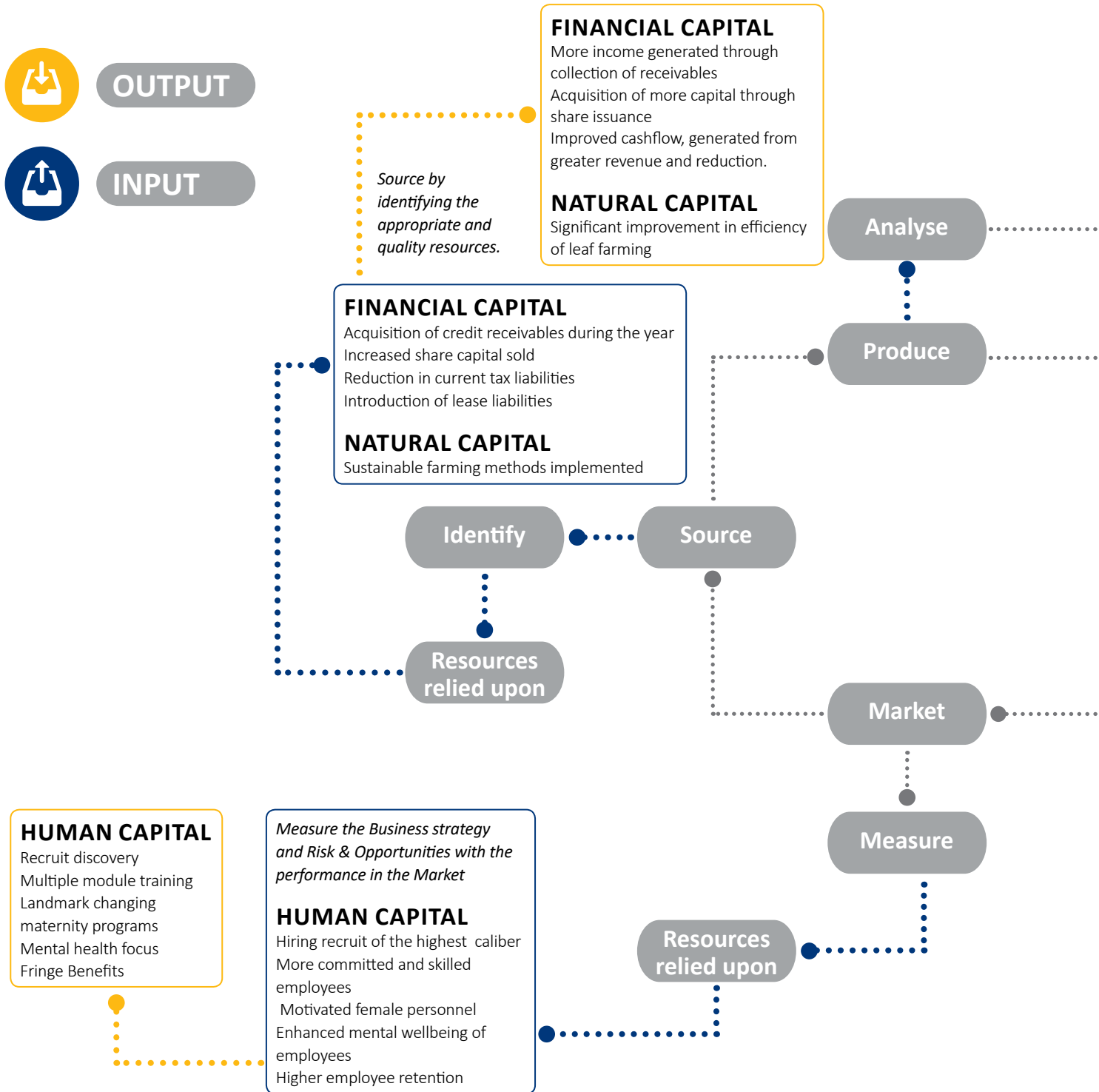
# INTEGRATED REPORTING

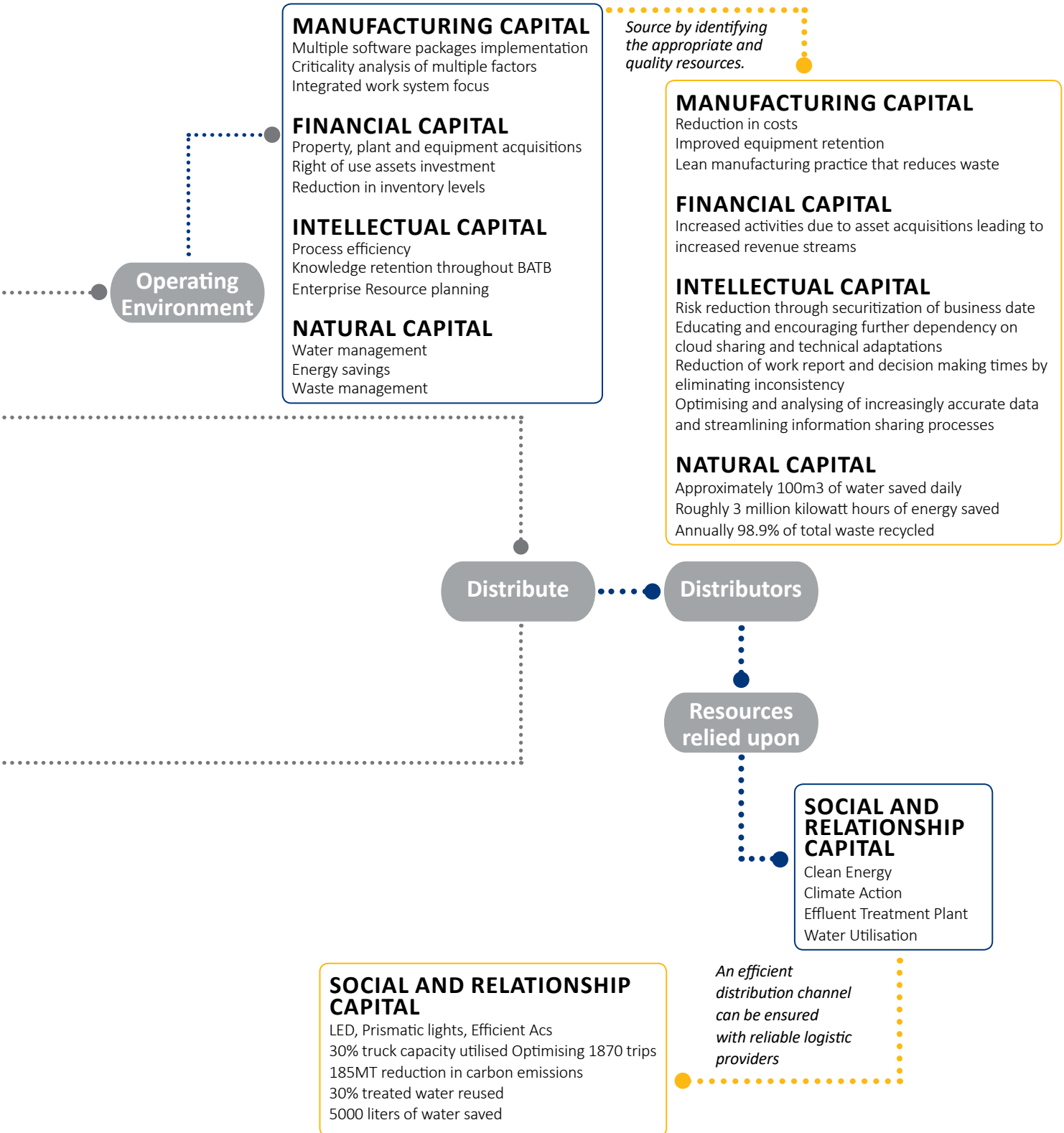
At BATB, we use our six stocks of capital- Human, Manufactured, Natural, Intellectual, Social & Relationship and Financial- to create value for our stakeholders. We rely on the capitals as stores of value and manage these with a long-term lens and due consideration of shifting consumer patterns, expectations of our shareholders and stakeholders, climate change impacts and agricultural cycles, among others.

## Creating value through our capitals



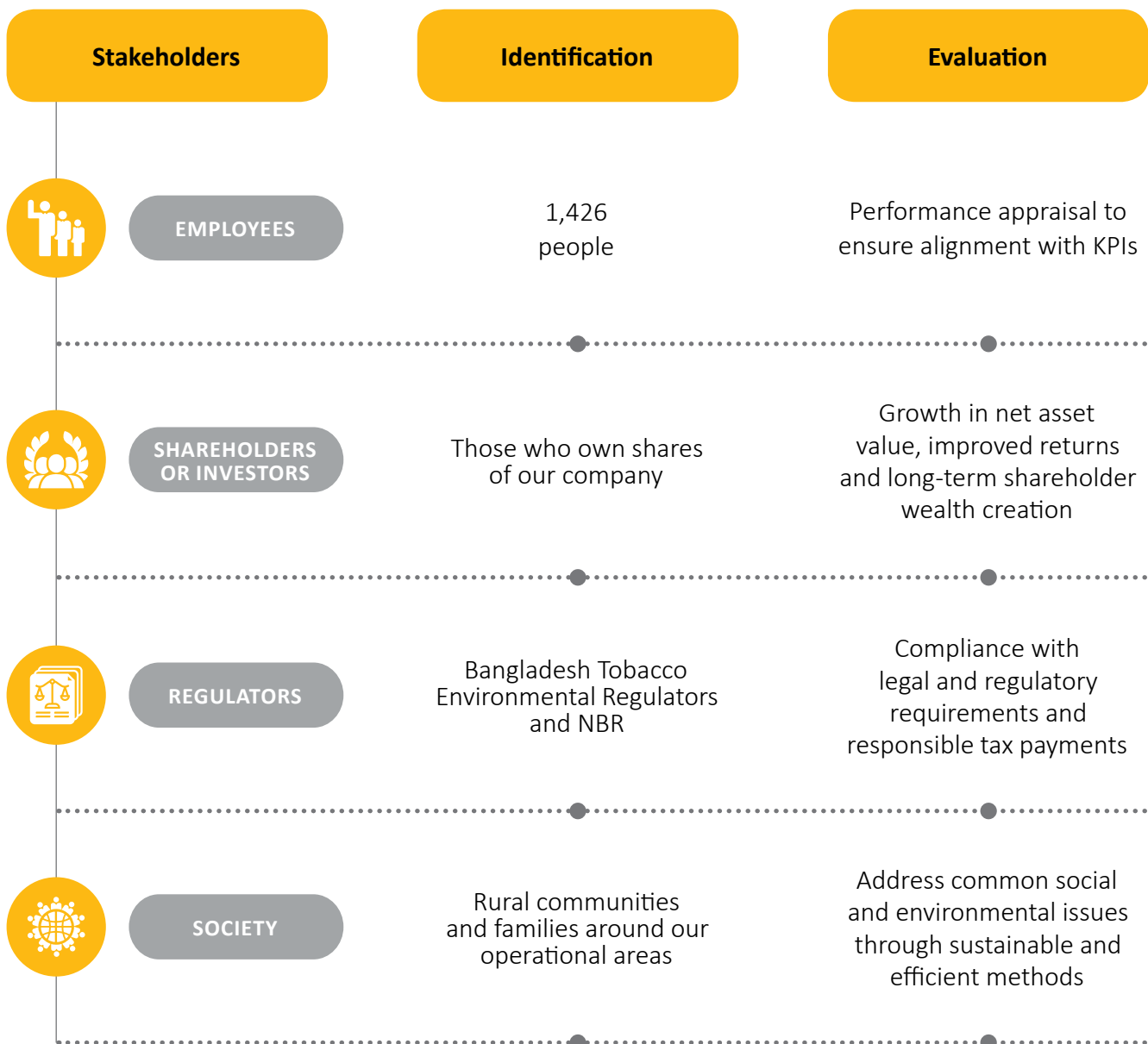
# OUR VALUE CREATION PROCESS





# STAKEHOLDER ENGAGEMENT FRAMEWORK

Through our stakeholder engagement, we have identified material issues and risks that could impact our stakeholders. These issues and risks were identified during our engagement with our stakeholders ●





Planning and design	Implementation	Engagement	Frequency of engagement
Employment creation, retention and development	Recruitment activities, functional and leadership training	Employees providing feedback and suggestions to the management	Continually as well as on need basis
Dividend and long-term thinking to take decisions that best impact shareholders and stakeholders	Ensuring the highest standards of governance in order to protect shareholder value creation	Annual Report and Annual General Meeting	Annually
Sustainable work environment and meaningful tax contributions	Providing necessary material information	Audit and regulatory meetings held to ensure compliance	Annually and on need basis
CSR activities, including sustainable tobacco farming and other applicable awareness creation	Depto, Bonayan and Probaho programs initiated in order to create sustainable grassroots impact	Investing for a sustainable society through expanding access to best practices in agriculture	Multiple times throughout the year, as well as on demand

# HUMAN CAPITAL



*“In the process of building BATB, we have introduced and implemented several far-reaching initiatives to support and develop our people, their skills and the systems to support them. Our people are fundamental to the Company’s growth and long-term value creation plans, and we are proud to provide a workplace where they are inspired to be the best they can be.”*

**Mr. Saad Jashim**, Head of Human Resources

At BATB, our primary objective is to take the personal goals of our employees and align them with the strategic objectives of the Company, recognising every person’s contribution in our journey towards collective excellence. This we do through our multifaceted employee alignment focus areas that include their wellbeing, development, engagement and compensation.

MANAGERIAL  
TRAINING  
PROVIDED

**304**  
hours, 2019

MANAGERIAL  
TRAINING SPEND

BDT **21.2**  
mn, 2019

PEOPLE  
HIRED

**77**  
2019

PROMOTION

**85**  
2019

NO. OF  
MANAGERIAL  
TRAINING SESSIONS  
CONDUCTED

**14**  
2019

INTERNATIONAL  
ASSIGNMENTS  
(LONG TERM & SHORT  
TERM)

**13**  
2019

## Overview

At BATB, we consider talent development as a strategic advantage in creating differentiation in a competitive market. Further, our talent development initiatives advance our employer branding propositions, thus enabling us to attract high-quality talent, which is in itself a key differentiating factor at our organisation.

A team of motivated, committed, loyal and multi-talented employees represent our principal asset. Our ability to attract and retain such talent is to the credit of our robust human resource development

platforms, endorsed by our company emerging as the first and only ‘Top Employer’ of Bangladesh, as certified by the Top Employer Institute.

To ensure long-term sustainability, BATB emphasises on skill and merit-based recruitment and selection, and offers highly competitive remuneration package, career growth and succession planning and an inspiring and challenging workplace atmosphere, where employees are able to identify challenges and receive constructive feedback.

At BATB, we consider employee engagement to be a prime tool for us to

ensure that our co-workers operate in a collaborative, harmonious and congruent way in achieving our goals and objectives. One of the key ways in which we foster engagement is through promoting communication amongst employees from the bottom-up, while providing an environment conducive to multi-disciplinary problem-solving and decision-making. Further, our training programs also take into cognisance such facets as addressing the importance of teamwork, connectivity to the core business, accountability, empowerment and productivity, that together go a long way in ensuring holistic employee development.



Performance-driven and rewarding work culture



Exposure to robust training and continuous learning



Employees treated with respect and dignity

## HUMAN CAPITAL

At BATB, we recognise our human capital as a fundamental part of our business sustainability and growth agenda. We promote a safe and conducive workplace environment, which leads to higher levels of productivity. We recognise that in order to retain market leadership, hiring, retention and training of talented employees is a continuous process

### Attracting and nurturing the best talent

BATB believes that its uniqueness and strengths originate from the emphasis it places on the quality of its people. We invest substantially in developing our resources to provide them with market-related skills and to ensure that we run our business efficiently and cost-effectively with our stakeholders' interests in mind.

One of BATB's primary objectives is to attract and employ the brightest and the best in the country. Through multiple initiatives, programs and seminars, the Company has been able to create an outreach that extends to the brightest minds who have, over the years, stewarded our enterprise to achieve many remarkable milestones.

What sparked-off as an initiative to explore the kind of talent that exists in Bangladesh has today blossomed into a robust talent platform that engages the brightest minds in a competitive and amiable atmosphere, thus bringing out the best in them.

### XCEED Campus Ambassador program

XCEED Campus Ambassador program is a platform that facilitates engagement and progressive development of students from the top institutes of the country. The program focuses on maintaining ongoing relationship with universities who help us in the planning and implementation of various grooming and skills development sessions for promising youth who are primarily 2nd and 3rd year students.

BATB initiated the year-long program from July 2019, and our first batch of 'ambassadors' include a diverse group of 16 individuals from 14 universities across Bangladesh. XCEED ambassadors are not only empowered as the talent brand ambassadors across their respective campuses, but also undergo various coaching sessions, comprising presentation and communication, interview and resume writing, basics in MS Excel, etc., which further supports them in their skill development journey.

### Campus engagement

In 2019, BATB attended career fairs in multiple renowned universities, where we interacted with 3,000+ students, sharing knowledge and insights on our career opportunities. Further, we also regularly attend skill development workshops and classroom sessions at top-ranked universities in Bangladesh to foster awareness among students regarding their careers, covering such interesting and relatable topics as marketing communications, resume-building, etc.

### XCELERATE Internship program

Our XCELERATE Internship program is a 3-month long internship platform through which we welcome young talented individuals into the organisation to give them exposure to practical and unique experiences of working in a dynamic global organisation. Through XCELERATE, we aim to nurture youth talent by providing them exposure to diverse work environments, enabling them to gather precious experience and practical insights.

A career at BATB offers an employment opportunity to fast-track professional growth and, eventually, to a better social standing. We constantly strive to identify and define the intangible characteristics that contribute to our unique culture and aim to reinforce these in our everyday life. We want our employees to have a clear vision for the business and to foster enthusiasm in our continuous drive towards excellence.

### Global Graduate Program

At BATB, we believe in developing talent from within, early on. The organisation prioritises succession planning, drawn from its own talent pool. This intent is an encouragement to our co-workers to move out of their comfort zone and take up the challenge to eventually become a part of the Company's future leadership team through our Global Graduate Program.

The primary aim of this program is to help fast-track talent from within to leadership positions, thus strengthening the organisation's leadership pipeline. Notably, through this initiative, BATB has nurtured a robust talent pipeline among employees who joined through the programme and have today progressed into senior and leadership-level positions within Bangladesh and across the BAT Group.

Since 2016, BATB has hired 31 Global Graduates across marketing, HR, finance and operations functions. Through the 18-month program, participants are prepared such that in the future, they can face any challenge with courage, confidence and poise. Further, applying

active learning methods, this program helps produce a pool of skilled managers who are future-ready to seamlessly and quickly make a real contribution to the organisation.

### NextGear

The NextGear Induction program is a week-long on-boarding program designed for new recruits joining the BATB family. Through this initiative, we aim to provide new members an improved induction experience, while also assisting them

to get a better understanding of BATB, familiarising them our rich legacy, our unique culture and our integrated business model.

### Parents@BAT

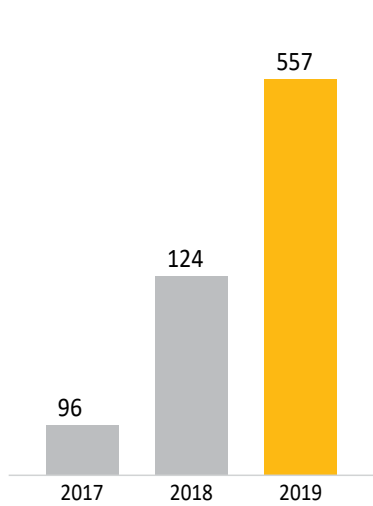
Parents@BAT is a landmark initiative launched in 2019 with the vision of revolutionising people practices across industries in the country, thus steering towards a new chapter of embracing diversity by women to come forward and take up important positions of leadership.

### Shopfloor training

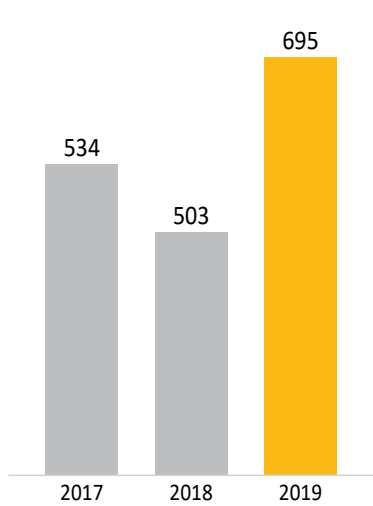
BATB's well-equipped Training Centre determines the skill development plans for our shopfloor staff. This centre specialises in nurturing capabilities of subject matter experts and frontline technicians across existing and new technologies by exposing them to overseas training. The center also collaborates with OEMs by organising training sessions to impart both theoretical as well as practical (technical) knowledge.

<p><b>35,845</b></p> <p><i>Person-hours of classroom and on-the-job training provided to shopfloor staff in 2019</i></p>	<p><b>557</b></p> <p><i>Shopfloor training sessions organised at the Dhaka factory 2019</i></p>	<p><b>29,098</b></p> <p><i>Person-hours of training imparted by BATB's Training Centre in 2019, covering both shopfloor and management staff</i></p>
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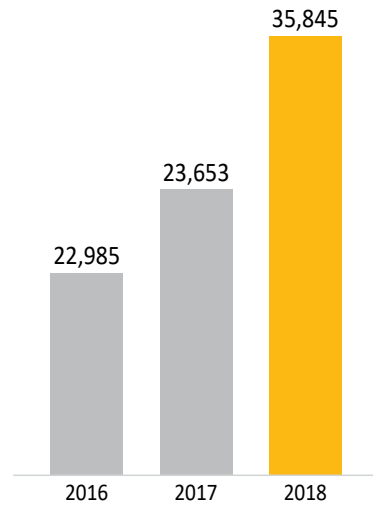
No. of Training Sessions Organised



Participants



Total Training Hours



### Benefits at BATB

- Compensation and benefits:** BATB recognises the need for remuneration policies to be competitive, and these have been designed to correspond to individual qualifications, skills, performance, contribution and responsibility, ensuring a real differentiating factor among other companies.

- Comprehensive performance management program:** BATB has a comprehensive performance management program that evaluates employees' annual performance against business targets at the end of each year. Such a performance appraisal system is vital for the Company as it is a significant tool to identify performers and provide opportunity for under-

- performers to course-correct and improve.
- Maternity policy:** BATB helps employees manage their family and work life during the exciting and demanding first-year of parenthood. Through this launch, we are proud to extend our legacy of pioneering people-centric policies in the country, especially those

catering to the changing needs of our talented women at work. This policy enables working mothers at our Company to avail of six-months of fully-paid maternity leave with a return to work guarantee and even flexible work opportunity in the form of fortnightly day-off. Additionally, mothers in geographically-dispersed roles and continuous shift operations can access three additional months of unpaid and optional leave. These policies go above and beyond the Bangladesh labour laws. The benefits also extend to parents who adopt children (primary caregiver only), representing yet another landmark initiative showcasing the progressive human resource policies of the Company in enabling all new mothers to pursue their ambition of remaining engaged in commercially critical roles in business, while also providing adequate support to their families back home.

- Rewards and recognition:**  
 BATB has a well-designed rewards and recognition program that give special attention to employees’ actions, efforts, behaviours and performance. Our performance appraisal process enables us to emphasise on the growth of our employees, as well as identify their learning and career development needs. Annual incentive schemes reward commendable short-term business results. They represent a reward for the collective achievement of pre-defined objectives to which each individual has made a contribution.

**Key benefits:**

- House rent advance policy
- Tool of trade vehicle policy
- Car policy for senior managers
- Retirals policy
- Recognition policy
- Outstation allowances
- Group life and accidental insurance
- Medical benefits
- Canteen benefits
- Dispensary benefits
- Shift allowance

- Motorcycle loans for unionised employees
- Education assistance policy
- Maternity and adoption leave benefits

**Extended tenure and retirement benefits:**

The Company recognises the importance of employees who have contributed 25-years of service, including those who retired from the organisation, and felicitates them through long service awards at the end of their tenure with the company.

**Bonding through our alumni association**

In a unique bonding and engagement initiative, the X-BAT Alumni Association represents an umbrella platform comprising ex-BATB employees who automatically become a part of this network. A reunion is organised on a bi-annual basis for the members who bond over nostalgia and fun, while also being able to catch-up with each other. Notably, some of our ex-BATB employees hold senior positions in other organisations, reflecting how talent nurtured at BATB is beneficial for corporate Bangladesh.

**Our human capital matrix**

Challenges	Resolutions
Focusing on performance-based training	Providing necessary training in order to meet performance gaps
Incorporating training activities that adhere to our values	Developing a culture of continuous learning through knowledge-sharing, mentoring and coaching
Implementing tech-based performance appraisal	Investing in systems that enable continuous appraisal of employee performance
Continuous advancement in technology and employees being misaligned with these changes	Ensuring updated software, increasing automation and continually training users on functions and features of new technologies

**BATB is a Top Employer!**

BATB is the only company in Bangladesh to have received the prestigious honour of being the ‘Top Employer’, awarded by the Top Employer Institute. Continuing our legacy of delivering excellence in human resources, we have been evaluated across the following key categories:

- Workplace culture
- Talent strategy
- Workforce planning
- Talent acquisition
- On-boarding
- Learning and development
- Performance management
- Leadership development
- Career and succession management
- Compensation and benefits

**Outlook**

At BATB, we have planned to undertake several HR-centric initiatives in 2020. Some of these include the following:

- Identifying talent and nurturing it through role-based training and development and in alignment with the group’s values and objectives
- Implementing continuous appraisal systems that recognise employee performance and achievements
- Improving further on our gender diversity agenda
- Encouraging employee feedback, while also initiating a bottom-up suggestion scheme
- Training employees to be more self-sufficient
- Introducing advanced technologies and providing training and motivation to employees to lean on digitally-enabled platforms to improve customer service and sustainability

## Our talent in global arena

At BATB, we are proud of our organisational culture that seeks to embrace best-in-class human resource development practices. Further, comprising a core part of our training and skills development initiatives, we have been able to successfully pass on our expertise and know-how to our human resources, with the result that they have emerged as specialists within their respective domains.

Transference of knowledge and sharing our insights freely with other worldwide BAT group companies has become an intrinsic reflection of the quality of our

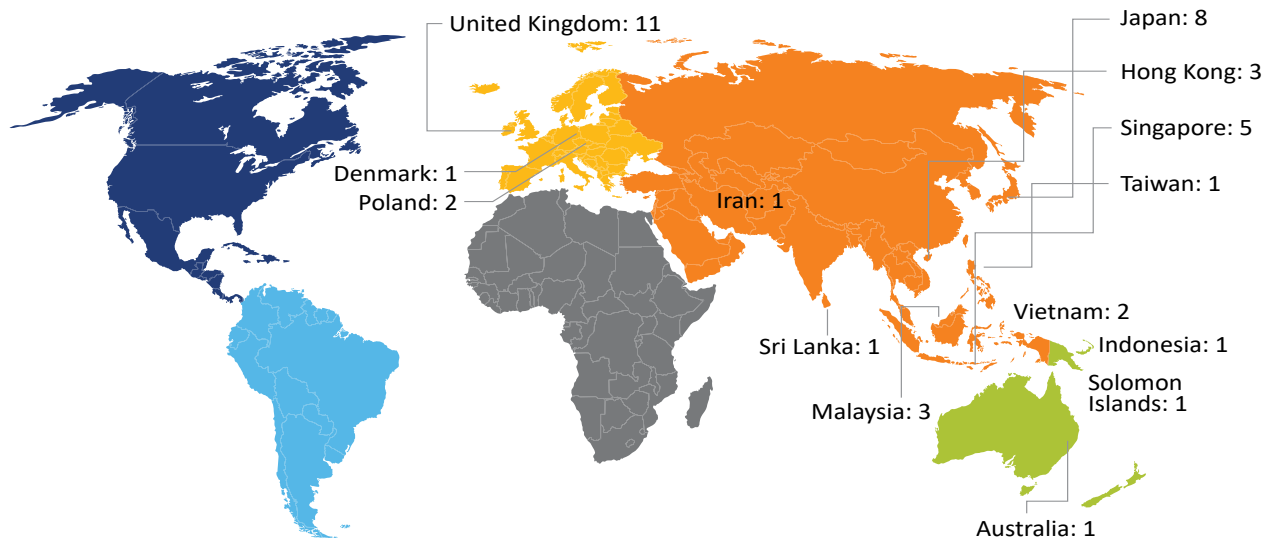
resources, while also representing the fact that we have come a full cycle – from inviting international peers to now sharing our own unique best practices with group companies diffused all over the world. This has made our transformation near complete, as our global BAT group peers are now making special requests for our talent to assist them in specific roles, tasks and objectives.

As a Company focused on achieving progress every day with a relentless emphasis on business excellence through global benchmarking, we also have four expatriates representing three nationalities working at our Company.

Further, we understand that there is strong merit in exposing our people resources to operational diversity, which enables them to inculcate both multidimensional insights and multifarious experiences which only contribute to their own progress and development.

At the close of the year 2019, as many as 41 employees of BATB represented the country internationally across various capacities within the BAT group. Further, almost 50% of our talent within the organisation are working in new roles, thus widening their breadth of experience and creating the platform for achieving fast-track career progress.

## BAT BD's globalised manpower footprint



**Expatriates currently working at BAT BD across different leading roles**

Host country	Expats
Turkey	2
Germany	1
Australia	1
Total	4

**Talent within the organisation working in new roles**

Actions	Nos.
Hires	77
Transfers	114
Promotions	85
Total	276

## Human resource accounting (HRA)

At BATB, human resource is treated as an asset, rather than an expense.

With this ideology, the Company has moved forward to ensure that the HR aspect of the business focuses on improving the standards and proficiency

of skills of employees, generating stronger return through the implementation of higher efficiency resource productivity initiatives.

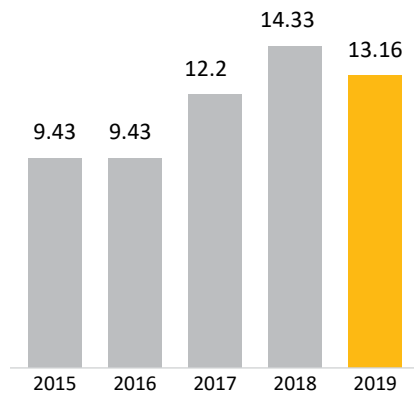
Treating HR as an asset allows BATB to focus on improving returns from investing

in human resources, rather than trying to reduce expenditure through such measures as downsizing, etc. In fact, HRA allows BATB to keep track of the investments the business is making in its human resources, and the specific returns it is generating from these investments.

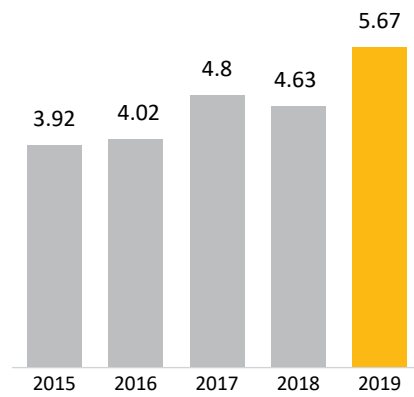
**Employee composition**

Category	No. of employees	%	Males	Females
Top management	7	0.50%	6	1
Senior employees	18	1.26%	16	2
Mid-level employees	204	14.30%	178	26
Junior and shopfloor employees	1,197	83.94%	1119	47
Total	1,426	100%	1319	76

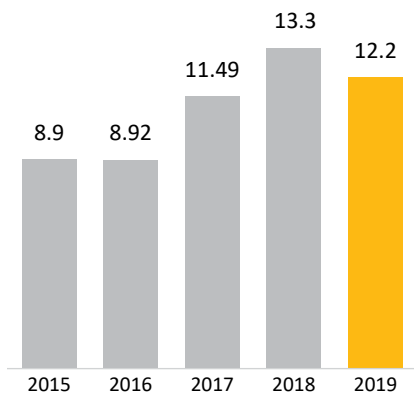
**Operating Income Per Employee**



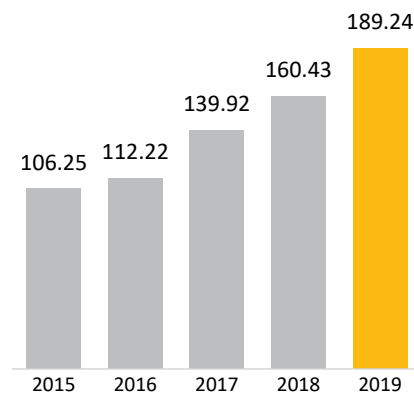
**Operating Cost Per Employee**



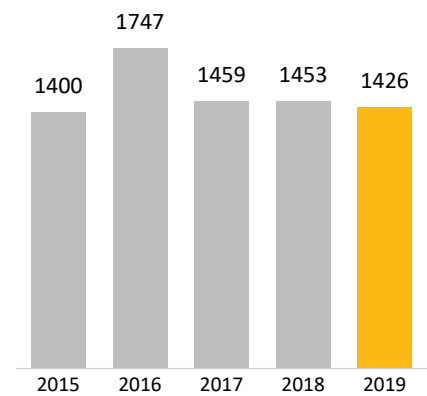
**Profit before tax per Employee**



**Gross turnover per Employee**



**Full-time Employees**



MTP Roll Out



Energy and Water Conservation Workshop

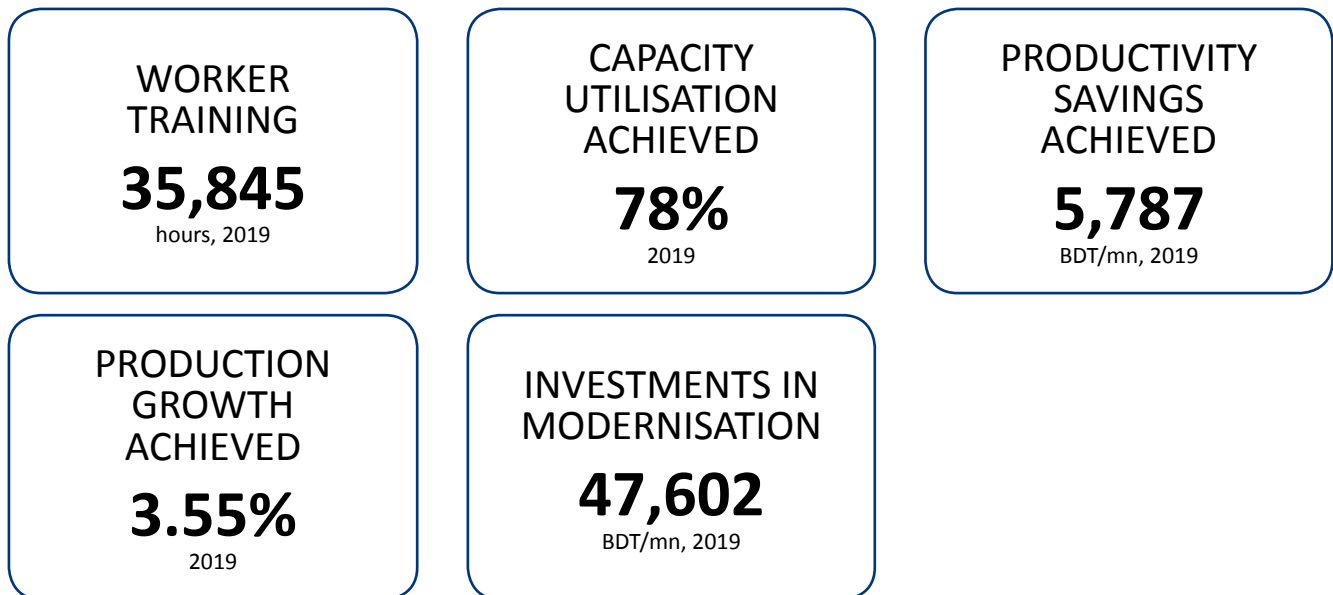
# MANUFACTURED CAPITAL

*“Infrastructure and equipment are essential in our international-standard tobacco processing activities, and logistics and transportation comprises a crucial component of our supply chain. Further, our IWS approach enables us to ensure benchmarked shop-floor productivity, while providing a safe and secure working environment to our people.”*

**Ilker Ogretir**, Head of Manufacturing



At BATB, we are focused on creating an environment conducive to facilitate us to meet the full potential of our operations. Towards this extent, we not only invest in state-of-the-art technology and machinery, but also devote initiatives in training to build skills and expertise.



## Overview

At BATB, our manufactured capital is represented by our production assets, machinery, equipment and plants that are utilised for achieving our production

goals and objectives. The management of these assets is a key business imperative and is considered an essential element in achieving manufacturing excellence and stable operational performance. At our Company, we are committed to investing in

new ways of working in our drive towards a more effective and integrated production control, which ensures a responsive supply chain, best-in-class cost efficiencies and continual shop-floor improvements.



Reinforcing our operational processes



Achieving optimal productivity levels with optimised cost



Strengthening worker safety and practices

## MANUFACTURING CAPITAL

At BATB, our manufacturing capital is crucial to the sustainability of our organisation. We invest significant financial capital in our operations, including machinery, spare parts and technology, while also focusing on bolstering our warehousing and supply chain capabilities. This facilitates value and supply chain capabilities, especially among our consumers.



**Our material aspects**

- Reinforce process quality
- Achieve all-round operational excellence
- Drive down costs

**Integrated Work System (IWS)**

We achieved further progress on our Integrated Work Systems (IWS) journey, keeping in view the long-term objective of transforming BATB’s manufacturing processes to maximise equipment efficiency.

Some of the core pillars of IWS include:

- Work process improvement
- Progressive maintenance
- Zero-loss mindset
- Education and training
- Focus on product quality
- Reduced wastages

Notably, IWS comprises 10 pillars and several criteria to eliminate inefficiencies. It is a global priority for the BAT group and we are among the few factories of the group in south Asia to be certified as IWS Phase-1, which was awarded to us in the august presence of the Global Head of Manufacturing and Global IWS Manager in November 2019.

At BATB, alignment with IWS pillars has ensured robust operational harmony, while promoting a culture of servant leadership, employee ownership and learn-do-teach methodology, where all employees work collaboratively on loss identification, prioritisation and loss elimination through effective decision-making and ownership. Our success in IWS was most visible in our ability to achieve 20ppt OEE (overall equipment effectiveness, a measure of machine efficiency) and 700% improvement in MTBF (mean time between failure) within a span of only four years, which eventually led to the esteemed status of ‘IWS Phase-1 Factory’ of the BAT group.

**Manufacturing training**

Our Technical Training Center (TTC) specialises in technical capacity-building for individuals directly associated with our manufacturing shop-floor. OEM Technical Training, organised by in-house subject matter experts and trainers jointly

partner with our HR and leadership team to conduct quality and EH&S trainings, including soft-skills training, to promote a high-performance culture with a mindset of achieving constant improvement.

Inspired by building component-level capability for IWS Phase-2 with progression of on-site Autonomous Maintenance Pillar, TTC has reviewed the traditional training system by redesigning it into task-based technical training approach, encapsulated in ‘EVERYDAY T-TRAINING’. The redesigned training mechanism focuses on task-based and time-bound technical upskilling that is designed for every task on the shop-floor. EVERYDAY T- TRAINING is being conducted on the respective technology component through a batch of 5 trainees undergoing training on a daily basis.

**Operation task criticality**

BATB relentlessly focuses on operational production factors that can cause hindrances to the production process if not taken care of properly or adequately. These factors, including resource shortcomings, raw material shortages, logistical delays, etc., are constantly and effectively taken care of through multiple processes and evaluation methodologies. The manufacturing team is also entrusted with the responsibility of maintaining high levels of efficiency through physical monitoring as well as performance monitoring through software.

**Equipment criticality analysis**

By identifying the right equipment and determining the most appropriate approach to maintenance, the manufacturing team of BATB monitors, identifies and rectifies any asset repair/maintenance issues that are crucial to the production process. Through implementing IWS, ANT and GMES-based systems, the Company has combated major hindrances that occur across production processes by being able to monitor and predict erratic machine behaviour and fixing issues even before they occur, or immediately after any incidents. Furthermore, machine performance data is analysed using modern software, which allows efficiency gains throughout the production floor.

**Spares criticality analysis**

One of the key reasons for BATB’s production success has been through the determination of inventory categories and developing an approach to keep track of essential spare parts at all times. By analysing critical machine failures and other material shortages that cause hindrances to production, the team has implemented a sustainable approach to stock spares to balance smooth production continuation on the one hand and achieve optimum level of inventory on the other.

**Asset acquisition risk management**

By identifying needs related to any major asset acquisition and determining key asset specifications, such as integration into existing systems, energy considerations, etc., has improved substantially over the years. BATB engages in thorough scrutiny to ensure that only the best-in-class assets are incorporated, while also ascertaining minimal disruptions on account of incorporation. Further, pre-acquisition employee training and maintenance factors are also taken into cognisance.

**Asset care**

Our asset care team ensures that equipment is kept in good, functional condition and that these contribute to our safety and environmental objectives. The team is focused on furthering:

- Development and implementation of asset risk management policies and governance
- Development and implementation of centralised work planning and control
- Development and implementation of improved material management systems

Further, our asset care program also promulgates our asset risk management strategy to ensure proper implementation of our asset risk management systems, aligned with best international practices.

**Software**

BATB has established new technologies and IT systems to enhance manufacturing efficiency. ANT and GMES are two such

major initiatives in the recent times. Combined, these machines have resulted in reduction and identification of errors and minimisation of waste.

### ANT Industrial Software Solution

ANT is being used by BAT factories across the globe. ANT Smart Production package simplifies data acquisition, which is crucial for IWS by documenting even small stops in the production machines. Through such data capture, the software enhances online visibility of start/stop status, reason for stops and hourly production volumes on mobile devices. Importantly instantaneous and monthly report on machine loss analysis is also made available to further reduce efficiency losses.

### Manufacturing KPI

This longstanding system has been implemented to monitor efficiency, MTBF, MTTR, machine wastages, etc. The system has been introduced across 35 production and 10 filter-making machines.

### GMES (Global Manufacturing Execution System)

GMES is a unified platform that helps to improve control and management of production processes in manufacturing, ultimately leading to the elimination of waste and improvement in product quality.

It covers three crucial areas comprising:

- Manufacturing
- Material movement
- Quality processes

GMES improves process efficiency through real-time tracking of raw material and product quality. It also strengthens product integrity and traceability, thus enabling quicker response to issues like non-conformance, machine breakdowns, defects, etc.

### Future plans

#### Process development programs

BATB is working continuously to improve factory infrastructure in order to achieve better harmonisation and synchronisation between man and machine, representing, for instance, major Air Handling Unit (AHU) upgradation for sustainable environment for man and machine in production area.

#### Renovation and improvement in infrastructure and warehousing

We upgraded our factory through the installation of better lighting systems to ensure higher people safety and productivity. The floor layout has also been altered to improve the flow of products and people. Further, machines are constantly monitored in order to ensure stable performance with proactive responses to any perceived operational issues.

### GMES (Global Manufacturing Execution System)

Once fully implemented, GMES will make the factory future-fit, in alignment with the global manufacturing strategy of 'One Virtual Global Factory', creating robust opportunity for regional and global reporting, comparison and analysis. Through this, BATB can work towards robust operational benchmarking, thus achieving further excellence in manufacturing.

### Waste reduction initiatives

At our Dhaka factory we ensured the reduction of tobacco waste, which has been a key focus area for the past few years. Towards this extent, we facilitated the implementation of planned initiatives, including technical upgradation across both our tobacco processing and transportation lines. Several awareness sessions were also organised, while improvement initiatives were brought directly under the recognition matrix. While reducing waste generation, the team also emphasised on 100% recycling of re-usable components.

**23%**  
**Waste reduction**  
**achieved at our Dhaka**  
**factory in 2019**

### Our manufactured capital matrix

Challenges	Resolutions
Achieve a step-change in stable running of machines (MTBF) and retain factory OEE/ efficiency improvement	People's capability enhancement in terms of both technical and processes have been improved to achieve 77% rise in MTBF and 4% in OEE.
Achieve non-interrupted volume demand	The team has worked on in-process measures and also set examples for other end markets to follow.
Focus on eliminating minor losses	Risks of minor losses have been minimised with strategic dual integration of analytical and technical data with skills.
Create a presence in the new generation market	Different project initiatives have been carried out to enhance capability of new machines and bring agility to the system.
Insurance requirements and maintenance	Ensuring effective insurance policies aligned with the Group's insurance policies that cover all requirements.
Safeguarding assets	Constantly monitoring asset performance and identifying and addressing crucial shortcomings, if any.
Allocating funds for investments	Compiling and analysing shortcomings of production and combining this with employee feedback to identify investment needs only when they occur, rather than making premature acquisitions.

**Investing in eco-friendly workspace and policies**

We have embraced initiatives to make our plant, warehouses and offices more eco-friendly and reduce our carbon footprint with the purpose of reaching our sustainability goals. Towards this extent, we invest in energy-efficiency measures, while also raising awareness about good environmental practices.

**Economies-of-scale**

When we invest in a new asset or in additional equipment for our employees,

costs incurred are paid through the additional number of consumers we are able to serve. These benefits are multiplied by investing in our manufactured capital, which also enables economies-of scale, while enabling us to achieve our cost reduction targets.

**Outlook**

- Maintaining hygienic workplace environment for all our workers through revamp, renovation and modernisation
- Improving warehouse and manufacturing floor layouts to reduce

damage and breakdown of vehicles and equipment within the facilities

- Updating insurance coverage across BATB manufacturing plants in order to mitigate losses during any unforeseen circumstances
- Implementing further addition of asset management software systems that enhances the monitoring and maintenance capabilities of our technicians
- Improving sustainability of the overall production process by ensuring greater alignment of our manufacturing objectives with the sustainability goals of the business



*Workers are provided with adequate safety measures prior to working in the factory*

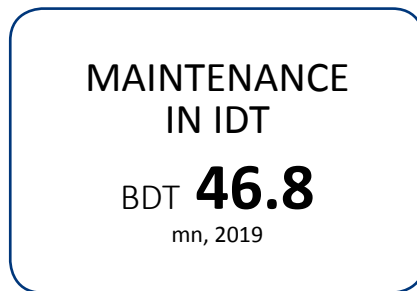
# INTELLECTUAL CAPITAL



*“Our processes, systems and technologies represent the core facets of our intellectual capital. These assure continuous connectivity across our operations, even remote locations, while helping maximise uptime, facilitating the highest levels of data safety and security and ensuring that our backend technological systems and processes support our growing business aspirations.”*

**Shaikh Hasibul Karim**, Head of IDT

At BATB, we enhance operational effectiveness by building and employing intellectual capital and through innovation, and by re-assessing business processes by technology and shared services. Another key differentiation is our intangibles which remain strong, anchored on their well-defined value propositions and offerings.



## Overview

At BATB, we aspire to create a winning organisation and much of this is dependent on our ability to rejuvenate our intellectual capital. We do so through attracting and retaining the best employees (more about this is given in the chapter on Human capital), through further reinforcing our competitive market positions by innovation, process reassessments and strategic enablers and through our brands that straddle across categories and represent the choice among our consumers. Importantly, our intellectual

capital has enabled us to remain resilient amidst diverse operating conditions.

Intellectual capital at BATB also comprises the intangible factors that are unique to the firm, including our knowledge-based assets, such as process blueprints, procedures, protocols, copyrights and software and licenses. We assess on a daily basis, the impact and value created that provides key competitive advantages in combination with our licensed technologies that provide sufficient advantage to generate the returns on the investment we seek.

Notably, investment and intellectual capital is becoming a far bigger factor in modern times to achieve success and competitive advantage. Keeping this in focus, BATB has implemented various improvements of systems software, especially across such departments as Legal & External Affairs, Marketing, Operations and IDT, etc.

Our intellectual capital has had a direct impact on our business, enabling the accrual of greater efficiencies and a smoother and more effective approach to production, distribution, performance and people collaboration.



Focusing on innovation as a market driver



Enriching our intellectual capital



Strengthening consumer choice through our brands

## INTELLECTUAL CAPITAL

At BATB, our intellectual capital supports our competitive strategies that enable us to reinforce our market leading position. Some of the core components of our intellectual capital represent our people, our focus on innovation, our ability to reinforce our manufacturing/marketing processes and, crucially, the insights that we receive from our parent, the BAT group and also other companies in the group.

**Focus area 1: Process efficiency**

**Processes**

BATB’s IDT team focuses on unlocking efficiency improvement measures across the business through incorporating systems software packages and engaging in monitoring of weak/faulty equipment, while eliminating inefficiencies that occur due to technological malfunctions. The primary focus of the IDT department is to support business growth by aligning technological strategies with that of the business. The IDT department is chiefly responsible for:

- Ensuring security against any information breach
- Controlling risk through facilitating tech-enabled production monitoring
- Training users on software features and capabilities

For IDT devices, including PCs and servers, we deploy such monitoring tools as:

- Windows Defender Security for PCs
- McAfee Virus Scan Enterprise for servers
- Qualys Enterprise for scanning systems and databases

**Knowledge**

BATB’s IDT team has introduced major interactive systems where information can be easily stored and seamlessly accessed by a large group of people, all at once. This facilitates extensive tech-enabled inter-linking, which reduces inefficiencies, especially with regards to decision-making. Through this system, our people can contribute and benefit with the necessary information available on-demand.

**Training**

Our IDT department organises several informative sessions that focuses on IDT-led improvement of user experience by

providing knowledge and understanding of technology used across the business. This allows everyone at BATB to be self-reliant when it comes to sharing and securing information throughout the country.

**12 Product/line extensions launched during 2019**

**Focus area 2: Strategic business planning**

**Global application**

BATB is a part of a global network and in order to harness the maximum benefit, we use ERP (enterprise resource planning) to capture real-time transaction data to enable effective monitoring, management, reporting and control. Importantly, all our processes are in line with TOM (target operating model) and ERP systems and are aligned with BAT processes.

As technology trends, such as mobile systems, cloud computing, big data and IoT (Internet of Things) continue to reshape the marketplace, ERP systems are evolving to provide businesses with competitive intelligence necessary to drive success across a variety of functional areas. Manufacturing execution system (MES) is one such that allows BATB to record the conversion of raw materials to finished goods.

- **ERP**  
ERP is designed to facilitate information sharing across functions to eliminate inconsistency and duplication of effort. BATB’s ERP module aligns with its strategic, economic and technical goals.
- **Marketing/sales**  
ERP sales and distribution (SD) is an important module of ERP, consisting

of business processes required in selling, shipping and product billing. The module is integrated with SAP application-based supply chain management. The primary purpose of this software is to manage business operations and customer relations. Key sub-modules of SAP SD include customer and vendor master data, sales, delivery, billing, pricing and credit management.

- **Supply chain management**  
ERP modules support supply chain management feature functions for purchasing, product configuration, supplier scheduling, goods inspections, claims processing and warehousing, etc. There are also related modules to manage order processing and distribution tasks.
- **Manufacturing**  
Engineering, scheduling capacity, quality control, work flow and product life cycle management are among the core functions that fall within our ERP system’s manufacturing module.
- **Maintenance**  
ERP provides specific data on maintenance requirements, providing for planned and unplanned maintenance. Thus, equipment can be checked proactively with proper spare parts inventory management.
- **Accounting/finance**  
By automating and streamlining tasks related to budgeting, cost and cash management, activity-based costing and other accounting/finance functions, ERP systems can provide businesses with real-time data and insights on performance, while also ensuring compliance with relevant financial regulations.

Software name	Activity type	Description
<b>AutoCAD</b>	New purchase and renewal of existing product	With AutoCAD, the work is now made simple and accurate to the nearest millimeter.
<b>Minitab</b>	Renewal of version	Minitab is a capability analysis software. By using Minitab, companies and institutions spot trends, solve problems and discover valuable insights in data by delivering comprehensive and best-in-class suite of machine learning, statistical analysis and process improvement tools. Combined with unparalleled ease-of-use, Minitab makes it simpler than ever to extract deep insights from data.
<b>Adobe</b>	New purchase	Adobe software is helping companies transform digitally — resulting in world-class presentations.
<b>Fast Track &amp; Kiosk</b>	Bespoke development: Enhancement of payroll application for shop floor	Helps establish control mechanisms and automates all lifecycle activities of unionised employees through digital data capture and also integrates with the existing payroll. This project will: <ul style="list-style-type: none"> <li>• Eliminate/reduce unproductive manual labor in time-office and provide real-time reports</li> <li>• Simplify processes by using existing applications with cost reduction achieved over the long run</li> <li>• Avoid manual work</li> <li>• Increase administrative control of Line Managers</li> <li>• Increase control and accuracy of overtime</li> <li>• Enable timely report generation</li> <li>• Enable control on overlapping data entry and processes</li> <li>• Enable control on attendance regularisation</li> <li>• Enable proper leave planning at the beginning of the year</li> <li>• Enable crew-based attendance and overtime planning</li> </ul>
<b>ANT Industrial Software Solution</b>	Renewal of existing version	Simplification of data acquisition and documentation of every step and process of the production machinery.
<b>GMES (Global Manufacturing Execution System)</b>	Renewal of existing version	Improving control and facilitation of better management, leading to elimination of waste and improved production quality.

## Embracing a modern and efficient tech-enabled approach

In order to further enhance operational efficiency and enable the management to take effective decisions, our IDT division continues to support, improve and implement various modern systems by leveraging technology to support our main business objectives and processes. A few of our critical application areas include:

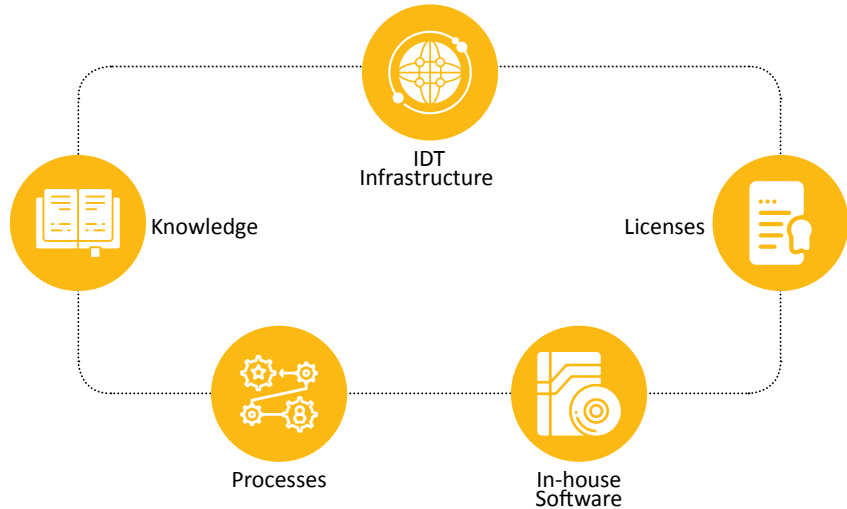
System	Function	Practical benefits
Payroll	Built to manage wages, benefits, and deductions and prepare pay slips, taxes and other relevant documents.	Optimises payroll management by automating processes, maintaining data accuracy and ensuring compliance. In addition, the system promotes transparency and security.
Share management system	Stores shareholder details, records and history, generates dividend warrant payments and integrates with the management systems.	Faster and accurate data processing/retrieval, also enabling automated shareholder information update.
Integrated quality management	Document control, specialised modules, process optimisation, resource management and risk management.	Enables to meet the challenges to drive operational efficiency and improve overall compliance. Automates and streamlines paper processes for increased efficiency and regulatory compliance.

**Focus area 3: Risk management**

BATB’s IDT infrastructure manages risk-prone components of technology by acquiring copyright and trademark licenses to avoid any potential litigations. This also allows unique and specialised processes of the business to be secured from outside threats of piracy and attacks. Knowledge regarding security and maintenance of these systems are also provided to software users through training. This in turn improves the IDT infrastructure and the cycle self-repeats to further strengthen itself.

To support these processes, we are implementing global applications and office productivity tools for efficient record-keeping of business transactions, while processing data, generating reports and performing daily correspondence across BATB, which include:

- Updated software and OS**  
We ensure that all software on our PCs is updated to the latest available version. Software and system updates fix security vulnerabilities and provide users with protection against viruses and malware. If any apps are no longer used, they are deleted automatically.
- Passwords/pass-phrases**  
Passwords are the first line of defense against unauthorised access to corporate information assets. Inappropriate behaviour or weak passwords are a huge threat to BATB’s data and systems. One of the most important steps we take to safeguard user data is by encouraging users to use strong and unique passwords or pass-phrases for every account.
- Use of software/network/local/removable drives**  
Users are prohibited to load software or any other material on the Company’s IDT infrastructure that was not obtained in a manner that legally entitles its use. They are also advised to store personal data on the G-Drive, access to which is authorised, while one drive is retained exclusively for storing and/or working with files which are common to user groups.
- USB write protection**  
Users are not allowed to access or use any removable media (CD, DVD or



USB storage devices) until there is a justified necessity. Further, removable media has to undergo virus scans at the Helpdesk before use.

- Reporting suspicious activities**  
Precautions are taken when receiving links, attachments or requests for personal information for emails. Users are advised to report all potential phishing emails to a dedicated email ID so that the IDT team can understand the potential exposure of the Company to this type of attack and take appropriate actions.

**Outlook**

At the heart of BATB’s IDT strategy is the will to expand digital transformation that will enhance the Company’s effectiveness in the cyber domain. This in turn will lead to an increase in our cyber risk exposure. In this regard, we expect to exploit digital domain opportunities quicker, while also remaining resilient to cyber threats and keeping up-to-date with regulatory requirements. Moreover, we will also focus on retaining our high-powered team through exposure to regular training and skill development opportunities, while also providing best-in-class compensation standards to protect any kind of attrition.

**Our intellectual capital matrix**

Challenges	Resolutions
Improving brand value	Through improved software solutions, BATB can analyse and improve market data by researching consumer trends and needs to align operations better with the marketplace.
Information security threat	To combat various security threats, BATB’s IDT team has improved firewall systems by providing software and security patches.
Government institutional regulations	Ensure alignment with a stringent standard of processes and information-sharing in order to assure that no regulations are breached.
Disruption through digitisation	Investment in learning and development regarding the effective use of technology through organisation-wide training.

Some of the other key initiatives we intend to take up include the following:

- Train employees regularly regarding cyber security
- Make additional investments in monitoring and data collection across production and other processes
- Encourage sharing and feedback of information through the interactive BATB communication systems available nation-wide
- Increase reliance on on-line platform facilities of BATB for suppliers and customers, with added focus on information safety
- Engage in purchase of capital IDT assets

**55 mn**  
**Projected IDT expenditure for the year 2020**

# SOCIAL AND RELATIONSHIP CAPITAL

“At BAT Bangladesh, all our initiatives are in line with the Environmental, Social and Governance (ESG) criteria. We ensure and safeguard positive social impact within our communities, especially in the farming community. Adhering to our global framework as well as our local guidelines, we habitually monitor and measure the social and economic impact made throughout our crop to consumer business.”



**Ms. Mubina Asaf**, Head of Legal & External Affairs

Our approach to CSR is stewarded by the BAT Group’s social responsibility framework, which articulates how companies are expected to develop, deliver and monitor community investment programmes across their respective regions.



## Overview

For years, BATB has conceived applicable and high-impact strategies and employed resources for achieving betterment of the society, not only around the Company’s

operations, but also amongst rural communities that are often impoverished. Through our extensive social capital and engagement activities, BATB has embraced multiple initiatives that will not

only sustain an enduring impact, but will also contribute to the major themes of employment creation, health and hygiene, sustainable electrification and women empowerment.



Minimises any negative social impacts of our organisation



Social license to operate



Contributes to open, fair and honest engagements

## SOCIAL AND RELATIONSHIP CAPITAL

AT BATB, we consider our social capital to be our value-added activities and economic outputs generated out of our relationships, partnerships and cooperation. This capital enhances our social license to operate, even as we believe that corporates of our size should contribute to sustainable and meaningful activities that benefit extended communities and wider societies.



**Safety procedure and training**

EH&S (environment, health and safety) represents an essential component to promote social and ecological well-being through employees awareness creation on the benefits of good health and practicing workplace safety.

**Fostering a responsible environmental impact**

**Green logistic**

BATB has achieved meaningful environmental sustainability through

its focus on green logistics that aim to ensure that our inward and outward transportation fleet adheres to our green distribution principles, thereby optimising fuel consumption and contributing to carbon offset in its own unique way.

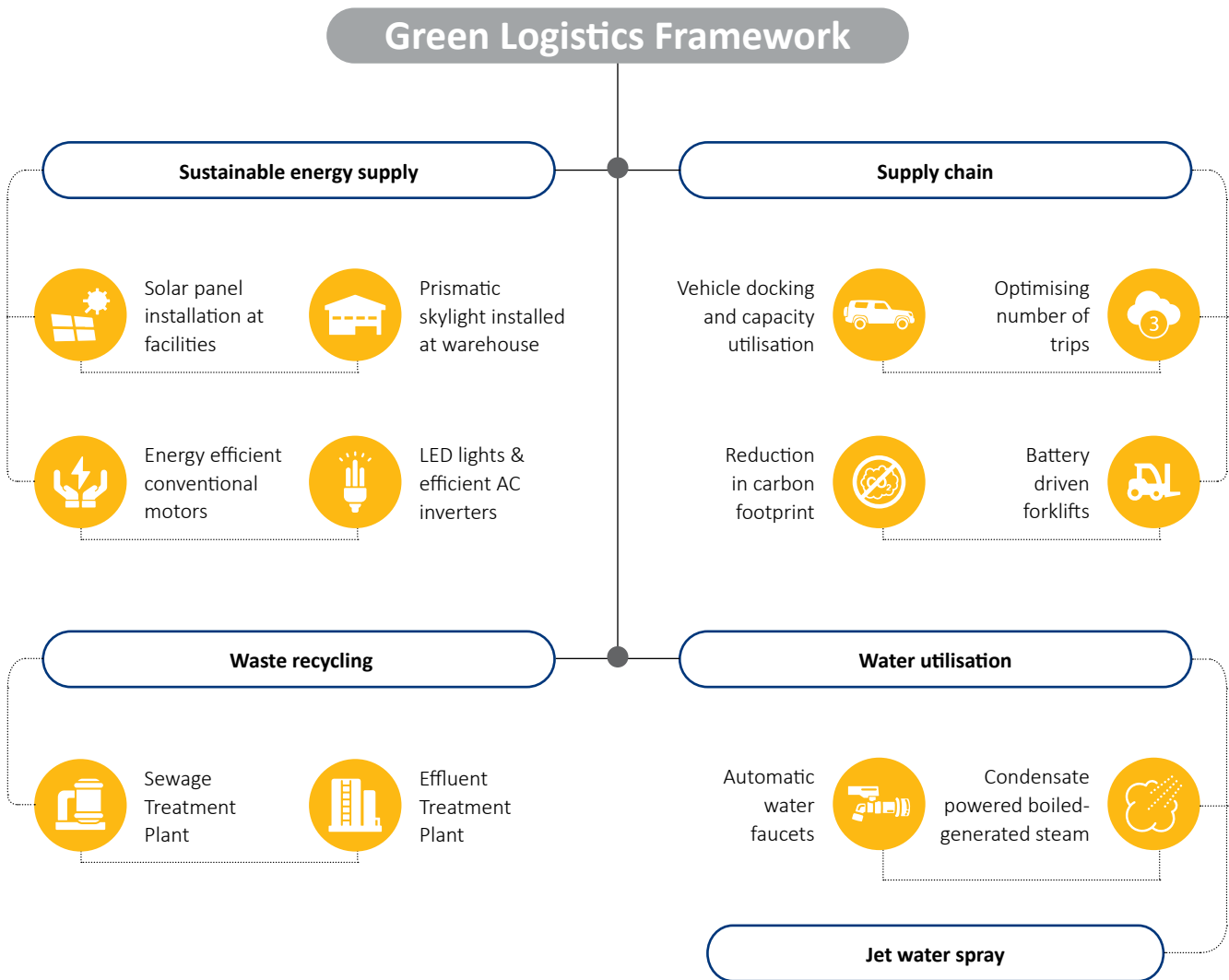
Taking our green initiatives forward, the Company has also implemented such practices as rainwater harvesting, bio-pest management through neem plantation, prismatic skylight glass installation for maximising daylight utilisation, etc.

**Go-green initiatives**

BATB is dedicated to catering to consumer needs through an environmentally-responsible and ecologically-sustainable approach. We have embedded our 'go-green' agenda into our operating framework, acknowledging that the adoption of environmentally-friendly practices contribute to the bottomline, while also building brand credibility among consumers.

**Environmental, social and governance (ESG)**

**Green Logistics Framework**



## Our social and relationship capital matrix

Challenges	Resolutions
Institutional Influences	Continuous engagement with regulators to foster good relationships and improve standards for the betterment of the Company
Aligning with the SDGs	Continual focus on finding the best possible solutions to societal and rural challenges
Geographical and demographic changes and challenges	Educating farmers on sustainable farming methods and techniques, and encouraging them to engage in community development projects that are aligned with the Group's social initiatives
Disruption through digitisation	Investment in learning and development regarding the effective use of technology through organisation-wide training

## Outlook

- Continue to enhance rural community lifestyle by deepening impact
- Make provision for awareness and opportunity creation amongst poor rural communities on sustainable income sources
- Encourage employee engagement
- Further improve green logistics through implementation of newer and more efficient machines and vehicle and fleet optimisation
- Extend the impact of Probaho and Deepto across other priority locations
- Widen the reach of Bonayan to cover a larger number of beneficiaries



*Farmers Field School (FFS), every year supports 11 sessions covering 275 farmers across the leaf operations*



*Farmers Field School (FFS) classroom session*

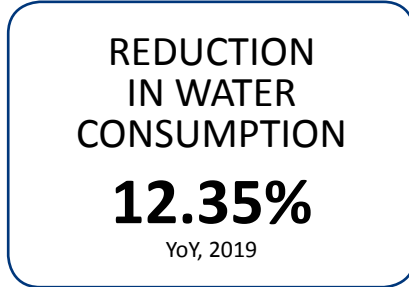
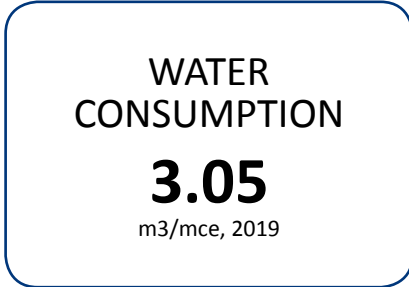
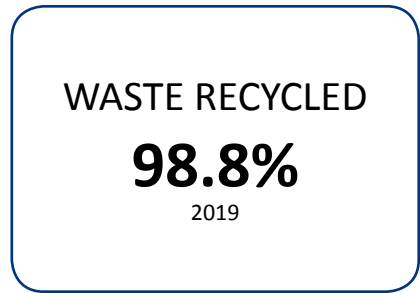
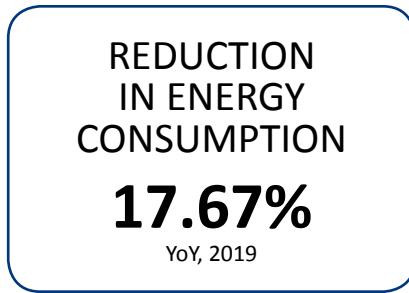
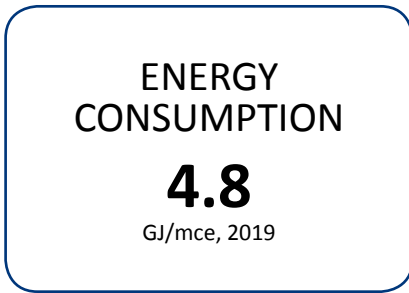
# NATURAL CAPITAL



*“Natural resources are material to our operations, as our business depends on the environment and its natural resources, including land and water. We are committed to stewarding these resources responsibly, while also improving our environmental performance through our socio-economic initiatives, most notable by our major CSR programs – Bonayan, Probaho and Deepto.”*

**Ahmed Istiak Al Razi**, EH&S Manager

At BATB, we are committed to reducing the environmental impact of our operations and across our warehousing and supply chain, and have been able to achieve good progress through understanding our impact and exploring ways to minimise it.



## Overview

At BATB, we are deeply conscious of our responsibilities to the environment.

Our approach to managing our environmental footprint is governed by the group’s comprehensive Environment, Health and Safety (EH&S) Management system that is based on international best practices, including ISO-14001. The policy is applicable to all our operations, including the supply chain, and its implementation falls under the purview of the EH&S Steering Committee.

Further, environmental indicators are monitored on an ongoing basis and reported to BATB, which in turn supports the achievement of the group’s long-term environmental targets. These targets include reducing the group’s global carbon footprint by 30% by 2030, reducing the total water withdrawn by 35% by 2030 and reducing the waste to landfill by 40% by 2030. We are proud to be contributing to global targets.

We have also started preparations for the use of renewable energy to reach our

ultimate goal of fully relying on renewable energy through the introduction of approx. 2,000 kW of solar power plants over the future.

Notably, by the inherent characteristics of our operations, these have a limited impact on the environment. Therefore, though considered to have a low impact to the overall GHG emissions, we realise that this does not in any way reduce our responsibility towards the environment.



Cultivating green office practices



Supporting Bangladesh's transformation goals



Minimising our carbon footprint

## NATURAL CAPITAL

AT BATB, we rely on natural resources such as land, energy and water to run our operations and are mindful of the fact that we need to preserve these precious resources by mitigating potential negative environmental impacts through responsible usage. Additionally, we raise awareness among our people and inculcate a deep respect for the environment.

### Our material aspects

- Reduce our carbon footprint
- Reinforce our manufacturing practices towards minimising our environmental impact as much as possible
- Raise awareness on green workplace guidelines, including minimising water wastage and optimising energy consumption

### Pillars of our environmental strategy



Water management



Energy savings



Waste management

### Water management

#### Overview:

Although our manufacturing processes have relatively lower water use, we continue to invest in efforts for reducing our water footprint. We achieve this through a more active approach to employee engagement and improving water efficiency.

#### Key progress achieved, 2019:

- Water recycling and ETP upgradation with MBBR technology
- Installation of New Sewage Treatment Plant (STP)

BATB has been combatting water wastage through several initiatives. The primary

goal of reusing recycled water is to reduce overall water consumption and enhance efficiency in water use and even the cost of acquiring fresh water.

**105m<sup>3</sup>**  
**Water saved daily through sustainable investments and activities**

- **Bio-filter operations**

Earlier in Bio-filter (which used to capture odor), fresh water was used. From 2019 onwards, we have started using the ETP recycled water, hence saving water load.

Similarly for cooling tower we are now using the ETP recycled water.

**10m<sup>3</sup>**

**Water recycled daily by our bio-filter plant**

- **Vacuum pump operations**

Earlier, water overflow was drained from the cooling towers. Today, vacuum pump operations arrest this water wastage by channelising this drained overflow to the boiler that recycles waste water and despatches it back to the cooling towers.

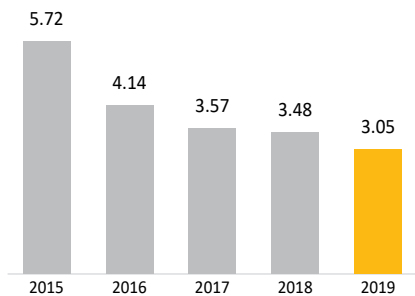
## 5m<sup>3</sup> Daily water savings achieved through our vacuum pump operations

### Waste water treatment

Waste water from the kitchen, production processes and washrooms is aggregated and treated through state-of-the-art biological processes within the treatment plants that have biochips and membranes installed in the bio-bed reactors. The treated water is reused in gardening, road cleaning and several other non-drinking purposes across the firm.

## 90m<sup>3</sup> Waste water treated and reused daily by ETP

Water Intensity m<sup>3</sup>/MCE



**50%**  
Water intensity reduced in five years



### Energy savings

#### Overview:

BATB's key sources of energy include electricity, diesel and furnace oil. Efforts

to reduce our energy footprint and also our dependence on fossil fuels include: switching to renewable energy wherever possible, investing in energy-efficient technology, focusing on process optimisation and modernising our vehicle fleet with new standards of fuel efficiency as much as possible.

#### Key progress achieved, 2019:

- Installation of LED lights
- Upgradation of air-conditioning units at branches to optimise temperature settings
- Installation of energy-control equipment to moderate energy utilisation at branches
- Electrification through solar power

### Installation of energy-efficient lights and motors

In our quest to reduce energy consumption by as much as possible, we look at even the most granular ways to conserve electricity, like switching-off lights when not in use. On an aggregate level, such activities help us save electricity, thus contributing to a positive impact on the environment by reducing our carbon footprint and dependence on finite resources.

## 10,000 GJ Annual electricity savings achieved through various focused measures, equivalent to 2,770,000 kWh

### Electrification through renewable power

At BATB, we are among the few BAT group companies in South East Asia to have invested in solar power, showcasing our efforts in sustainable electrification. Today, we are producing 166 kW of solar-powered energy generated from:

- Solar power plants (introduced in 2014)
- Solar plant on Filter Rod Department (FRD) roof (introduced in 2017)

## 1,375 GJ Annual electricity savings achieved through solar power, equivalent to 380,000 kWh

### Prismatic lights

We installed 42 prismatic lights in the FG warehouse and on FRD rooftops. These lights produced up to 600 LUX of illumination and contributed to significant energy savings.

## 2,500 GJ Annual electricity savings achieved through prismatic light installations, equivalent to 690,000 kWh

### Energy-efficient magnetic bearing chiller

The magnetic bearing chiller was installed for multipurpose benefits. These chillers are energy-efficient, produce much less noise, no gas consumption is necessary and is efficient at heating with no loss in refrigerants.

## 2,430 GJ Annual electricity savings achieved through magnetic chiller operations, equivalent to 673,000 kWh

### IE4 motors

The installation of energy-efficient IE4 motors instead of non-efficient motors across 38 different places allowed substantial electricity saving.

## 3,159 GJ Annual electricity savings achieved through IE4 motors, equivalent to 875,000 kWh

## Motion sensors

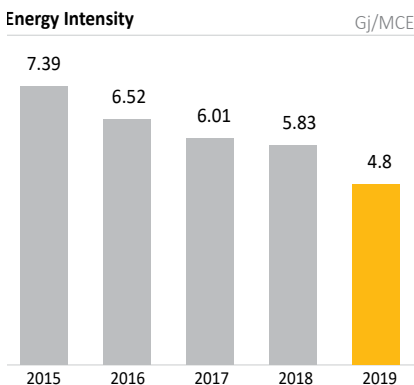
We installed 43 motion and occupancy sensors in meeting rooms and common rooms in order to ensure efficient use of electricity. Further, auto-sensing water taps were also installed across washrooms in the head office.

**48.6 GJ**  
**Annual electricity savings achieved through motion sensors, equivalent to 13,400 kWh**

## Tempered glass

A significant area of walls have been covered by tempered glass for enhancing dependence on daylight, thus circumventing artificial electricity support. Further, halogen and metal halide lights were also installed to ensure reduction in electrical use and improving energy-efficiency across multiple locations.

**291 GJ**  
**Annual electricity savings achieved through tempered glass and other energy-efficiency measures, equivalent to 80,000 kWh**



**33%**  
*Direct energy intensity reduced in five years*



## Paper use

The benefits of reducing paper use go further than moderating the cost of print consumables. For this purpose, IDT has formulated long-term strategies that organisations can adopt for reducing paper consumption. The first step towards workplace efficiency and environmental sustainability follow a common thread.

- **Duplex printing rule**  
By printing on both sides of every sheet of paper, office managers can effectively halve the number of printed pages.
- **Deploying secured printing**  
HP Access Control Printing Solutions make it easy to monitor and control imaging and printing costs, collect and track data by devices and users, and modify user behavior to help lower expenses and eliminate unclaimed documents.
- **Follow me**  
We use a technology called Follow me. Users need to go to designated printers and swipe their ID card to get the print. Through this, unwanted printouts are avoided.
- **Cloud storage**  
We save data on the cloud (OneDrive and Google-Drive) that is accessible from anywhere in the world. This allows further reduction in the need for printing.

## Waste management

### Overview:

At BATB, our waste management capabilities have been significantly augmented by the establishment of our revamped Sustainable Tobacco Program (STP), which is also symbolic of our focus on achieving future sustainability. Since 2016, STP has been adapted to our operations with the purpose of implementing best practices in tobacco cultivation.

### Key progress achieved, 2019:

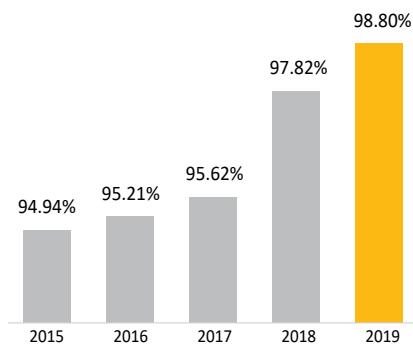
- Collected regulatory information and detailed analytical data
- Efficiently monitored farmers and engaged in useful extension services
- Implemented a strong audit team to support the STP agenda

Notably, instead of focusing merely on waste disposal, BATB initiated STP processes to achieve the larger vision of implementing several sustainable ways to reduce the impact of waste and produce utilisable products and processes by converting 'waste to wealth'. Some of these include:

- Aluminium waste from manufacturing wrapping paper for cigarettes used for utensils
- Filter tow waste converted for utilisation in bedding and cushion materials
- Paper waste from all over our organisation used for pulping and re-use
- Tow boards converted to CBC for multipurpose reuse
- Plastic straps converted to mats, containers and shades
- Plastic core and drums used for resin

**3.86%**  
*Waste recycling increase achieved over the past five years*

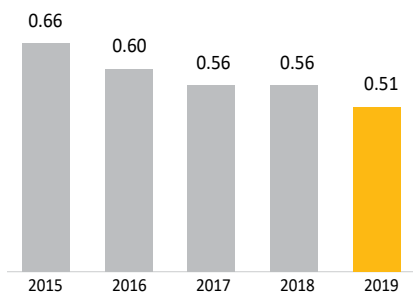
Waste Recycling Ratio



**21%**  
CO<sub>2</sub> intensity reduction achieved in five years

CO<sub>2</sub> Intensity

Ton/MCE



Our natural capital matrix

Challenges	Resolutions
Ensuring that new recruits are fully familiarised with our sustainability programs	Providing employees with extensive training and giving a greater thrust on renewable electricity
Government regulatory influence	Adhering to government regulations and standards, and going above and beyond to reduce our environmental impact
Institutional influence from pressure groups and social entities	Implementing and continuing group sustainability initiatives to further enhance our social responsibility
Influence on utilisation of renewable energy	Installation of solar powered energy and increasing reliance on renewable energy
Impact of waste production	Reducing and recycling waste to be utilised to meet different purposes

Our natural capital matrix

Investment	Impact	Details
Installation of solar plants	Reduction in electricity costs over the long-run	Increased dependence on renewable solar energy
Tempered glass and prismatic lights	Reduction in electricity use	Reduced dependence on artificial electrical lights and increased efficiency through prismatic lights
Occupancy sensors and auto-sensing water taps	Reduction in electrical and water use	Lights and water used on-demand only
Energy-efficient motors installed in manufacturing plants	Significant improvement in energy savings and increase in efficiency	Greater longevity, returns and efficiency across lifetime use
Energy-efficient magnetic bearing chiller	Significant improvement in energy savings and reduction of noise and inefficiency	No gas consumption necessary, efficient at heating and no loss in refrigerants
Infrastructural modernisation by installation of energy-saving lights	Reduction in electricity use and costs	Supports reduction in energy consumption
Sewage water treatment and vacuum pump and bio-filter operations	Reduction in water pollution and water use	Recycling sewage water for onward reused (non-drinking purposes)

Sustainable agriculture initiatives

**Bondhusheba: Web-based support to farm communities**

The Bondhusheba web-based messaging platform was developed and utilised by BATB in order to extend outreach to all registered farmers through the use of customised auto-generated messages. The platform allows us to communicate with farmers to provide them with relevant information, such as changes in the weather, good agricultural practices (GAP), sustainable farming, crop planning, market demands, etc., on a timely basis.

Previously, our field technicians had to visit farmers door-to-door in order to acquire and provide vital information. However, with the use of Bondhusheba, we can now acquire such crucial data in a considerably shorter time. Thus, more information can be easily acquired and analysed, and pertinent suggestions can be provided to farmers instantaneously, thus enhancing their livelihoods, while also diminishing threats from environmental and economic shocks.

**Shikor**

The word ‘Shikor’ translates to ‘roots’ in Bangla. Taking sustainability to new heights, BATB has initiated a first-of-its-kind project called Shikor, representing a farmers’ community club and training facility space aimed to improve the overall livelihood of the agri community. Currently, we have around 40,000 farmers working with us, and the broad intent is to empower them and try to be an integral part of their

everyday lives. The objective of Shikor is to provide skill development, enhance farm productivity and household incomes, while creating a community voice. The space comes with state-of-the-art training and meeting rooms, recreation rooms and an in-house library with agricultural-farming books.

**Green manuring**

One of our initiatives include green manuring with Dhaincha (Sesbania aculeata) - an effective approach to the enrichment of soil health and fertility in a bio-friendly manner. Dhaincha fixes atmospheric nitrogen through its root nodules and hence when it is ploughed back to the soil, the nitrogen as well as organic matter content of the soil is enhanced. Through strong motivational activities i.e. distribution of free seeds, demonstration of the cultivation processes and education about benefits, BATB has successfully popularised this initiative among the registered farmers since 2000.

**Bio-diversity**

We acknowledge the importance and impact of biodiversity to maintain the balance of the ecosystem where we operate in. We have established 83 biodiversity corners with the help of our registered farmers. It exhibits rare, endangered species and their inputs for conserving nature. We have also constructed several remarkable medicinal gardens in order to aid the communities with herbal treatment to many diseases as well as to conserve the rare native species from extinction. Most of the established biodiversity corners are



located in Kushtia, Meherpur, Chuadanga, Jhenaidah, Rangpur, Manikganj, Bandarban, Khagrachari and Cox's Bazar districts and every year we plan to set up new biodiversity corners in different locations in the country.

### Farmers' Sustainability Management (FSM)

BATB has formalised and institutionalised best practices in tobacco cultivation after embracing the Farmers' Sustainability Management in collaboration with the BAT global ecosystem. In order to ensure compliance in all aspects of farmer's sustainability, farm monitoring and data collection have been a common practice for quite a long time. BAT Bangladesh has digitalised the old practice of manual data management and launched an application named 'Farmer's Sustainability Management (FSM)' to provide an efficient solution for farm monitoring and management.

Under the Sustainable Tobacco Program (STP) guidelines, BAT Bangladesh's leaf growing team monitored 100% of its registered farmer groups, consisting of more than 40 thousand farmers, and successfully collected data on 114 criteria stated under 'crop', 'environment' and 'people' pillars of the guidelines. Across the years, the leaf growing team of BAT Bangladesh developed tools and processes to collect more data, such as the Farmers'

Sustainability Monitoring Checklist (FSMC) and a global Farmers' Sustainability Management Project team was formed in 2018. This team produced a web-based application for the field technicians and a portal for leaf management.

This feat was achieved due to the launch of the FSM app in 2018. The Company has been relying on the FSMC tool and uses it on a daily basis to record and provide data to field technicians on farm monitoring such as seed bed and soil preparation, crop development, harvest and post-harvest operations, fuel and afforestation and farm labour practices, by adopting mobile IT devices. The FSM application was the first web-based app that allowed farm monitoring and capturing real-time farming data in Bangladesh.

The BAT global FSM techniques are well-structured programs that ensure the long-term environment friendly and sustainable tobacco leaf supply chain, while also enhancing farmer livelihoods in the communities in which we operate. These techniques offer world-class agronomy support that has a positive impact on farm economics. Under the FSM techniques, BAT Bangladesh introduced poly-tube irrigation that served for water conservation, and increased organic fertiliser use that improved soil fertility and utilisation. Thus, FSM app is adding value to BATB's sustainability agenda.

### Mushroom cultivation

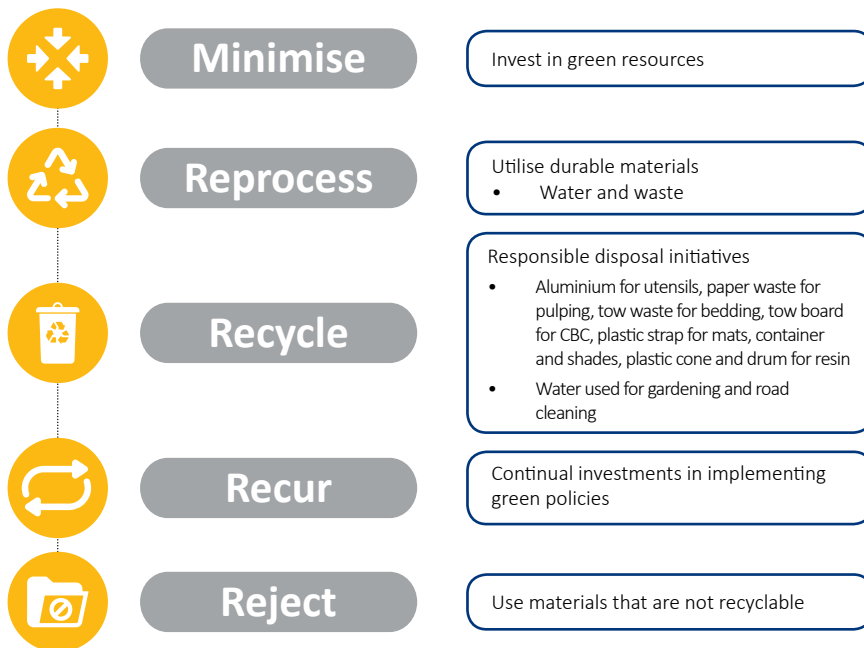
A breakthrough initiative to uplift farm income comprised the utilisation of curing barns for mushroom cultivation. Through this initiative, BATB aims to contribute towards 4 out of 17 UN Sustainable Development Goals: Goal 1: No Poverty, Goal 3: Good Health & Well-being, Goal 5: Gender Equality (women empowerment) and Goal 8: Decent Work & Economic Growth.

### Farmers' Community Club (FCC)

Farmers' Community Club (FCC) is a platform that has been developed to uplift social standards of rural communities and meet the requirements of agriculturally-dependent communities. The agricultural sector represents 80% of the population of Bangladesh that lives in rural areas. Adopting environment-friendly farming will not only enhance the livelihoods of these large public communities, but the overall environment of Bangladesh as well.

FCC platform primarily trains farmers on various categories based on sustainable and environment-friendly farming practices by implementing a community-centric approach. Training modules are constantly updated and improved through research. Besides training on sustainable farming, awareness is also created on environmental issues and methods to address these.

## Waste management matrix



## Outlook

In the year 2020, our focus to reduce our environmental impact will comprise the following:

- **Zero waste to landfill:** We are planning to achieve this through vermicomposting. Our goal is to start with the production of natural fertiliser through kitchen waste and waste tobacco.
- **Zero discharge of water:** We are planning to fully eliminate water discharged from our plants and rely solely on renewed and recycled water for everyday use.
- **Sustainable electrification:** We are working towards installing two solar power plants in 2020 that will produce 250 kW (DF) and 1,750 kW (BD) electricity.



# FINANCIAL CAPITAL



*“Our financial objectives are articulated in our commitment to creating value for all stakeholders on a sustainable basis. For shareholders, value is derived from capital appreciation in the Company’s share price and distributions in the form of dividends. BATB also fosters value by contributing to Bangladesh’s economy through taxes paid, employment generated and investment in communities, which are altogether supported by our financial capital.”*

**Khaled Rahman**, Corporate Finance Controller

At BATB, our financial capital comprises our financial capabilities required to sustain and grow our operations. As an essential part of our financial capital strategies, we embrace long-term thinking and allocate capital optimally to maximise returns.

## Financial Performance:

The financial performance of the company is measured in terms of various key financial metrics, which includes operating profit, return on capital employed, cash flow generation, gearing and liquidity.

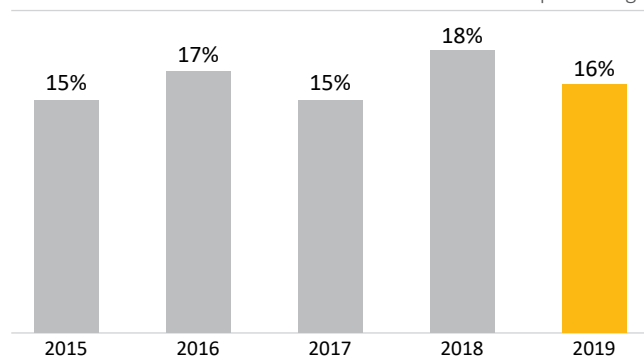
Key operating and financial information for the year 2019, along with the preceding four years’ information is presented below:

### Income Statement

BDT Crore	2019	2018	2017	2016	2015
Gross Turnover	26,985	23,312	20,414	16,563	14,371
Supplementary Duty, VAT & HDSC	21,303	17,848	15,218	12,188	10,382
Net Turnover	5,682	5,464	5,196	4,375	3,989
Gross Profit	2,685	2,754	2,478	1,986	1,868
Profit before tax	1,740	1,931	1,676	1,317	1,246
Profit after tax	925	1,001	783	758	587

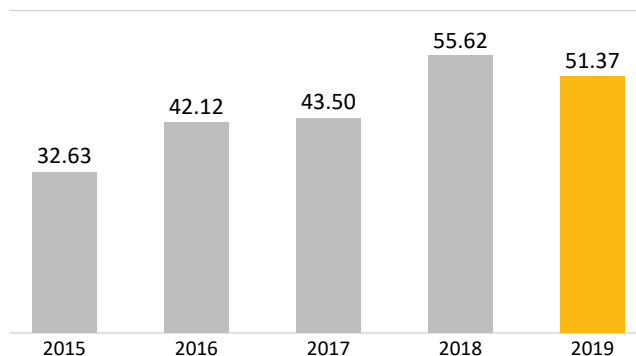
### Profit Ratio

In percentage



### EPS

In BDT



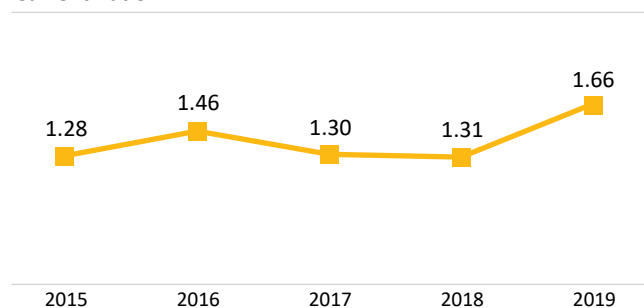
In 2019, profit has decreased by 8% mainly due to decrease in lower volume:

- Cigarette turnover increased by 15% in 2019, driven by pricing gain across all segments and mix improvement, however it was mostly offset due to +19.4% higher supplementary duty, VAT & HDSC for the year.
- As a result, net turnover from cigarettes increased marginally by only 1% in 2019. Leaf export turnover improved significantly (+1,536 Cr) fueled by the 10% export supplementary duty removal in June’19.
- Cost of sales & operating expenses increased to cater to the improved top segment mix and field force capability enhancement.
- Net Financial Cost from bank borrowings decreased in 19 vs 18 due to lesser borrowings & better interest rates, however total cost increased due to IFRS 16 inclusion
- Current tax expense is in line with profit de-growth & EPS for the full year stands at BDT 51.37.

## Financial Position

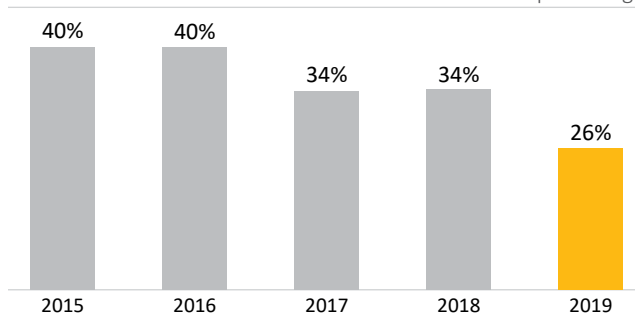
BDT Crore	2019	2018	2017	2016	2015
Current Asset	2,823	3,006	2,550	1,994	1,593
Current Liability	1,701	2,292	1,960	1,364	1,245
Non-Current Asset	3,120	2,648	2,092	1,541	1,367
Non-Current Liability	662	409	370	283	253
Paid Up capital	180	60	60	60	60

### Current Ratio

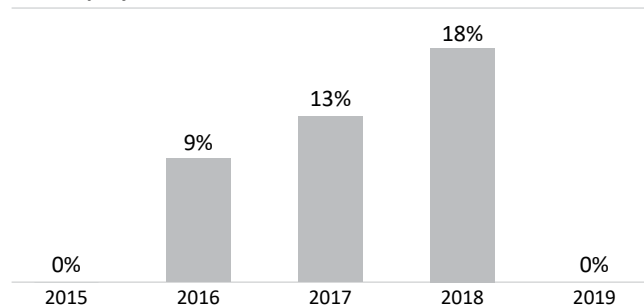


### Return on Equity

In percentage

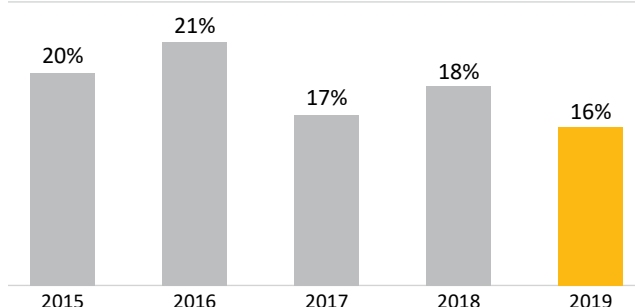


### Debt Equity Ratio



### Return on Assets

In percentage



BATB continues to maintain a healthy financial position in 2019 despite multiple challenges

- Current ratio improved substantially due to twofold reasons – lower receivables in 2019 vs 2018 and no additional bank borrowings in 2019 year-end.
- Non-current assets increased 18%, primarily due to the inclusion of leased assets as per IFRS 16 accounting policy. Consequently, return on asset decreased due to decline of profit in 2019.
- Like non-current assets, non-current liabilities increased due to the IFRS 16 accounting policy change and cumulative deferred tax impact for the year
- Paid up capital for 2019 increased due to the 1:2 bonus share declaration.

## Financial Position

BDT Crore	2019	2018	2017	2016	2015
Cash flow from operating	1,559	893	973	423	910
Cash flow from investing	(319)	(688)	(799)	(313)	(264)
Cash flow from financing	(786)	78	(510)	(151)	(549)
Borrowings	0	518	306	179	0

BATB has improved its liquidity position during 2019 by efficiently managing cash requirements all throughout the year. The Company was able to maintain a positive cashflow due to effective working capital, capital expenditure requirements and higher inflow from leaf export.

### **Dividend**

The Board of Directors has recommended a cumulative dividend for the year ended 31 December 2019, i.e. BDT 40 per share as cash. The dividend is subject to final approval by shareholders at the Company's ensuing Annual General Meeting.

The company also declared 1:2 bonus share as stock dividend for the year 2018 which was approved by the shareholders in the 46th annual general meeting held on 28th April 2019.

### **Taxation**

The effective tax rate decreased from 48.16% in 2018 to 46.87% in 2019. The current tax decrease is in line with the decrease in profit before tax and adjustment from previous years' tax assessment. However, deferred tax has increased from last year due to higher asset capitalisation in 2019.

# OUR PEOPLE OUR STRENGTH

*Embedded into the core of our enterprise is a people-centric culture that leads to exceptional performance. As an endorsement of this, BATB won the award for being the best in the Asia Pacific region, thus celebrating with everyone.*



REG  
AV  
WI



**REGIONAL  
WARD  
WINNER**

**FREE**

# PEOPLE MAKING A DIFFERENCE



Trade Marketing Team



Finance Team



Human Resources Team



Trade Union Representatives



**Legal & External Affairs Team**



**Operations Team**



**Brand and SP&I Team**



**Information & Digital Technology Team**

# SNAPSHOTS 2019



EH&S Day  
Celebration at SMD



IWS Phase 1  
Celebration 2019



217 mn Production  
celebration





2019 Olympiad Women football match



Cultural programme on Family Day 2019



Champions of Battle of Minds 2019 receiving the award from Former Senior Secretary of Ministry of Education Mr. Sohrab Hossain and Mr. Golam Mainuddin, Chairman BATB



Corporate Line of  
Sight Conference  
2019



Winners of  
Olympiad Men  
Football Team



"T" training for  
shopfloor 2019



**Rumana Rahman**  
 (Regional Head of HR,  
 Asia Pacific & Middle  
 East, BAT Group),  
 conducting a special  
 leadership session  
 through Inspirit  
 platform



**Marketing**  
**LOS 2019**



**The Leadership Team**  
 in  
 a cultural event during  
 Regional Strategic Unit  
 (RSU) visit



Management with their respective families attending a cultural night event



Strategic Leadership Agenda 2019



Hon'ble Minister for Ministry of Liberation War Affairs hands over the GREETINGS award to Chairman of BATB Golam Mainuddin and Head of Legal & External Affairs Mubina Asaf in an event on Independence Day 2019



Managing Director Shehzad Munim inaugurates the Factory DDS (daily direction settings) room, a key enabler in IWS Phase 1 journey



Annual General Meeting 2019

# BATB IN MEDIA

**উৎপাদনশীলতা পুরস্কার পেল বিএটি বাংলাদেশ**

বিএটি বাংলাদেশ একটি উৎসাহজনক প্রচেষ্টার মাধ্যমে উৎসাহিত হয়ে উৎপাদনশীলতা পুরস্কার পেয়েছে।

**The Daily Star** 23 July 2019 Business Page 4

**British American Tobacco Bangladesh (BAT) wins 2019 award for Manufacturing Excellence**

British American Tobacco Bangladesh (BAT) has won the 2019 award for Manufacturing Excellence.

**সমকাল** 23 নভেম্বর ২০১৯

**বোকে উর্দেছে ছফাইয়ের রস**

বোকে উর্দেছে ছফাইয়ের রস।

**Dhaka Tribune** 9 April 2019

**BAT Bangladesh gets new marketing chief**

BAT Bangladesh has appointed a new marketing chief.

**সমকাল** 23 নভেম্বর ২০১৯

**পায় কখনও বেইমানি করে না**

পায় কখনও বেইমানি করে না।

**সমকাল** 23 নভেম্বর ২০১৯

**একজন বৃক্ষশ্রেণী গিয়াসউদ্দিন**

একজন বৃক্ষশ্রেণী গিয়াসউদ্দিন।

**The Daily Star** SHOUT

**A CELEBRATION OF INNOVATIVE IDEAS**

**Manufacturing Excellence (MNCO) British American Tobacco**

**শিল্পক্ষেত্রে বিশেষ অবদান রাখায় বিএটিবি**

**Manufacturing Excellence (MNCO) British American Tobacco**

**বিএটি বাংলাদেশের শেয়ার হোল্ডার্স ডে ৩০ টাকা লভ্যাংশে ও ১:২ বোনাস শেয়ারে ঘোষণা**

**SHAREHOLDERS' DAY**

**The Daily Star** 17 November 2019 3

**টাক্স কার্ড ও সম্মাননা**

টাক্স কার্ড ও সম্মাননা।

**ইতিফাক** 17 নভেম্বর ২০১৯

**COVID-19**

COVID-19.

**Dhaka Tribune**  
Monday, December 2, 2019 | Agriculture 17/14N | B4

**British American Tobacco**

BA Tobacco, independent director of British American Tobacco Bangladesh (BAT), and other officials receive a trophy from the Bangladesh Tobacco Growers' Association (BTGA) at the Bangladesh Agri-Club Conference on December 2, 2019.

**The Daily Star**  
TOWARDS A LEVEL PLAYING FIELD FOR WOMEN

Implementation of the new National Curriculum Framework for Education and Training

**The Daily Star SHOUT**  
April 08, Tue 14, 1st Edition, P.02, Dhaka 98 12 2019

**Celebrating the Power of Youth**  
Battle of Minds 2019 Bootcamp

**সমকাল**  
১৫ ডিসেম্বর ২০১৯

**অহিপিএবির জাতীয় পুরস্কার পেল বিএটিবি**

অহিপিএবির জাতীয় পুরস্কার পেল বিএটিবি। অহিপিএবি বাংলাদেশের জাতীয় পুরস্কার 'অহিপিএবি' জিতেছে। অহিপিএবি বাংলাদেশের জাতীয় পুরস্কার 'অহিপিএবি' জিতেছে। অহিপিএবি বাংলাদেশের জাতীয় পুরস্কার 'অহিপিএবি' জিতেছে।

**BANGLADESH: A COUNTRY WITH TREMENDOUS POTENTIAL**

International trade fair, Ministry, Bangladesh Investment Promotion Board and World Bank, Dhaka, Bangladesh, Bangladesh

**The Financial Express**  
22 March 2019

**'Probaho' plants supplying safe water in Kushtia**

Probaho is providing safe water to Kushtia. Probaho is providing safe water to Kushtia. Probaho is providing safe water to Kushtia.

**প্রথম আলো**  
রাষ্ট্রপতির সম্বোধন

রাষ্ট্রপতি শেখ হাসিনার রাষ্ট্রপিত্ব অধিবেশন '৯৯ বিদেশ'

রাষ্ট্রপতি শেখ হাসিনার রাষ্ট্রপিত্ব অধিবেশন '৯৯ বিদেশ'। রাষ্ট্রপতি শেখ হাসিনার রাষ্ট্রপিত্ব অধিবেশন '৯৯ বিদেশ'। রাষ্ট্রপতি শেখ হাসিনার রাষ্ট্রপিত্ব অধিবেশন '৯৯ বিদেশ'।

**The Financial Express**  
29 April 2019 | 16

**BAT holds AGM/EGM**

**SHAREHOLDERS' DAY**

**The Daily Star**  
DEVELOPMENT THROUGH PARTNERSHIP

Committing to contribute in the hospitality

**bdnews24.com**

**British American Tobacco working on COVID-19 vaccine using tobacco leaves**

British American Tobacco is working on a COVID-19 vaccine using tobacco leaves. British American Tobacco is working on a COVID-19 vaccine using tobacco leaves.

**The Daily Star**  
Beetles tests of DU IBA, champion in Battle of Minds 2019 competition

Beetles tests of DU IBA, champion in Battle of Minds 2019 competition. Beetles tests of DU IBA, champion in Battle of Minds 2019 competition.

**কালের কণ্ঠ**  
১৫ ফেব্রুয়ারি ২০১৯

কালের কণ্ঠ ১৫ ফেব্রুয়ারি ২০১৯। কালের কণ্ঠ ১৫ ফেব্রুয়ারি ২০১৯। কালের কণ্ঠ ১৫ ফেব্রুয়ারি ২০১৯।

# AWARDS AND ACHIEVEMENTS



As a recognition of highest tax payer in other categories, BATB Chairman Mr. Golam Mainuddin & Finance Director Stephan Matthiesen have received an honor award from Hon'ble Finance Minister Mr. AHM Mustafa Kamal and National Board of Revenue (NBR) Chairman Mr. Mosharraf Hossain. This is the 4th time BATB has received this prestigious award in a row. BATB paid BDT 22,630 crore as revenue in 2019.





*BATB wins the first prize 19th ICAB National Award, under the Manufacturing Category. Chairman Golam Mainuddin and Managing Director Shehzad Munim receiving the award from Hon'ble Commerce Minister Tipu Munshi.*



*Only Bangladeshi Company to be the 'TOP EMPLOYER' for the second time by the Top Employer Institute, for exceptional standards in employee conditions.*



BATB wins 'Gold Award' under Manufacturing Category for Corporate Governance Excellence for the year 2018. BATB Chairman Golam Mainuddin and Head of Public Affairs Md. Azizur Rahman FCS received the award.



BATB wins the Regional Best Award in the Asia Pacific Middle-East region. The Leadership Team received the prestigious award.



BATB wins First Prize under 'MNC Manufacturing Industry' category for making the most significant contribution towards Bangladesh economy. The Chairman and Managing Director of BATB received this award from the Hon'ble Planning Minister, Mr. Muhammad Abdul Mannan



Independent Director of BATB Mr. KH Masud Siddiqui, Head of Public Affairs & Company Secretary Mr. Md. Azizur Rahman and Human Resources Business Partner Ms. Adrita Datta received the 'Excellence in Supply Chain Talent Development'.



Head of Legal and External Affairs, Ms. Mubina Asaf and Corporate Finance Controller Mr. Khaled Rahman received the 'South Asian Federation of Association (SAFA)' second runners up award under the Manufacturing Sector from Hon'ble Commerce Minister Mr. Tipu Munshi.



Mr. AKM Aftab Ul Islam FCA, Independent Director and Mr. Md. Azizur Rahman FCS, Head of Public Affairs and Company Secretary of BATB received the 19th ICAB National Awards for 'Corporate Governance Disclosure' award from Hon'ble Commerce Minister Mr. Tipu Munshi.



Mr. Md. Azizur Rahman FCS Head of Public Affairs and Company Secretary received National Productivity and Quality Excellence Award 2018



Independent Director of BATB, Mr. KH Masud Siddiqui along with Ms. Mubina Asaf, Head of Legal & External Affairs & Mr. Hasnain Ishtiaq, Supply Chain Manager received the 'Excellence in Manufacturing Excellence' category by IPDC Finance Limited and Bangladesh Supply Chain Management Society.

# AFFORESTATION AWARDS RECEIVED NATIONWIDE





## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of British American Tobacco Bangladesh Company Limited

Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of British American Tobacco Bangladesh Company Limited (the Company), which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

We draw attention to Note 42 to the financial statements where an update from the current year is outlined from last year's management assessment on a BDT 17,806 million retrospective demand by the National Board of Revenue for Value Added Tax and Supplementary Duty on the Company's Pilot and Bristol brands. During the current year the Company has received the certified copy of the Appellate Division of the Supreme Court's judgement dated 25 July 2018 in favour of the appeal made by the Company.

Our opinion is not modified in respect of the above matters.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements for 2019. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### Revenue recognition

Revenue of BDT 56.8 billion (Note 23) is recognised in the income statement of the Company. This material item is subject to considerable inherent risk due to the impact of changing list prices and related indirect taxes, along with identifying, recording and properly accounting for variable consideration elements in the contracts with customers. Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.

#### How our audit addressed the key audit matter:

- We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 Revenue from contracts with customers;
- Performed walkthroughs to understand the adequacy and the design of the revenue cycle;
- Tested the internal controls over financial reporting, we also assessed the existence and accuracy of the sales recorded, based among other things on inspection of sales contracts, final acceptances, and the allocation of variable consideration to the various elements in the contracts;
- We performed substantive analytical to understand how revenue trends over the year among other parameters and performed a detailed testing on transactions around the year—end, to test revenues were recognised in the correct accounting period.
- We also tested journal entries recognised to revenue focusing on unusual or irregular transactions.

'IFRS 16 – Leases' became effective for annual reporting beginning on or after 1 January 2019 which replaces the existing standard IAS 17. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The Company decided to adopt the modified retrospective approach for the transition accounting, the standard also provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The application of the new lease standard resulted in the recognition, for the 01 January 2019 opening balance sheet, of right of use of asset of BDT 1.67 billion (net value) (Note 8.b) and an increase in lease liabilities of BDT 1.4 billion (Note 8.b), the impact of the adaptation of the new standard is disclosed in Note 6 – T (i) of the notes to the financial statements.

We considered the implementation of IFRS 16 Leases as a key audit matter, since the balances recorded are material, management had to apply several judgements and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summarise the lease data for input into their lease calculation model.

**How our audit addressed the key audit matter:**

We obtained an understanding of the management’s process for implementing IFRS 16 including financial controls designed by the management to mitigate the risks assessed by us independently, we tested those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area.

Our audit approach included testing of the controls and substantive audit procedures, including:

- Assessing the accounting policy to the literatures of IFRS 16
- Through discussion with management we identified categories of existing contracts that may be affected by IFRS 16 and assessed the scope that is applicable for the Company
- Through discussion we evaluated management’s judgement and estimates used in adopting the new standard
- Reviewing the assumptions used in the calculation model is accurate and capture the standards as per the accounting policy and different lease agreements
- On a sample basis tested different categories of lease and the right of use of asset and lease liability as compared to the terms and conditions of the respective lease contracts
- Assessed whether the disclosures within the financial statements are adequate as prescribed by the relevant IFRSs

**Tax positions**

The Company is subject to periodic review by local tax authorities on a range of tax matters during the normal course of business including indirect taxes and transaction related tax matters that could eventually require payments of taxes and possible additional charges. The assessment of uncertainty and risk of one or more unfavorable outcomes involve judgement from management.

This was a key audit matter because of the amounts involved and because of the estimation of the likely impact and the final outcome of these matters.

The Company records provisions for uncertain liabilities, including tax contingencies, when it is more likely than not that a liability has been incurred, and the amount can be reliably estimated.

**How our audit addressed the key audit matter:**

We have taken into consideration the complexity of accounting and tax issues, internal control; and gained an understanding over the entity’s accounting for taxes and management’s process for assessing the effectiveness of internal control over the significant income tax accounts and the related financial statement disclosures.

**Our procedures also included among others:**

- Discussing with the management regarding tax matters, tax jurisdictions and tax communications;
- Identifying and testing relevant controls over tax accounts and financial statement disclosures;
- Analysis of responses in letters independently obtained from the tax consultant and external counsels of the Company on various matters;
- Substantive procedures performed including vouching account reconciliations and tracing amounts to the appropriate underlying support and trial balances.
- Analysis of the accounting of the pre-tax effects of transactions and the tax technical application to specific transactions.

**Other information included in the Company’s 2019 Annual Report**

Other information consists of the information included in The Company’s 2019 Annual Report other than the financial statements and our auditor’s report thereon. We obtained Director’s Report and Corporate Governance report prior to the date of our auditor’s report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor’s report. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- i) 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 made due verification thereof;
- ii) 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 these books;
- iii) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) The expenditure incurred was for the purposes of the company's business.



**A. Qasem & Co.**

Chartered Accountants  
Dhaka, 22 February 2020



## British American Tobacco Bangladesh Company Limited

**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2019

Particular	Notes	2019	2018
		BDT (000)	BDT (000)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8 (a)	29,531,965	26,483,587
Right of use assets (ROU)	8 (b)	1,672,223	-
<b>Total non-current assets</b>		<b>31,204,188</b>	<b>26,483,587</b>
<b>Current assets</b>			
Inventories	9	16,537,884	19,429,201
Trade and other receivables	10	2,609,916	4,174,125
Advances, deposits and prepayments	11	3,684,485	4,822,711
Cash and cash equivalents	12	5,393,764	1,633,605
<b>Total Current assets</b>		<b>28,226,049</b>	<b>30,059,642</b>
<b>Total assets</b>		<b>59,430,237</b>	<b>56,543,229</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	13	1,800,000	600,000
Capital reserve	14	64,896	64,896
Retained earnings	15	33,928,559	28,863,958
<b>Total equity attributable to owners of the Company</b>		<b>35,793,455</b>	<b>29,528,854</b>
<b>Non-current liabilities</b>			
Net defined benefit plans	16	951,616	978,538
Deferred tax	17	4,258,548	3,112,979
Lease liabilities	8 (b)	1,412,243	-
<b>Total non-current liabilities</b>		<b>6,622,407</b>	<b>4,091,517</b>
<b>Current liabilities</b>			
Bank overdrafts	18	-	799,880
Short term bank loans	19	-	4,380,000
Trade and other payables	20	12,237,053	11,757,219
Lease liabilities	8 (b)	390,698	-
Current tax liabilities	21	4,022,936	5,918,997
Provisions	22	363,690	66,762
<b>Total current liabilities</b>		<b>17,014,375</b>	<b>22,922,858</b>
<b>Total liabilities</b>		<b>23,636,782</b>	<b>27,014,375</b>
<b>Total equity and liabilities</b>		<b>59,430,237</b>	<b>56,543,229</b>

**Golam Mainuddin**  
Chairman

**Shehzad Munim**  
Managing Director

**A.K.M. Aftab Ul Islam FCA**  
Director

**Stephan Matthiesen**  
Finance Director

**Md. Azizur Rahman**  
Company Secretary

**A. Qasem & Co.**  
Chartered Accountants

Dated, Dhaka  
22 February 2020

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	2019	2018
		BDT (000)	BDT (000)
Gross revenue		269,854,574	233,118,187
Supplementary duty and VAT		(213,033,244)	(178,478,420)
<b>Net revenue from contracts with customers</b>	23	<b>56,821,330</b>	<b>54,639,767</b>
Cost of sales	24	(29,972,780)	(27,096,297)
<b>Gross profit</b>		<b>26,848,550</b>	<b>27,543,470</b>
Operating expenses	25	(8,081,557)	(6,723,690)
<b>Operating profit</b>		<b>18,766,993</b>	<b>20,819,780</b>
Net finance income/(expenses)	26	(471,367)	(473,916)
Non-operating income/(expenses)	27	24,296	(14,996)
<b>Profit before contribution to WPPF</b>		<b>18,319,923</b>	<b>20,330,867</b>
Contribution to WPPF		(915,996)	(1,016,543)
<b>Profit before tax</b>		<b>17,403,927</b>	<b>19,314,324</b>
Income tax expense			
Current tax	28	(7,028,523)	(8,985,069)
Deferred tax	29	(1,129,055)	(317,221)
		(8,157,578)	(9,302,290)
<b>Profit for the year</b>		<b>9,246,349</b>	<b>10,012,034</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</b>			
Remeasurement on defined benefit plans	30	34,766	(35,430)
Deferred tax impact on defined benefit plans	30	(16,514)	39,811
<b>Other comprehensive loss for the year, net of tax</b>		<b>18,252</b>	<b>4,382</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>9,264,601</b>	<b>10,016,416</b>
		<b>BDT</b>	<b>BDT</b>
<b>Earnings per share</b>	31	<b>51.37</b>	<b>55.62</b>

The notes annexed 1 to 45 are an integral part of these financial statements.

  
Golam Mainuddin  
Chairman

  
Shehzad Munim  
Managing Director

  
A.K.M. Aftab UI Islam FCA  
Director

  
Stephan Matthiesen  
Finance Director

  
Md. Azizur Rahman  
Company Secretary

  
A. Qasem & Co.  
Chartered Accountants

Dated, Dhaka  
22 February 2020

## British American Tobacco Bangladesh Company Limited

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Share capital	Capital reserve	Retained earnings	Total equity
	BDT (000)	BDT (000)	BDT (000)	BDT (000)
<b>Balance at 01 January 2018</b>	<b>600,000</b>	<b>64,896</b>	<b>22,447,542</b>	<b>23,112,438</b>
Profit for the year	-	-	10,012,034	10,012,034
Other comprehensive income for the year	-	-	4,382	4,382
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>10,016,416</b>	<b>10,016,416</b>
Dividends for the year 2017			(3,600,000)	(3,600,000)
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>(3,600,000)</b>	<b>(3,600,000)</b>
<b>Balance at 31 December 2018</b>	<b>600,000</b>	<b>64,896</b>	<b>28,863,958</b>	<b>29,528,854</b>
<b>Balance at 01 January 2019</b>	<b>600,000</b>	<b>64,896</b>	<b>28,863,958</b>	<b>29,528,854</b>
Profit for the year	-	-	9,246,349	9,246,349
Other comprehensive income for the year	-	-	18,252	18,252
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>9,264,601</b>	<b>9,264,601</b>
Dividends for the year 2018				
Stock Dividend	1,200,000	-	(1,200,000)	-
Cash Dividend	-	-	(3,000,000)	(3,000,000)
<b>Balance at 31 December 2019</b>	<b>1,800,000</b>	<b>64,896</b>	<b>33,928,559</b>	<b>35,793,455</b>

The notes annexed 1 to 45 are an integral part of these financial statements.



**Golam Mainuddin**  
Chairman



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Managing Director



**A.K.M. Aftab Ul Islam FCA**  
Director



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Finance Director



**Md. Azizur Rahman**  
Company Secretary



**A. Qasem & Co.**  
Chartered Accountants

Dated, Dhaka  
22 February 2020

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	2019	2018
	BDT (000)	BDT (000)
<b>Operating activities</b>		
Collection from distributors, leaf export and others	271,431,599	231,202,535
Payment for costs and expenses	(38,440,015)	(36,613,162)
Supplementary duty and VAT paid	(208,171,085)	(176,779,610)
<b>Cash generated from operating activities</b>	<b>24,820,499</b>	<b>17,809,762</b>
Income tax paid	(8,924,585)	(8,430,769)
Interest paid	(306,674)	(453,734)
<b>Net cash flows from operating activities</b>	<b>15,589,240</b>	<b>8,925,259</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(3,215,508)	(6,978,665)
Proceeds from sale of property, plant and equipment	29,548	100,836
<b>Net cash flows used in investing activities</b>	<b>(3,185,959)</b>	<b>(6,877,829)</b>
<b>Financing activities</b>		
Proceeds from short term loan	15,880,000	9,800,000
Repayment of short term loan	(20,260,000)	(5,420,000)
Payment of lease liabilities	(479,691)	-
Dividend paid	(2,996,565)	(3,596,316)
<b>Net cash flows used in financing activities</b>	<b>(7,856,256)</b>	<b>783,684</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>4,547,025</b>	<b>2,831,114</b>
<b>Cash and cash equivalents at 01 January*</b>	<b>833,725</b>	<b>(2,079,741)</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>13,013</b>	<b>82,351</b>
<b>Cash and cash equivalents at 31 December*</b>	<b>5,393,764</b>	<b>833,725</b>

\*Cash and cash equivalents include bank overdrafts that are payable on demand and form an integral part of the Company's cash management.

The notes annexed 1 to 45 are an integral part of these financial statements.



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Dated, Dhaka  
22 February 2020

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## NOTES TO THE FINANCIAL STATEMENTS

### 1 Corporate information

#### 1.1 Company profile

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

#### 1.2 Nature of business

The Company manufactures tobacco product and market brands including Benson & Hedges, John Player Gold Leaf, Capstan, Star, Royals, 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 Statement of compliance

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

The financial statements have been prepared on a historical cost basis, except for financial assets and contingent consideration that have been measured at fair value where applicable. The financial statements provide comparative information in respect of the previous period and have been prepared on going concern basis.

#### 2.2 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 22 February 2020 for publication.

#### 2.3 Reporting period

The financial period of the Company covers one year from 01 January to 31 December and is followed consistently.

### 3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is both functional and presentational currency of the Company. The amounts in these financial statements have been rounded off to the nearest thousand BDT (000) unless otherwise indicated. Because of these rounding off, in some instance the total may not match the sum of individual balance.

### 4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, 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.

Judgements: In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

The company has recognised Right-of-use assets as per IFRS 16 which required management to make important judgements in determination of lease terms. For details, please see Note 8 (b) to these financial statements

Estimates & Assumptions : Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Key estimates and assumptions used in preparation of these financial statements are:

1. Applicable tax rate for Income Year 2019 will be declared by Finance Act 2020. For the purpose of these financial statements, management has assumed that the existing corporate tax rate (45%) & surcharge (2.5%) will be applicable for Income Year 2019 as well.
2. Appropriate financial and demographic assumptions have been used in consultation with a certified actuary to measure defined benefit obligation as at 31 December 2019.
3. Key measurements about the likelihood and magnitude of outflow of resources have been used to recognise and measure provisions and contingencies

In particular, information about significant areas of estimates and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in these financial statements are stated in the following notes:

Note 8 (a)	Property, plant and equipment
Note 8 (b)	Lease
Note 9	Inventories
Note 10	Trade and other receivables
Note 16	Net defined benefit plans
Note 17	Deferred tax
Note 21	Current tax liabilities
Note 22	Provisions
Note 41	Commitments
Note 42	Contingencies

**5 Basis of measurement**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis, except for inventory, trade receivables and contingent consideration that have been measured at fair value. The financial statements provide comparative information in respect of the previous period.

**6 Significant accounting policies**

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages:

- A. Current versus non-current classification
- B. Property, plant and equipment
- C. Financial instruments
- D. Share capital
- E. Impairment
- F. Lease
- G. Inventories
- H. Employee benefits
- I. Provisions
- J. Contingencies

K.	Revenue from contracts with customers
L.	Income tax expense
M.	Foreign currency transactions
N.	Finance income and expenses
O.	Earnings per share (EPS)
P.	Statement of cash flows
Q.	Dividends
R.	Materiality and aggregation
S.	Events after the reporting period
T.	Changes in accounting policies and disclosures

**A. Current versus non-current classification**

The company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period;
- All other liabilities as non-current;
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**B. Property, plant and equipment**

**(i) Recognition and measurement**

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Buildings constructed by the Company on leasehold land are capitalised and included under the category of leasehold property.

**(ii) Subsequent costs**

Subsequent to initial recognition, cost of replacing part of an item of property, plant and equipment is recognised 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. All other repair and maintenance expenses are charged in the statement of profit or loss and other comprehensive income as they are incurred.



**(iii) Depreciation**

All items of property, plant and equipment have been depreciated on straight line basis. Depreciation on additions are charged from the month of acquisition. On disposal of an asset, depreciation is charged up to the month prior to the disposal. No depreciation is charged for land and assets under construction. The Company is following this policy consistently from past years.

The estimated useful lives and the rates of residual value of property, plant and equipment for the current and comparative years are as follows:

Categories	Useful life in years		Residual value	
	2019	2018	2019	2018
Freehold building	40	40	1%	1%
Leasehold building	Maximum 40 years, depreciation rates based on a case by case basis	Maximum 40 years, depreciation rates based on a case by case basis	0%	0%
Plant and machinery	5 / 10 / 20*	5 / 10 / 20*	0% / 1%	0% / 1%
Laboratory equipment	10	10	0%	0%
Office equipment	5 / 10	5 / 10	0%	0%
Furniture and fixtures	3 / 5 / 10	3 / 5 / 10	0%	0%
Vehicles	4 / 5	4 / 5	1%	1%
IT equipment	3 / 5	3 / 5	0%	0%

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate. No significant adjustment in respect of items of property, plant and equipment was done in the twelve-month period ended 31 December 2019.

**(iv) Assets under construction**

Assets under construction represent the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use at reporting date and these are stated at cost, net of accumulated impairment losses, if any.

**(v) Impairment**

The carrying amount of the entity's non-financial assets, other than inventories and deferred tax assets (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

An impairment loss is recognised through the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is calculated as the present value of estimated future cash flows, that will be generated by the use of that asset, discounted at an appropriate rate.

Impairment indicators comprise:

- reduced earnings compared to expected future outcome;
- material negative development trends in the sector or the economy in which the Company operates;
- damage to the asset or changed use of asset;

**(vi) Retirement and disposals**

An asset is derecognised on disposal or when no further economic benefits are expected from its use. Gain or loss on disposal of an asset is determined as the difference of net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income/expense in the statement of profit or loss and other comprehensive income.

### **(vii) Leases**

On 1st January 2019, IFRS 16 has been adopted and all leasing arrangements except those having less than 12 months of useful life and underlying asset values of less than BDT 425,000 when new, have been capitalized as “right to use” assets with a corresponding financial liability on the balance sheet

Leased assets are capitalized from the start date of the lease agreement at the present value of the future leased payments, based on the rate of interest entered in the asset master data. Low value (< BDT 425,000) and short term leases (<12months) have been excluded from the recognition requirements and expensed in operating profit as rental costs. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in scope of lease agreement can be made if necessary.

The asset is written off on a straight-line basis over the tenure of the lease agreements. Hence, the useful life of any lease assets depends on the number of periods the assets can be used. The useful life of such assets are dependent on individual agreement and can vary from one agreement to another.

## **C. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-derivative financial instruments comprise deposits, trade and other receivables, cash and cash equivalents, trade and other payables, intercompany payables, share capital and interest-bearing borrowings.

### **(i) Financial assets**

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company’s financial assets comprise trade and other receivables, deposits and cash and cash equivalents.

#### **a) Trade and other receivables**

Trade and other receivables consist of unpaid bills receivable from customers and other parties. Trade and other receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less expected credit loss at the year end, which is made at the discretion of the management.

#### **b) Deposits**

Deposits are measured at payment value which are expected to be recovered after completion a certain period or purpose.

#### **c) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at banks and fixed deposits receipt which are held and available for use by the Company without any restriction, except for the dividend account. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at financial institutions and short-term highly liquid investments with maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### **d) Advances and prepayments**

After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment or inventory etc.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges for the period.

**(ii) Financial liabilities**

The Company initially recognises financial liabilities in its statement of financial position when the Company becomes a party to the contractual provisions of the liability. The Company recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company's financial liabilities comprise trade and other payables.

**a) Trade and other payables**

Trade and other payables are recognised when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits. Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost using the effective interest method.

**(iii) Offsetting a financial asset and a financial liability**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**D. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

**E. Impairment****i) Recognition**

Financial assets not carried at fair value through profit or loss and receivables are assessed at each reporting date to determine whether there is objective evidence that any particular asset is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The carrying value of the 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, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

**ii) Calculation of recoverable amount**

The recoverable amount of asset is the greater of its net selling price or its value in use. The latter is determined by discounting the estimated future cash flows to a present value using a discount rate which reflects the current market assessment of the time value of money and risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

**iii) Reversal of impairment**

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **F. Lease**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date less any lease incentives received.

### **ii) Lease liabilities**

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company's lease liabilities are included in Interest-bearing loans and borrowings

### **iii) Short-term leases and leases of low-value assets**

The company not applying the recognition and measurement requirements of IFRS 16 to short-term leases (leases of less than 12 months maximum duration). It also not applying the recognition and measurement requirements of IFRS 16 to leases for which the underlying asset is of low value (i.e. less than USD 5,000 when new. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## **G. Inventories**

Raw materials and finished goods inventories are measured at the lower of cost and net realisable value. Spare parts are valued at cost.

The cost of inventories, except goods in transit, is measured based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

Material in transit represents the cost incurred up to the date of the statement of financial position for the items that were not received till to the date of reporting. Inventory losses and abnormal losses are recognised as expenses.

**H. Employee benefits****(i) Short-term benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**(ii) Defined benefits plans****a) Management Gratuity Scheme**

The Company operates an unfunded gratuity scheme for the management employees who joined the Company up to February 2013. Members of this scheme become eligible to receive gratuity on completion of 5 years of continuous services with the Company.

**b) Management Pension Fund**

The Company operates a funded pension scheme for the management employees who joined the company from 1 January 1987 to 31 August 2007. Members of this fund become eligible to receive pension on completion of 5 years of continuous service with the Company. The fund is managed by a Board of Trustees.

Present value of defined benefit obligation and the fair value of the plan assets were determined by professional actuary for both the funds. Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost and mutually compatible actuarial assumptions about demographic and financial variables were used. The difference between fair value of the plan assets and present value of obligation is recognised as a liability or an asset in the statement of financial position. In respect of any actuarial gains or losses arising from actuarial valuation, it is fully recognised in the other comprehensive income.

**(iii) Defined contributions plan****a) Management Gratuity Scheme**

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

**b) Employee Gratuity Scheme**

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

**c) Provident Fund**

The Company operates a provident fund for all the employees irrespective of date of joining the Company. 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 managed by a Board of Trustees. Members become eligible to receive the Company's contribution on completion of 5 years of continuous services with the Company.

The Company recognises the contribution to the defined contribution plan as an expense when an employee has rendered services in exchange for those contributions. The legal and constructive obligation is limited to this amount and it agrees to the fund contribution."

#### **d) Worker's Profit Participation Fund**

The Company operates fund for workers as "Workers' Profit Participation Fund" and 5% of the profit before charging such expense has been transferred to this fund as per section 234 of Bangladesh Labour Act 2006 (amended in 2013).

The Company recognises a contribution to the defined contribution plan as an expense when an employee has rendered services in exchange for the contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

#### **I. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

#### **J. Contingencies**

##### **Contingent liability**

Contingent liability is a possible obligation that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company discloses contingent liability in the financial statements. A provision is recognised in the period in which the recognition criteria of provision is met.

##### **Contingent asset**

Contingent asset is a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

#### **K. Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT), Supplementary Duty (SD), Export Duty and Health Surcharge. Gross turnover comprises domestic sales of cigarettes, export of leaf and finished goods and includes SD, VAT, Export Duty (for Leaf till 30th June 2019) and Health Surcharge paid to the Government of Bangladesh.

The company's typical performance obligations include the following:

Performance obligation	When performance obligation is typically satisfied	When payment is typically due	How stand alone selling price is typically estimated
<b>Domestic sales:</b>			
Distributor	Point in time at factory/ warehouse gate	At the beginning of the contract	As per regulator approved prices
Duty free	Point in time at factory gate	Within 30 days of delivery	As per regulator approved prices
<b>Export sales:</b>			
Related parties and external parties	Point in time; Free on board as issued by ICC**	a) At the beginning of the contract and;	As per agreed price
		b) for certain transactions at the date of bill of lading	As per agreed price

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of domestic sales to distributors, the Company considers the effects of variable consideration payable to the customer.

The Company has variable considerations included in the contracts with customers which are netted off against the revenue to determine the transaction price. The variable considerations are pre-determined. The effect of variable considerations on revenue is only from contracts with domestic customers.

The Company estimates variable consideration using either the 'expected value' method or the 'most likely amount' method, based on whichever better predicts the amount of consideration to which the entity is entitled. The entity applies the selected method consistently throughout the contract and for similar types of contracts.

## L. Income tax expense

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. Income tax expense comprises current and deferred tax. It is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

### (i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income tax, if any. Current tax assets/liabilities are offset if certain criteria are met. It is measured using tax rates enacted or substantively enacted at the reporting period. The applicable tax rate for the Company is currently 45% corporate tax and 2.5% surcharge on income.

### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will;
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. 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 realised; such reductions are reversed when the probability of future taxable profits improve.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**M. Foreign currency transactions**

Transactions in foreign currencies are translated to Bangladesh Taka at the exchange rate prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of statement of financial position. Foreign currency differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

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.

**N. Finance income and expenses**

Finance income comprises interest on financial deposits with banks. Finance income is recognised on an accrual basis and shown under statement of profit or loss and other comprehensive income. Finance costs comprise interest expense on overdraft and borrowings from bank.

**O. Earnings per share (EPS)**

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares at the reporting date.

**P. Statement of cash flows**

Cash flows from operating activities have been presented under direct method as per IAS 7: Statement of Cash Flows.

**Q. Dividends**

Final dividend distribution to the Company's shareholders are recognised 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 recognised in the period in which the dividends are declared and paid. The company may issue bonus share as a part of stock dividend in any financial year, subject to approval from the board and Company's shareholders at the Annual General Meeting

**R. 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.

**S. Events after the reporting period**

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

**T. Changes in accounting policies and disclosures**

**New and amended standards and interpretations**

**i) IFRS 16 - Leases:**

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.



As per IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, for a period, in exchange for consideration. The distinction between operating and finance leases is eliminated for lessees under IFRS 16, and a new lease asset (representing the right to use the leased item for the lease term) and lease liability (representing the obligation to pay rentals) are recognised for all leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (underlying asset value less than BDT 425,000 when new) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee is recognised a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessee is required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

As a lessee

BATB has lease agreements for warehouse, office, apartment and others, for a specified period of time in exchange of consideration. In 2019, the company completed an assessment of all leases under IAS 17 and recognised ROU (right-of-use) assets and leases liabilities for all leases under the scope of IFRS 16 Leases.

(i) Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at BATB's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount any prepaid or accrued lease payments.

(ii) Leases classified as Finance leases under IAS 17

The carrying amount of ROU asset and the lease liability at January 01, 2019 for the finance leases under IAS 17, is continued treating as the financial leases under new policy

In summary the impact of IFRS 16 adoption is as follows:

Category	As at 01 January 2019 in BDT (000)			
	Transfer from PPE	Interest Liabilities	Prepayment	ROU Assets
Rented Apartment	32,305	2,008	8,154	22,144
Fork Lift	3,840	373	-	3,467
Office	25,268	2,749	248	22,270
Warehouse	1,339,650	349,262	59,391	930,998
	<b>1,401,063</b>	<b>354,392</b>	<b>67,792</b>	<b>978,879</b>

Reconciliation	In BDT (000)
<b>Operating lease commitment as at 31 December 2018</b>	1,409,899
Leases excluded from capitalization due to low value	613
Leases excluded from capitalization due to remaining useful life	8,223
<b>Lease liabilities recognised as at 01 January 2019</b>	<b>1,401,063</b>

## Impact analysis of adopting IFRS 16

### Impact on the statement of financial position

For the year ended 31 December 2019

	Notes	As reported	Adjustment	Amounts without adoption of IFRS 16
		BDT (000)	BDT (000)	BDT (000)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		29,531,965	-	29,531,965
Right of use of assets	8.b (ii)	1,672,223	(1,672,223)	-
<b>Total non-current assets</b>		<b>31,204,188</b>	<b>(1,672,223)</b>	<b>29,531,965</b>
<b>Current assets</b>				
Inventories		16,537,884	-	16,537,884
Trade and other receivables		2,609,916	-	2,609,916
Advances, deposits and prepayments		3,684,485	-	3,684,485
Cash and cash equivalents		5,393,764	-	5,393,764
<b>Total current assets</b>		<b>28,226,049</b>	<b>-</b>	<b>28,226,049</b>
<b>Total assets</b>		<b>59,430,237</b>	<b>(1,672,223)</b>	<b>57,758,014</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		1,800,000	-	1,800,000
Capital reserve		64,896	-	64,896
Retained earnings		33,928,559	65,925	33,994,484
<b>Total equity attributable to owners of the Company</b>		<b>35,793,455</b>	<b>65,925</b>	<b>35,859,380</b>
<b>Non-current liabilities</b>				
Net defined benefit plans		951,616	-	951,616
Deferred tax	17.1	4,258,548	62,091	4,320,639
Lease liabilities	8.b (ii)	1,412,243	(1,412,243)	-
<b>Total non-current liabilities</b>		<b>6,622,407</b>	<b>(1,350,152)</b>	<b>5,272,255</b>
<b>Current liabilities</b>				
Bank overdrafts		-	-	-
Short term bank loans		-	-	-
Trade and other payables		12,237,053	2,701	12,239,754
Lease liabilities		390,698	(390,698)	-
Current tax liabilities		4,022,936	-	4,022,936
Provisions		363,688	-	363,688
<b>Total current liabilities</b>		<b>17,014,375</b>	<b>(387,997 )</b>	<b>16,626,378</b>
<b>Total liabilities</b>		<b>23,636,782</b>	<b>(1,738,149)</b>	<b>21,898,633</b>
<b>Total equity and liabilities</b>		<b>59,430,237</b>	<b>(1,672,224)</b>	<b>57,758,014</b>

## Impact on the statement of profit or loss and other comprehensive income

For the year ended 31 December 2019

	Notes	As reported	Adjustment	Amounts without adoption of IFRS 16
		BDT (000)	BDT (000)	BDT (000)
Gross revenue		269,854,574	-	269,854,574
Supplementary duty and VAT		(213,033,244)	-	(213,033,244)
<b>Net revenue from contracts with customers</b>		<b>56,821,330</b>	<b>-</b>	<b>56,821,330</b>
Cost of sales		(29,972,780)	(69,821)	(30,042,601)
<b>Gross profit</b>		<b>26,848,550</b>	<b>(69,821)</b>	<b>26,778,729</b>
Operating expenses		(8,081,557)	35,911	(8,045,646)
<b>Operating profit</b>		<b>18,766,993</b>	<b>(33,910)</b>	<b>18,733,083</b>
Net finance income/(expenses)	26	(471,367)	164,693	(306,674)
Non-operating income/(expenses)		24,296	3,971	28,267
Profit before contribution to WPPF		18,319,923	134,753	18,454,676
Contribution to WPPF		(915,996)	(6,738)	(922,733)
<b>Profit before tax</b>		<b>17,403,927</b>	<b>128,016</b>	<b>17,531,943</b>
<b>Income tax expense</b>				
Current tax		(7,028,523)	-	(7,028,523)
Deferred tax	17.1	(1,129,055)	(62,091)	(1,191,146)
		(8,157,578)	(62,091)	(8,219,669)
<b>Profit for the year</b>		<b>9,246,349</b>	<b>65,925</b>	<b>9,312,274</b>
<b>Total comprehensive income for the year</b>		<b>9,264,601</b>	<b>65,925</b>	<b>9,312,274</b>

## Impact on the statement of cash flows

For the year ended 31 December 2019

	As reported	Adjustment	Amounts without adoption of IFRS 16
	BDT (000)	BDT (000)	BDT (000)
<b>Operating activities</b>			
Collection from distributors, leaf export and others	271,431,599	-	271,431,599
Payment for costs and expenses	(38,440,015)	(524,440)	(38,964,455)
Supplementary duty and VAT paid	(208,171,085)	-	(208,171,085)
<b>Cash generated from operating activities</b>	<b>24,820,499</b>	<b>(524,440)</b>	<b>24,296,059</b>
Income tax paid	(8,924,585)	-	(8,924,585)
Interest paid	(306,674)	-	(306,674)
<b>Net cash flows from operating activities</b>	<b>15,589,240</b>	<b>-</b>	<b>15,064,800</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	(3,215,508)	-	(3,215,508)
Proceeds from sale of property, plant and equipment	74,298	-	74,298
<b>Net cash flows used in investing activities</b>	<b>(3,141,210)</b>	<b>-</b>	<b>(3,141,210)</b>
<b>Financing activities</b>			
Proceeds from short term loan	15,880,000		
Repayment of short term loan	(20,260,000)		15,880,000
Payment of lease liabilities	(524,440)	524,440	(20,260,000)
Dividend paid	(2,996,565)		(2,996,565)
<b>Net cash flows used in financing activities</b>	<b>(7,901,005)</b>	<b>524,440</b>	<b>(7,376,565)</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>4,547,025</b>	<b>524,440</b>	<b>4,547,025</b>
<b>Cash and cash equivalents at 01 January*</b>	833,725		833,725
<b>Effect of exchange rate fluctuations on cash held</b>	13,013		13,013
<b>Cash and cash equivalents at 31 December*</b>	<b>5,393,763</b>		<b>5,393,763</b>

**ii) Changes in asset threshold:**

As per the approval of British American Tobacco Board of Directors' meeting held on 27th October, 2019, the fixed asset threshold has been increased from 20,000 BDT to 30,000 BDT. The change in accounting policy has not been applied retrospectively and comparative information in relation to the 2018 financial year has not been restated. As per IAS 1, the total impact is not material to be applied retrospectively. The following table details the changes in comparative information in regard to the change in capitalization threshold.

Impact on statement of financial position	2018
	BDT (000)
Closing Asset Balance (31st December of the year)	26,483,587
Impact due to policy change	(19,555)
<b>Revised Asset Closing Balance</b>	<b>26,464,032</b>
<b>Impact on statement of changes in equity</b>	
Closing Equity Balance	29,528,854
Impact due to policy change	(19,555)
<b>Revised Equity Closing Balance</b>	<b>29,509,299</b>
<b>Operating Statement Changes</b>	
Manufacturing overhead	(5,049,882)
Operating Expenses	(6,723,690)
<b>Total expenses (Full year 2018)</b>	<b>(11,773,572)</b>
Depreciation Impact for Policy Change	5,780
Operating and Manufacturing Expenses	(5,859)
<b>Revised Total Expenses</b>	<b>(11,773,651)</b>

**7 Standards issued but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. However, this is not an exhaustive list of all the standards issued, the following are the standards which according to the assessment of the Company is most likely to be applicable.

**A. Amendments to IAS 1 and IAS 8: Definition of Material**

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity

The amendments to the definition of material is not expected to have a significant impact on the company's consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 8 (a) Property, plant and equipment

See accounting policy in Notes 6A and 6B

	Freehold building	Freehold land	Furniture and fixtures	IT equipment	Laboratory equipment	Leasehold building	Office equipment	Plant and machinery	Vehicles	Assets under construction (AUC)	Total
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
<b>Cost</b>											
Balance at 01 January 2018	930,580	375,781	353,322	357,641	260,114	704,213	729,144	18,115,829	1,012,131	6,650,135	29,488,890
Additions	338,693	52,981	1,451	72,712	53,795	58,989	79,977	2,304,432	447,193	6,295,206	9,705,429
Disposals/transfers	-	-	(1,365)	(21,897)	-	(7,124)	(40,015)	(382,227)	(246,736)	(2,302,627)	(3,001,991)
<b>Balance at 31 December 2018</b>	<b>1,269,273</b>	<b>428,762</b>	<b>353,408</b>	<b>408,456</b>	<b>313,909</b>	<b>756,078</b>	<b>769,106</b>	<b>20,038,034</b>	<b>1,212,588</b>	<b>10,642,714</b>	<b>36,192,328</b>
Balance at 01 January 2019	1,269,273	428,762	353,408	408,456	313,909	756,078	769,106	20,038,034	1,212,588	10,642,714	36,192,328
Additions	992,737	1,097,734	61,455	50,329	24,175	117,076	311,991	4,659,689	142,298	3,955,685	11,413,168
Disposals/transfers	(2,928)	-	(43,355)	(11,446)	(106)	(698)	(25,339)	(16,945)	(81,751)	(6,852,041)	(7,034,609)
<b>Balance at 31 December 2019</b>	<b>2,259,082</b>	<b>1,526,496</b>	<b>371,509</b>	<b>447,339</b>	<b>337,978</b>	<b>872,456</b>	<b>1,055,757</b>	<b>24,680,778</b>	<b>1,273,134</b>	<b>7,746,358</b>	<b>40,570,886</b>
<b>Depreciation and impairment</b>											
Balance at 01 January 2018	179,022	-	237,881	255,949	138,997	155,788	280,062	6,722,926	603,105	-	8,573,730
Depreciation for the year	26,619	-	31,713	59,422	23,275	21,952	130,763	806,051	195,884	-	1,295,679
Impairment	-	-	-	-	-	-	-	397,655	-	-	397,655
Disposals/transfers	-	-	(1,273)	(21,897)	-	(2,415)	(39,937)	(250,111)	(242,690)	-	(558,323)
<b>Balance at 31 December 2018</b>	<b>205,641</b>	<b>-</b>	<b>268,321</b>	<b>293,474</b>	<b>162,272</b>	<b>175,325</b>	<b>370,888</b>	<b>7,676,521</b>	<b>556,299</b>	<b>-</b>	<b>9,708,741</b>
Balance at 01 January 2019	205,641	-	268,321	293,474	162,272	175,325	370,888	7,676,521	556,299	-	9,708,741
Depreciation for the year	43,292	-	30,538	62,070	26,743	24,432	140,368	920,130	234,094	-	1,481,667
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/transfers	(2,215)	-	(36,819)	(5,455)	(106)	(319)	(16,830)	(8,888)	(80,855)	-	(151,487)
<b>Balance at 31 December 2019</b>	<b>246,719</b>	<b>-</b>	<b>262,040</b>	<b>350,089</b>	<b>188,910</b>	<b>199,437</b>	<b>494,426</b>	<b>8,587,762</b>	<b>709,538</b>	<b>-</b>	<b>11,038,921</b>
<b>Net book value</b>											
At 31 December 2018	1,063,632	428,762	85,087	114,982	151,637	580,753	398,218	12,361,513	656,289	10,642,714	26,483,587
At 31 December 2019	2,012,363	1,526,496	109,468	97,251	149,068	673,018	561,331	16,093,015	563,597	7,746,358	29,531,965

		2019	2018
		BDT (000)	BDT (000)
<b>8.a.1</b>	<b>Allocation of depreciation &amp; impairment</b>		
	Manufacturing overhead	985,543	1,204,026
	Operating expenses	247,119	207,542
	Charge to leaf	249,005	281,766
		<b>1,481,667</b>	<b>1,693,334</b>

**8.a.2 Assets under construction**

Included in property, plant and equipment as at 31 December 2019 was relating to expenditure for Plant and Machinery, Office equipment, Freehold building and Leasehold Building in the course of construction.

**8.a.3 Disposals of property, plant and equipment**

See note no. 27.1 for details

**8 (b) Schedule of Lease**

The Company has leases for Warehouse, Handling Shades, Forklift, Office and Rented Apartment and other equipment, and been capitalized under IFRS 16 Leases. Information related to Right-of-use Asset and Lease Liability are depicted below:

**(I) ROU Assets**

Cost	Rented Apartment	Fork Lift	Office	Warehouse	Total
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Balance at 01 January 2018	-	-	-	-	-
Additions	-	-	-	-	-
Disposals/modification	-	-	-	-	-
<b>Balance at 31 December 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance at 01 January 2019	30,297	3,467	22,519	990,388	1,046,671
Additions/modifications	22,264	28,973	59,733	1,063,260	1,174,230
Disposals	(6,231)	-	(2,613)	(49,368)	(58,212)
<b>Balance at 31 December 2019</b>	<b>46,330</b>	<b>32,440</b>	<b>79,639</b>	<b>2,004,280</b>	<b>2,162,689</b>
<b>Depreciation and impairment</b>					
Balance at 01 January 2018	-	-	-	-	-
Depreciation for the year	-	-	-	-	-
Impairment	-	-	-	-	-
Disposals/modification	-	-	-	-	-
<b>Balance at 31 December 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance at 01 January 2019	-	-	-	-	-
Depreciation for the year	27,779	5,114	20,381	450,654	503,928
Impairment	-	-	-	-	-
Disposals/modification	(818)	-	(1,082)	(11,562)	(13,462)
<b>Balance at 31 December 2019</b>	<b>26,961</b>	<b>5,114</b>	<b>19,299</b>	<b>439,092</b>	<b>490,466</b>
<b>Net book value</b>					
<b>At 31 December 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2019</b>	<b>19,369</b>	<b>27,326</b>	<b>60,340</b>	<b>1,565,187</b>	<b>1,672,223</b>

**(II) Lease Liabilities**

<b>Non Current Portion</b>	<b>2019</b>	<b>2018</b>
	<b>BDT (000)</b>	<b>BDT (000)</b>
Lease Liabilities- Non Current	1,932,475	-
Interest Liabilities- Non Current	(520,232)	-
<b>At 31 December 2019</b>	<b>1,412,243</b>	<b>-</b>
<b>Current Portion</b>	<b>2019</b>	<b>2018</b>
	<b>BDT (000)</b>	<b>BDT (000)</b>
Lease Liabilities- Current	542,849	-
Interest Liabilities- Current	(152,151)	-
<b>At 31 December 2019</b>	<b>390,698</b>	<b>-</b>
<b>Total Lease Liabilities</b>	<b>1,802,941</b>	<b>-</b>

**8.b.1****Allocation of depreciation (ROU assets)**

Manufacturing overhead	133,739	-
Operating expenses	146,052	-
Charge to leaf	224,136	-
	<b>503,928</b>	<b>-</b>

	<b>2019</b>	<b>2018</b>
	<b>BDT (000)</b>	<b>BDT (000)</b>

**9****Inventories**

See accounting policy in Note 6G

Inventories in hand	16,155,464	19,291,846
Inventories in transit	382,420	137,355

**16,537,884**      **19,429,201****Inventories in hand**

Leaf	10,468,431	10,853,048
Wrapping materials	743,928	2,475,352
Work in process	46,970	33,444
Finished goods		
Cost of finished goods	789,897	1,058,982
VAT, Supplementary Duty and *HDS on finished goods	3,608,141	4,351,631
Consumable stores	498,097	519,389

**16,155,464**      **19,291,846**

\*Health Development Surcharge

**Inventories in transit**

Leaf	7,650	4,658
Wrapping materials	333,524	19,191
Consumable stores	41,244	113,506

**382,420**      **137,355**



		2019	2018
		BDT (000)	BDT (000)
<b>10</b>	<b>Trade and other receivables</b>		
	See accounting policy in Note 6(C) (i) (a)		
	Trade receivables	2,304,262	3,673,780
	Expected credit loss	(1,152)	(2,172)
	Net trade receivables	<b>2,303,110</b>	<b>3,671,608</b>
	Intercompany receivables	245,080	120,750
	Sundry receivables	61,726	381,767
		<b>2,609,916</b>	<b>4,174,125</b>
<b>11</b>	<b>Advances, deposits and prepayments</b>		
	See accounting policy in Note 6(C) (i) (d)		
	<b>Advances</b>		
	Advance to suppliers	2,327,238	3,028,818
	Supplementary duty and VAT	1,314,240	1,752,480
	Advance to employees	28,325	28,225
		<b>3,669,803</b>	<b>4,809,523</b>
	<b>Deposits</b>		
	Security deposit	12,636	12,636
		<b>12,636</b>	<b>12,636</b>
	<b>Prepayments</b>		
	Insurance	2,047	552
		<b>2,047</b>	<b>552</b>
		<b>3,684,485</b>	<b>4,822,711</b>
<b>12</b>	<b>Cash and cash equivalents</b>		
	See accounting policy in Note 6(C) (i) (c)		
	Cash in hand	776	810
	Cash at bank		
	Dividend account	49,824	46,389
	Foreign currency accounts	639,441	1,167,192
	Current accounts	1,695,584	419,214
	Fixed Deposit Receipt (FDR)		
	Local	2,000,000	-
	Foreign	419,700	-
		2,419,700	-
	Short Term Deposit (STD)	588,439	-
		5,392,987	1,632,795
	<b>Cash and cash equivalents at statement of financial position</b>	<b>5,393,764</b>	<b>1,633,605</b>

All the above balances are held with scheduled and nationalised banks. Cash at banks earns interest at floating rates based on daily bank deposit rates.

	2019	2018
	BDT (000)	BDT (000)
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:		
Cash at bank and in hand	5,393,764	1,633,605
Bank overdrafts used for cash management purpose	-	(799,880)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>5,393,764</b>	<b>833,725</b>

### 12.1 Restricted cash balance

Dividend account is used only to pay dividends to the shareholders. The balance of this account moves with dividend transactions only.

### 12.2 Banking facility arrangement

Short term running funded facilities available with the banks amount to BDT 15,596 million. Facilities are renewable on annual basis.

### 13 Share capital

See accounting policy in Note 6D.

	2019	2018
<b>Authorised:</b>	600,000,000	600,000,000
60,000,000 ordinary shares of BDT 10 each	4,800,000,000	-
4,800,000,000 ordinary shares of BDT 10 each	<b>5,400,000,000</b>	<b>600,000,000</b>
<b>Issued, subscribed and fully paid up:</b>		
Issued for cash:		
3 ordinary shares of BDT 10 each	30	30
Issued for consideration other than cash:	599,999,970	599,999,970
59,999,997 ordinary shares of BDT 10 each	1,200,000,000	-
120,000,000 bonus shares of BDT 10 each	<b>1,800,000,000</b>	<b>600,000,000</b>

The company recommended 200% stock dividend for the year 2018. The dividend was approved by the shareholders in the 46th annual general meeting held on 28th April, 2019. Subsequently the shares have been allotted to the eligible shareholders on 27th May, 2019. The Company also increased the authorised capital to 5,400,000,000 from 600,000,000 which was approved by the shareholders in the Extraordinary General Meeting held on 28th April, 2019.

### 13.1 Shareholding position

See accounting policy in Note 6D.

Name of shareholder	2019			2018		
	No. of shares	Value (BDT)	Percentage	No. of shares	Value (BDT)	Percentage
Raleigh Investment Co. Ltd., UK	131,236,074	1,312,360,740	72.91%	43,745,358	437,453,580	72.91%
Investment Corporation of Bangladesh	10,476,132	104,761,320	5.82%	3,416,912	34,169,120	5.69%
Sadharan Bima Corporation	5,083,991	50,839,910	2.82%	1,694,047	16,940,470	2.82%
Bangladesh Development Bank Limited	598,794	5,987,940	0.33%	197,376	1,973,760	0.33%
Government of Bangladesh	1,160,472	11,604,720	0.64%	386,824	3,868,240	0.64%
Others	31,444,537	314,445,370	17.47%	10,559,483	105,594,830	17.60%
	<b>180,000,000</b>	<b>1,800,000,000</b>	<b>100%</b>	<b>60,000,000</b>	<b>600,000,000</b>	<b>100%</b>

**13.2 Share distribution schedule**

A distribution schedule of the shares at the reporting date is given below following the requirement of listing regulations:

Shareholder's range	2019			2018		
	Number of shareholders	Total number of shares	Percentage of holding	Number of shareholders	Total number of shares	Percentage of holding
Less than 501 shares	17,295	1,646,057	0.91%	2,179	147,989	0.25%
501 to 5,000 shares	1,857	2,328,639	1.29%	171	233,809	0.39%
5,001 to 10,000 shares	74	522,470	0.29%	17	129,434	0.22%
10,001 to 20,000 shares	31	442,517	0.25%	13	183,108	0.31%
20,001 to 30,000 shares	12	297,915	0.17%	5	119,149	0.20%
30,001 to 40,000 shares	4	138,560	0.08%	5	173,681	0.29%
40,001 to 50,000 shares	3	134,026	0.07%	6	267,021	0.45%
50,001 to 100,000 shares	13	931,120	0.52%	3	244,083	0.41%
100,001 to 1,000,000 shares	18	6,655,419	3.70%	15	4,290,046	7.15%
Over 1,000,000 shares	8	166,903,277	92.72%	5	54,211,680	90.35%
	<b>19,315</b>	<b>180,000,000</b>	<b>100%</b>	<b>2,419</b>	<b>60,000,000</b>	<b>100%</b>

**14 Capital reserve**

Capital reserve represents non-remittable reserve of BDT 64.9 million which is 90% of the cumulative post tax profit on disposal of property, plant and equipment as historically 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.

	2019	2018
	BDT (000)	BDT (000)
<b>15 Retained earnings</b>		
Balance as at 01 January	28,863,958	22,447,542
Total comprehensive income for the year:		
Profit for the year	9,246,349	10,012,034
Other comprehensive income	18,252	4,382
	<b>38,128,559</b>	<b>32,463,958</b>
Dividends during the year:		
Stock Dividend for 2018	(1,200,000)	
Cash Dividend for 2018	(3,000,000)	(3,600,000)
<b>Balance at 31 December</b>	<b>33,928,559</b>	<b>28,863,958</b>

**16 Net defined benefit plans**

See accounting policy in Note 6H.

	Notes	Gratuity fund	Pension fund	Total
		BDT (000)	BDT (000)	BDT (000)
<b>2019</b>				
Defined benefit obligation	16.1	(951,089)	(13,661)	<b>(964,750)</b>
Fair value of plan assets	16.2	-	13,133	<b>13,133</b>
<b>Net surplus/(deficit)</b>		<b>(951,089)</b>	<b>(528)</b>	<b>(951,616)</b>
<b>2018</b>				
Defined benefit obligation	16.1	(1,038,057)	(214,536)	<b>(1,252,593)</b>
Fair value of plan assets	16.2	-	274,055	<b>274,055</b>
<b>Net surplus/(deficit)</b>		<b>(1,038,057)</b>	<b>59,519</b>	<b>(978,538)</b>

	Gratuity fund	Pension fund	Total
	BDT (000)	BDT (000)	BDT (000)
<b>16.1 Movement in defined benefit obligation</b>			
<b>Defined benefit obligation at 01 January 2018</b>	<b>869,114</b>	<b>263,797</b>	<b>1,132,911</b>
Current service cost	71,212	10,571	<b>81,783</b>
Interest cost	73,874	21,032	<b>94,906</b>
Past Service Cost- Plan amendments	-	-	-
Benefit paid by the fund	-	(32,479)	<b>(32,479)</b>
Benefit paid directly by the Company	(59,957)	-	<b>(59,957)</b>
Actuarial (gain)/loss	83,814	(48,384)	<b>35,430</b>
<b>Defined benefit obligation at 31 December 2018</b>	<b>1,038,057</b>	<b>214,536</b>	<b>1,252,593</b>
<b>Defined benefit obligation at 01 January 2019</b>	<b>1,038,057</b>	<b>214,536</b>	<b>1,252,593</b>
Current service cost	77,266	6,034	<b>83,300</b>
Interest cost	82,169	6,770	<b>88,939</b>
Past Service Cost- Plan amendments	-	14,767	-
Benefit paid by the fund	-	(282,265)	<b>(282,265)</b>
Benefit paid directly by the Company	(149,015)	-	<b>(149,015)</b>
Actuarial (gain)/loss	(97,388)	53,819	<b>(43,569)</b>
<b>Defined benefit obligation at 31 December 2019</b>	<b>951,089</b>	<b>13,661</b>	<b>964,750</b>
<b>16.2 Movement in the fair value of plan assets</b>			
<b>Fair value of plan assets at 01 January 2018</b>	-	<b>263,797</b>	<b>263,797</b>
Employer's contribution	-	20,820	20,820
Expected return on plan assets	-	21,917	21,917
Benefits paid by the plan	-	(32,479)	(32,479)
Actuarial gain/(loss)	-	-	-
<b>Fair value of plan assets at 31 December 2018</b>	-	<b>274,055</b>	<b>274,055</b>
<b>Fair value of plan assets at 01 January 2019</b>	-	<b>274,055</b>	<b>274,055</b>
Employer's contribution	-	18,063	<b>18,063</b>
Expected return on plan assets	-	12,083	<b>12,083</b>
Benefits paid by the plan	-	(282,265)	<b>(282,265)</b>
Actuarial gain/(loss)	-	(8,803)	<b>(8,803)</b>
<b>Fair value of plan assets at 31 December 2019</b>	-	<b>13,133</b>	<b>13,133</b>
<b>16.3 Defined benefit plan charge to profit or loss and other comprehensive income</b>			
<b>2019</b>			
<b>Profit or loss</b>			
Current service costs	77,266	6,034	<b>83,300</b>
Interest accrued on benefit obligation	82,169	(5,314)	<b>76,855</b>
Settlement cost	-	14,767	<b>14,767</b>
Expected return on plan assets	-	-	-
<b>Net benefit expense/(income)</b>	<b>82,169</b>	<b>9,453</b>	<b>91,622</b>
	<b>159,435</b>	<b>15,487</b>	<b>174,922</b>
<b>2018</b>			
<b>Profit or loss</b>			
Current service costs	71,212	10,571	<b>81,783</b>
Interest accrued on benefit obligation	73,874	21,032	<b>94,906</b>
Expected return on plan assets	-	(21,917)	<b>(21,917)</b>
<b>Net benefit expense/(income)</b>	<b>73,874</b>	<b>(886)</b>	<b>72,988</b>
	<b>145,086</b>	<b>9,685</b>	<b>154,771</b>

**16.4 Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date.

	31-Dec-2019	
	Gratuity fund	Pension fund
Discount rate	9.0%	9.0%
Salary escalation rate (Basic pay)	11%	11%
<b>Mortality rate (In service)*</b>		
Ages 20-35	15%	15%
Ages 36-45	10%	10%
Ages 46-58	5%	5%

\*As there are no published mortality tables in Bangladesh and hence the actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table on the mortality experience of assured lives in India, which the actuary believes to give a reasonable approximation

**17 Deferred tax asset**

See accounting policy in Note 6L(ii).

	2019		
	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
	BDT (000)	BDT (000)	BDT (000)
Provision for inventories	(112,843)	-	(112,843)
Provision for gratuity	(1,011,135)	-	(1,011,135)
<b>Net temporary difference</b>	<b>(1,123,978)</b>	<b>-</b>	<b>(1,123,978)</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax asset</b>			<b>(533,889)</b>
	2018		
	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
	BDT (000)	BDT (000)	BDT (000)
Provision for inventories	(276,479)	-	(276,479)
Provision for gratuity	(1,038,057)	-	(1,038,057)
<b>Net temporary difference</b>	<b>(1,314,536)</b>	<b>-</b>	<b>(1,314,536)</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax asset</b>			<b>(624,405)</b>

**17.1 Deferred tax liabilities**

See accounting policy in Note 6L(ii).

	2019		
	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
	BDT (000)	BDT (000)	BDT (000)
Property, plant and equipment excluding land.	20,036,554	9,816,495	10,220,058
ROU Assets	(130,718)	-	(130,718)
<b>Net temporary difference</b>	<b>19,905,836</b>	<b>9,816,495</b>	<b>10,089,340</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax liabilities</b>			<b>4,792,437</b>

	2018		
	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
	BDT (000)	BDT (000)	BDT (000)
Property, plant and equipment excluding land.	15,160,801	7,292,624	7,868,177
<b>Net temporary difference</b>	<b>15,160,801</b>	<b>7,292,624</b>	<b>7,868,177</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax liabilities</b>			<b>3,737,384</b>

	Note	2019	2018
		BDT (000)	BDT (000)
<b>Deferred tax asset</b>		<b>(533,889)</b>	<b>(624,405)</b>
Deferred tax liabilities (ROU Assets)		(62,091)	-
Deferred tax liabilities (other than ROU assets)		4,854,528	3,737,384
<b>Net deferred tax liabilities</b>		<b>4,258,548</b>	<b>3,112,979</b>
<b>18 Bank overdrafts</b>			
Standard Chartered Bank		-	763,281
HSBC		-	13,250
Commercial Bank of Ceylon PLC		-	23,349
		-	<b>799,880</b>

The Company has overdraft facilities from the above mentioned banks for the purpose of meeting working capital requirements, such overdrafts are repayable on demand.

<b>19 Short term bank loans</b>			
Standard Chartered Bank	19.1	-	4,380,000
		-	<b>4,380,000</b>

#### 19.1 Terms and repayment schedule

	2019		2018	
	Loan limit	Loan outstanding	Loan limit	Loan outstanding
	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Standard Chartered Bank		-	5,500,000	4,380,000
	-	-	<b>5,500,000</b>	<b>4,380,000</b>

The Company has short term loan facilities from Standard Chartered Bank, Commercial Bank of Ceylon PLC, Citibank N.A., HSBC, Eastern Bank Ltd and Pubali Bank for the purpose of meeting working capital requirements, Such short term loans are repayable on maturity.

#### 20 Trade and other payables

See accounting policy in Note 6C (ii) (a)

	Note	2019	2018
		BDT (000)	BDT (000)
Trade payables		1,924,690	3,200,709
Intercompany payables		5,188,972	4,730,835
Workers' Profit Participation Fund (WPPF)		18,996	361,543
Wages and other benefits		510,212	507,976
Unclaimed dividend	32	49,824	46,389
Accrued expenses		4,466,660	2,390,098
Sundry payables		77,699	519,669
		<b>12,237,053</b>	<b>11,757,219</b>

		2019	2018		
		BDT (000)	BDT (000)		
<b>21</b>	<b>Current tax liabilities</b>				
	See accounting policy in Note 6L(i).				
	Balance at 01 January	5,918,997	5,364,697		
	Provision made during the year	7,028,523	8,985,069		
		<b>12,947,520</b>	<b>14,349,766</b>		
	Advance payment of corporate tax	(8,924,585)	(8,430,769)		
	<b>Balance at 31 December</b>	<b>4,022,936</b>	<b>5,918,997</b>		
<b>22</b>	<b>Provisions</b>				
	See accounting policy in Note 6I.				
	Provision for expenses	363,690	66,762		
		<b>363,690</b>	<b>66,762</b>		
<b>23</b>	<b>Revenue from contracts with customers</b>				
	See accounting policy in Note 6K.				
	Set out below is the disaggregation of the Company's revenue from contracts with customers:				
	Unit	2019 (Million)	2018 (Million)	2019 BDT (000)	2018 BDT (000)
Gross revenue from domestic sale	Sticks	50,744	51,425	266,018,231	230,674,012
Supplementary duty and VAT				(212,982,611)	(178,217,895)
<b>Revenue from domestic sale, net</b>				<b>53,035,620</b>	<b>52,456,117</b>
Gross revenue from finished goods export	Sticks	69.00	-	66,275	-
Export duty				-	-
<b>Revenue from export of finished goods, net</b>				<b>66,275</b>	<b>-</b>
Gross revenue from tobacco leaf export	KG	15.53	9.18	3,770,068	2,444,175
Export duty				(50,633)	(260,525)
<b>Revenue from leaf export, net</b>				<b>3,719,435</b>	<b>2,183,650</b>
<b>Total revenue from contracts with customers, net</b>				<b>56,821,330</b>	<b>54,639,767</b>
<b>Net revenue from domestic sale</b>					
External customer				53,035,620	52,456,117
Related party sale				-	-
				<b>53,035,620</b>	<b>52,456,117</b>
External customer				-	-
Related party sale				66,275	-
				<b>66,275</b>	<b>-</b>
<b>Net revenue from leaf export</b>					
External customer				1,794,908	1,004,256
Related party sale				1,924,527	1,179,393
				<b>3,719,435</b>	<b>2,183,650</b>
<b>Total revenue from contracts with customers, net</b>				<b>56,821,330</b>	<b>54,639,767</b>

	Note	2019	2018
		BDT (000)	BDT (000)
<b>24 Cost of sales</b>			
Opening stock of raw materials		13,352,328	8,248,582
Purchase of raw materials		21,846,443	25,651,021
<b>Raw materials available</b>		<b>35,198,771</b>	<b>33,899,603</b>
Closing stock of raw materials		(11,600,503)	(13,352,328)
<b>Raw materials consumption</b>		<b>23,598,267</b>	<b>20,547,275</b>
Opening work in process		33,444	54,411
Closing work in process		(46,970)	(33,444)
		<b>23,584,741</b>	<b>20,568,242</b>
Manufacturing overhead	24.1	5,356,749	5,049,882
<b>Total cost of goods manufactured</b>		<b>28,941,490</b>	<b>25,618,124</b>
Opening stock of finished goods		1,058,982	1,874,650
Closing stock of finished goods		(789,897)	(1,058,982)
<b>Total cost of goods sold excluding royalty</b>		<b>29,210,575</b>	<b>26,433,792</b>
Royalty		762,204	662,505
<b>Total cost of sales</b>		<b>29,972,780</b>	<b>27,096,297</b>
<b>24.1 Manufacturing overhead</b>			
Salaries and wages		1,534,448	1,327,696
Utilities		336,270	392,035
Rent and services		478,725	528,200
Repairs and maintenance		518,549	332,680
Depreciation & Impairment	8.a.1 & 8.b.1	1,119,282	1,204,026
Travelling and training		138,609	122,227
Printing and stationary		17,542	20,076
Security and safety		142,058	139,846
Distribution Cost		530,359	546,191
Insurance		97,513	94,150
Research and development		8,685	1,987
Spares Consumption		215,478	127,025
Other expenses		219,231	213,743
		<b>5,356,749</b>	<b>5,049,882</b>



	Note	2019	2018
		BDT (000)	BDT (000)
<b>25</b>			
<b>Operating expenses</b>			
Salaries and wages		1,330,432	1,045,268
Utilities		25,078	41,006
Rent and services		317,280	418,287
Repairs and maintenance		180,413	181,718
Depreciation	8.a.1 & 8.b.1	393,171	207,542
Travelling and training		354,545	283,697
Printing and stationery		51,536	52,051
Security and safety		86,300	82,074
Distribution Cost		212,549	180,335
Insurance		6,335	4,383
Trade support expenditure		1,222,448	939,550
Social responsibility		89,274	100,589
Legal, secretarial and professional fee		254,749	220,055
Audit fee		950	900
Information technology		243,753	227,149
Technical and advisory fee		1,014,000	918,754
Market research & operational expenditure		1,749,351	1,435,308
Other expenses		549,392	385,023
		<b>8,081,557</b>	<b>6,723,690</b>
<b>26</b>			
<b>Net finance income/(expenses)</b>			
See accounting policy in Note 6N.			
Interest income		110,585	11,841
Interest expense			
Borrowing		(417,258)	(485,758)
IFRS 16		(164,693)	-
		<b>(471,367)</b>	<b>(473,916)</b>
<b>27</b>			
<b>Non-operating income/(expenses)</b>			
Profit/(loss) on disposal of property, plant and equipment & ROU		(1,533)	(40,203)
Other income		25,829	25,207
		<b>24,296</b>	<b>(14,996)</b>

## 27.1 Non-current assets disposed off during the year

Shareholder's range	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/ (loss)	Purchaser/ written off
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Freehold building	(2,928)	2,215	(714)	-	(714)	Written off
Furniture and fixtures	(43,355)	36,819	(6,536)	-	(6,536)	Written off
Laboratory equipment	(106)	106	(0)	-	(0)	Written off
IT equipment	(11,446)	5,455	(5,990)	-	(5,990)	Written off
Leasehold property & building	(58,910)	13,781	(379)	-	(379)	Written off
Office equipment	(25,339)	16,830	(8,509)	-	(8,509)	Written off
Plant and machinery	(16,945)	8,888	(8,057)	-	(8,057)	Written off
Vehicles	(81,751)	80,855	(896)	29,548	28,653	Employees of the company
<b>2019</b>	<b>(240,780)</b>	<b>164,949</b>	<b>(31,081)</b>	<b>29,548</b>	<b>(1,533)</b>	
<b>2018</b>	<b>(699,363)</b>	<b>558,323</b>	<b>(141,040)</b>	<b>100,836</b>	<b>(40,203)</b>	

All asset disposals were as per Company policy.

	Note	2019	2018
		BDT (000)	BDT (000)
<b>28 Income tax expenses</b>			
<b>Current income tax:</b>			
Current income tax charge	21	7,028,523	8,985,069
<b>Deferred tax:</b>			
Relating to origination and reversal of temporary differences	29	1,129,055	317,221
<b>Income tax expense reported in the statement of profit or loss</b>		<b>8,157,578</b>	<b>9,302,290</b>

## 28.1 Reconciliation of effective tax rate

	2019		2018	
	%	BDT (000)	%	BDT (000)
<b>Profit before tax</b>		<b>17,403,927</b>		<b>19,314,324</b>
Current tax expense	40.38%	7,028,523	46.52%	8,985,069
Deferred tax expense	6.49%	1,129,055	1.64%	317,221
Total tax expense	46.87%	8,157,578	48.16%	9,302,290
Expected income tax using applicable tax rate	47.50%	8,266,865	47.50%	9,174,304
Prior year adjustment	-2.59%	(450,183)	-0.31%	(60,576)
Tax on non deductible expenses	-4.53%	(788,159)	-0.67%	(128,659)
<b>Effective current tax</b>	<b>40.38%</b>	<b>7,028,523</b>	<b>46.52%</b>	<b>8,985,069</b>
<b>Effective deferred tax</b>	<b>6.49%</b>	<b>1,129,055</b>	<b>1.64%</b>	<b>317,221</b>
	<b>46.87%</b>	<b>8,157,578</b>	<b>48.16%</b>	<b>9,302,290</b>

	Note	2019	2018
		BDT (000)	BDT (000)
<b>29</b>			
<b>Deferred tax (expense)/income</b>			
Deferred tax liabilities at the beginning of the year	17	3,112,979	2,835,570
Deferred tax liabilities at the end of the year	17	4,258,548	3,112,979
		<b>(1,145,569)</b>	<b>(277,409)</b>
Deferred tax attributable to actuarial loss recognised directly in equity		<b>16,514</b>	<b>(39,811)</b>
Deferred tax (expense)/income recognised directly in profit		<b>(1,129,055)</b>	<b>(317,221)</b>
<b>30</b>			
<b>Other comprehensive income</b>			
Actuarial gain/(loss) on defined benefit plans- Gratuity fund		97,388	(83,814)
Actuarial gain/(loss) on defined benefit plans- Pension fund		(62,622)	48,384
		34,766	(35,430)
Less: Deferred tax on Actuarial gain/(loss) on defined benefit plans @ 47.5%		(16,514)	39,811
Net actuarial gain/(loss) on defined benefit plans-Gratuity charged to OCI		18,252	4,382
Net actuarial gain/(loss) on defined benefit plans charged to OCI		<b>18,252</b>	<b>4,382</b>

### 31 Earnings per share

#### 31.1 Basic earnings per share

Earnings Per Share (EPS) is calculated in accordance with the International Accounting Standard (IAS) 33: Earnings Per Share. The composition of EPS is given below:

Total profit attributable to shareholders	9,246,349	10,012,034
Weighted average number of shares outstanding	180,000	180,000
	<b>BDT</b>	<b>BDT</b>
<b>Earning per share</b>	<b>51.37</b>	<b>55.62*</b>

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated by assuming that the shares have always been in issue. This means that they have been issued at the start of the year presented as the comparative figures

\*The EPS of 2018 has been recalculated with the current total number of shares after considering issuance of bonus shares in 2019

#### 31.2 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.

		2019	2018
		BDT (000)	BDT (000)
<b>32</b>			
<b>Dividend paid</b>			
Opening unclaimed dividend		46,389	42,705
Final dividend declared:			
Cash dividend for 2018/2017		3,000,000	3,600,000
		<b>3,046,389</b>	<b>3,642,705</b>
Closing unclaimed dividend	32.1	49,824	46,389
<b>Dividend paid</b>		<b>2,996,565</b>	<b>3,596,316</b>

The company declared 1:2 bonus share as stock dividend for the year 2018. The dividend was approved by the shareholders in the 46th annual general meeting held on 28th April, 2019. Subsequently the shares have been allotted to the eligible shareholders on 27th May, 2019.

### 32.1 Ageing analysis of unclaimed dividend

	Prior to 2017	2017	2018	2019	Total
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Unclaimed dividend at 01 January 2019	38,665	3,599	4,126	-	46,389
Unclaimed dividend at 31 December 2019	38,421	3,485	4,073	3,845	49,824

### 33 Remittances of foreign currency

	2019	2018
	USD (000)	USD (000)
Royalty	5,260	4,853
Dividend	23,296	27,532
	<b>28,556</b>	<b>32,385</b>

	2019	2018
	GBP (000)	GBP (000)
Technical and advisory fee	7,967	6,961
	<b>7,967</b>	<b>6,961</b>

Royalty comprises amounts incurred for Benson & Hedges and Pall Mall for the year 2016.

Technical and advisory fee comprises amounts incurred for the year 2017. All these fees are remitted after obtaining approval from Bangladesh Investment Development Authority (BIDA). All of the above remittances are made after deduction of withholding tax as per law.

### 34 Value of imports on Cost, Insurance and Freight (CIF) basis

	2019	2018
	BDT (000)	BDT (000)
Raw and packing materials	1,772,485	1,889,898
Spares and others	1,452,141	964,373
Capital goods	541,919	2,512,401
	<b>3,766,544</b>	<b>5,366,672</b>

### 35 Leaf export earnings

	2019	2018
	USD (000)	USD (000)
Leaf export earnings	<b>44,544</b>	<b>29,166</b>

### 36 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 in a variety of specification (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. Plans are in place to meet any anticipated future demand.

	2019	2018
Actual production of cigarettes (in million sticks)	<b>50,151</b>	<b>49,326</b>

### 37 Segment Reporting

The Company is domiciled in Bangladesh. The gross revenue from cigarettes is BDT 266,018 million (2018: BDT 230,674 million). The Company does not have any non current assets that are located outside Bangladesh.

Gross cigarette revenue arising from transactions with a single external customer represented BDT 43,553 million (2018: BDT 41,385 million) of the Company's total revenue.

The Company is 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 Bangladesh, which contributes less than 10% of gross and net turnover. The break up of cigarette and export sales have been provided in Note 23.

### 38 Consumption of imported and local raw materials

	2019		2018	
	Wrapping material	Leaf	Wrapping material	Leaf
	BDT (000)	BDT (000)	BDT (000)	BDT (000)
<b>Imported:</b>				
Opening	2,403,961	724,412	1,092,117	269,040
Purchases	3,588,947	1,091,705	5,871,309	1,863,060
Consumption	(5,006,349)	(1,409,039)	(4,559,464)	(1,407,688)
<b>Closing (a)</b>	<b>986,560</b>	<b>407,078</b>	<b>2,403,961</b>	<b>724,412</b>
<b>Domestic:</b>				
Opening	90,582	10,133,373	46,526	6,840,899
Purchases	5,689,232	11,476,559	5,062,099	12,854,553
Consumption	(5,669,592)	(8,454,531)	(5,018,043)	(7,816,253)
Export		(3,058,757)	-	(1,745,827)
<b>Closing (b)</b>	<b>110,222</b>	<b>10,096,644</b>	<b>90,582</b>	<b>10,133,373</b>
<b>Closing stock (a+b)</b>	<b>1,096,781</b>	<b>10,503,722</b>	<b>2,494,543</b>	<b>10,857,785</b>

### 39 Financial instruments - Fair values and risk management

#### A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



## B. Financial risk management

The Company has exposures to the following risks from its use of financial instruments:

- I) Credit risk
- II) Liquidity risk
- III) Market risk

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. This note presents information about the Company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

### i) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other parties.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. The Company's exposure to credit risk on receivables is mainly influenced by customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The letters of credit are considered as integral part of trade receivables and considered in the calculation of impairment.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

31 December 2019	Trade receivables					
	Days past due					
	Current	<30 days	30-90 days	90- 180 days	181 days to 365 days	>365 days
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Expected credit loss rate	0.05%	0.06%	0.07%	0.08%	0.09%	10%
Estimated total gross carrying amount at default	2,304,262	-	-	-	-	-
<b>Expected credit loss</b>	<b>1,152</b>	-	-	-	-	-

31 December 2018	Trade receivables					
	Days past due					
	Current	<30 days	30-90 days	90- 180 days	181 days to 365 days	>365 days
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Expected credit loss rate	0.05%	0.06%	0.07%	0.08%	0.09%	10%
Estimated total gross carrying amount at default	229,707	3,428,649	-	-	-	-
<b>Expected credit loss</b>	<b>115</b>	<b>2,057</b>	-	-	-	-

	Note	2019	2018
		BDT (000)	BDT (000)

#### a) Exposure to credit risk

The carrying amount of the remaining financial assets represents the balancing credit exposure. The maximum exposure to credit risk at the reporting date was:

Advances, deposits and prepayments	11	12,636	12,636
Cash at bank	12	5,392,987	1,632,795
		<b>5,405,623</b>	<b>1,645,431</b>

#### b) Ageing of trade and other receivables

At 31 December, the ageing of trade and other receivables that were not impaired were as follows:

Past due 30 days	2,482,178	3,812,410
Past due 31-90 days	14,128	355,111
Past due 91-180 days	88,246	-
Past due over 180 days	25,365	8,775
	<b>2,609,917</b>	<b>4,176,296</b>

#### ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

31 December 2019	Note	Contractual cash flows						
		Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
		BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Trade and other payables	20	12,237,053	12,237,053	8,277,663	1,507,600	1,609,721	842,069	-
		<b>12,237,053</b>	<b>12,237,053</b>	<b>8,277,663</b>	<b>1,507,600</b>	<b>1,609,721</b>	<b>842,069</b>	<b>-</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

31 December 2018	Note	Contractual cash flows						
		Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
		BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Trade and other payables	20	11,757,219	10,520,617	7,942,115	917,621	1,644,121	16,760	-
		<b>11,757,219</b>	<b>10,520,617</b>	<b>7,942,115</b>	<b>917,621</b>	<b>1,644,121</b>	<b>16,760</b>	<b>-</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.



### III) Market risk

Market risk is the risk that any changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while Optimising the return.

#### a) Currency risk/foreign exchange rate risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United State Dollar (USD), Euro (EUR) and British Pound (GBP). Foreign exchange risk arises from future commercial transactions of recognised assets and liabilities. Management complies with the treasury policy to manage foreign exchange risk against their functional currency.

##### i) Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

31 December 2019	USD	GBP	EUR
	000	000	000
<b>Foreign currency denominated assets</b>			
Cash at bank	9,894	-	-
Trade receivables	-	-	-
Intercompany receivables	1,862	-	-
	<b>11,757</b>	<b>-</b>	<b>-</b>
<b>Foreign currency denominated liabilities</b>			
Trade payables	9,626	22,350	191
Intercompany payables	5,569	-	12
	<b>15,195</b>	<b>22,350</b>	<b>203</b>
<b>Net exposure</b>	<b>(3,438)</b>	<b>(22,350)</b>	<b>(203)</b>

31 December 2018	USD	GBP	EUR
	000	000	000
<b>Foreign currency denominated assets</b>			
Cash at bank	13,611	-	-
Trade receivables	-	-	-
Intercompany receivables	-	-	-
	<b>13,611</b>	<b>-</b>	<b>-</b>
<b>Foreign currency denominated liabilities</b>			
Trade payables	12,632	1,137	25
Intercompany payables	8,839	21,644	156
	<b>21,471</b>	<b>22,781</b>	<b>181</b>
<b>Net exposure</b>	<b>(7,860)</b>	<b>(22,781)</b>	<b>(181)</b>

The following significant exchange rates have been applied against BDT:

	Average rate		Year-end spot rate	
	2019	2018	2019	2018
USD 1	84.51	83.70	84.95	83.95
GBP 1	109.98	113.75	113.67	108.05
EUR 1	96.88	101.23	97.35	97.92

## ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Taka, as indicated below, against the USD, EUR and GBP at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecasted sales and purchases.

2019	Strengthening profit or (loss)	Weakening profit or (loss)
USD (5 percent movement)	14,603	(14,603)
GBP (5 percent movement)	127,028	(127,028)
EUR (5 percent movement)	989	(989)
	<b>142,619</b>	<b>(142,619)</b>

2018	Strengthening profit or (loss)	Weakening profit or (loss)
USD (5 percent movement)	32,993	(32,993)
GBP (5 percent movement)	123,074	(123,074)
EUR (5 percent movement)	885	(885)
	<b>156,952</b>	<b>(156,952)</b>

### b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. At present the Company has no borrowings which is subject to interest rate risk.

Interest rate used to determine amortised cost for IFRS 16 leases:

	2019	2018
Lease liabilities	10%	-

40

## Related party disclosures

### i) Transactions with key management personnel

Key management personnel compensation comprised the following:

	2019	2018
	BDT (000)	BDT (000)
Meeting attendance fee	87	77
Meeting expense	5,133	4,514
Remuneration	87,328	98,834
Retirement benefit scheme	10,285	9,159
Medical and welfare	86	171
Housing	18,125	16,550
	<b>121,044</b>	<b>129,304</b>

**ii) Other related party transactions**

The Company carried out a number of transactions with related parties in the normal course of business on arms length basis. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of IAS 24: Related party disclosures.

	Relationship	Transaction values for the year ended 31 December		Receivable/(payable) outstanding as at 31 December	
		2019	2018	2019	2018
		BDT (000)	BDT (000)	BDT (000)	BDT (000)
<b>Income</b>					
<b>a. Leaf, Cigarette export and sale of goods</b>					
BAT (GLP) Limited	BAT Group company	1,534,801	785,364	863	849
PTCL	BAT Group company	366,309	525,339	61,077	25,555
BAT (Singapore) PTE LTD	BAT Group company	66,275	-	-	-
Central Manufacturing Company PTE Ltd	BAT Group company	23,417	-	-	-
		<b>1,990,802</b>	<b>1,310,703</b>	<b>61,940</b>	<b>26,405</b>
<b>b. Other fee</b>					
Other fee received/to be received from:					
BAT Holdings Limited	Holding company	20,470	1,105	10,235	1,105
BASS GSD limited	BAT Group company	2,163	4,557	324	4,557
BAT INVESTMENTS LTD	Holding company	13,606	60,514	13,606	60,514
British-American Tobacco Polska S.A	BAT Group company	2,532	-	1,266	-
British-American Tobacco (Singapore)	BAT Group company	996	-	996	-
VINA-BAT JV HCMC Branch	BAT Group company	2,224	-	2,224	-
British American Tobacco Asia-	BAT Group company	1,953	14,458	-	4,839
BAT KOREA	BAT Group company	4,516	-	-	-
Commercial Marketers & Distributors	BAT Group company	12,187	-	0	-
		<b>60,650</b>	<b>80,634</b>	<b>28,651</b>	<b>71,014</b>
		<b>2,051,451</b>	<b>1,391,337</b>	<b>90,591</b>	<b>97,419</b>
<b>Total related party income and balance receivables</b>					
<b>Expenses</b>					
<b>c. Procurement of services</b>					
Procurement of information technology, product and other services:					
BASS GSD limited	BAT Group company	186,472	202,865	(444,748)	(549,872)
British American Tobacco Australia	BAT Group company	1,435	-	(1,435)	-
BAT GERMANY GMBH	BAT Group company	1,703	-	(1,703)	-
BAT (Hamburg International) GMBH	BAT Group company	2,578	-	(2,578)	-
BAT KOREA MANUFACTURING LTD	BAT Group company	-	-	-	-
BAT Holdings Limited	Holding company	498	-	(4,603)	(4,105)
BAT Asia-Pacific Region Limited	BAT Group company	-	32,562	(79,542)	(79,542)
BAT AsPac Service Centre Sdn Bhd	BAT Group company	199,993	42,653	(675,265)	(588,362)
BAT GSD (KL) Sdn Bhd	BAT Group company	1,120	-	(2,824)	(1,704)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	10,671	(11,775)	(11,775)
British American Tobacco Tutun	BAT Group company	47,053	-	(47,053)	-
		<b>440,852</b>	<b>288,751</b>	<b>(1,271,526)</b>	<b>(1,235,361)</b>

	Relationship	Transaction values for the year ended 31 December		Receivable/(payable) outstanding as at 31 December	
		2019	2018	2019	2018
		BDT (000)	BDT (000)	BDT (000)	BDT (000)
<b>d. Purchase of leaf &amp; goods</b>					
Purchase of leaf and wrapping materials from:					
BAT Singapore (Private) limited	BAT Group company	43,264	138,009	9,082	(6,081)
BAT (GLP) Limited	BAT Group company	225,036	698,301	154,488	(16,542)
PTCL	BAT Group company	-	228	-	2,847
Souza Cruz Ltda.	BAT Group company	-	36,522	-	-
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	25,998	-	(3,623)	-
British American Tobacco Western Europe	BAT Group company	49,848	31,749	(9,810)	(10,496)
BAT KOREA MANUFACTURING LTD	BAT Group company	4,303	21,472	(0)	758
		<b>348,449</b>	<b>926,281</b>	<b>150,137</b>	<b>(29,515)</b>
<b>e. Royalty</b>					
Royalty paid/payable to:					
BAT Holdings Limited**	Holding company	762,204	662,505	(1,959,626)	(1,641,880)
		<b>762,204</b>	<b>662,505</b>	<b>(1,959,626)</b>	<b>(1,641,880)</b>
<b>f. Technical and advisory fee</b>					
Payment of fees for technical and advisory support services to:					
BAT Investments Ltd**	BAT Group company	1,014,000	918,754	(1,932,755)	(1,815,761)
		<b>1,014,000</b>	<b>918,754</b>	<b>(1,932,755)</b>	<b>(1,815,761)</b>
<b>g. Purchase of equipment</b>					
Purchase of equipment from:					
BAT Singapore (Private) limited	BAT Group company	15,785	-	(15,785)	-
Tobacco Importers & Manufacturers Sdn.Bhd, Malaysia	BAT Group company	-	7,314	-	5,928
BAT Germany GMBH	BAT Group company	-	1,007	(2,013)	(2,013)
British-American Tobacco Polska S.A	BAT Group company	(440)	-	-	(440)
British American Tobacco ME DMCC	BAT Group company	-	96,560	-	-
British American Tobacco Chile	BAT Group company	-	69	(69)	(69)
PT Bentoel International Investama,	BAT Group company	1,044	341,547	-	13,798
British American Tobacco Kenya Ltd	BAT Group company	72	902	(72)	-
BAT Nigeria Ltd	BAT Group company	403	113	(516)	(113)
BAT Romania Investment	BAT Group company	-	1,093	(1,093)	(1,093)
JSC BAT-Spb	BAT Group company	-	128,162	-	-
British American Tobacco Tutun	BAT Group company	-	2,368	(986)	(986)
British American Tobacco Mexico	BAT Group company	181	-	(181)	-
		<b>17,044</b>	<b>579,136</b>	<b>(20,714)</b>	<b>15,012</b>
<b>Total related party expenses and outstanding balances</b>		<b>2,582,550</b>	<b>3,375,426</b>	<b>(5,034,484)</b>	<b>(4,707,503)</b>

\*Advance paid

\*\*Closing balance consists of royalty of 2017,2018 and 2019 and technical & advisory fee of 2018 and 2019.

		2019	2018
		BDT (000)	BDT (000)
<b>41</b>	<b>Commitments</b>		
<b>41.1</b>	<b>Capital expenditure</b>		
	Authorised but not provided for	1,657,663	3,487,574
<b>42</b>	<b>Contingencies</b>		
	Contingent liabilities of the Company that relate to issue of letter of credit and bank guarantee to third parties as listed below:		
	<b>Letter of credit</b>		
	Citibank, N.A.	989,567	453,263
	Commercial Bank of Ceylon PLC	295,633	173,618
	The Hong Kong and Shanghai Banking Corporation Limited	94,204	4,536
	Standard Chartered Bank	368,588	1,564,767
		<b>1,747,992</b>	<b>2,196,184</b>
	<b>Bank Guarantee</b>		
	Standard Chartered Bank	41,045	41,045
	Commercial Bank of Ceylon PLC	21,061	21,061
	Eastern Bank Ltd.	13,514	-
	Citibank, N.A.	2,000	-
		<b>77,620</b>	<b>62,106</b>

**42.1 Litigation**

The Company has various claims and legal actions arising in the ordinary course of business. In particular, in November 2013, the Company received a retrospective notice of imposition and realisation of VAT and Supplementary Duty on low price category brands (Pilot & Bristol) from the National Board of Revenue (NBR) alleging to have evaded tax by selling in the low price segments rather than the mid-tier segments. The claim was for approximately BDT 17,806 million against which the Company appealed and subsequently the Appellate Division of the Supreme Court has accepted the Company's appeals by judgement and order dated 25 July 2018. The Company has received the certified copy of the judgement. There are no other updates in this regard.

**43 Other disclosures**
**43.1 Number of employees**

The number of regular permanent employees receiving remuneration of Tk. 36,000 or above per annum at reporting date was as follows:

	31 December 2019	31 December 2018
Number of employees	1,426	1,453

In addition, there was a varying number of seasonal and temporary workers working throughout the year, as required.

**43.2 Comparatives and rearrangement**

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current financial statements.

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged and reclassified whenever considered necessary to conform to current year's presentation.

**44 Events after the reporting period**

The Board of Directors of the Company recommended BDT 40 per share as cash dividend for the year ended 31 Dec 2019 at the board meeting held on 22 February 2020. The dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company. The financial statements for the year ended 31 December 2019 do not include the effect of the cash dividend which will be accounted for in the period when shareholders' right to receive payment is established.

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

45 Reconciliation of net operating cash flow

	For the year ended 31 December	
	2019	2018
	BDT (000)	BDT (000)
<b>Profit after Tax</b>	9,246,349	10,012,034
<b>Adjustment for:</b>		
Depreciation and Impairment	1,985,595	1,411,568
Loss of sale of assets	1,533	(40,203)
Other adjustments	8,615,931	9,572,596
	<b>19,849,409</b>	<b>20,955,995</b>
<b>Changes in:</b>		
(Increase)/Decrease in Inventories	2,891,317	(1,960,112)
(Increase)/Decrease in Trade receivables and others	1,564,208	(1,858,668)
(Increase)/Decrease in Advances, deposits and prepayments	(265,605)	(86,078)
Increase/(Decrease) in Trade payables and others	511,165	416,823
Increase/(Decrease) in Net defined benefit plans	(26,921)	109,424
Increase/(Decrease) in Provisions	296,928	232,379
Income tax & Interest payments	(9,231,259)	(8,884,504)
<b>Net cash generated from operating activities</b>	<b>15,589,240</b>	<b>8,925,259</b>

## ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

নিউ ডি.ও.এইচ.এস রোড, মহাখালী, ঢাকা-১২০৬

### ৪৭তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড-এর ৪৭তম বার্ষিক সাধারণ সভা নিম্নলিখিত আলোচ্য সূচি সম্পাদনকল্পে আগামী ২২শে এপ্রিল ২০২০, রোজ বুধবার, সকাল ১০:৩০ মিঃ-এ প্যান প্যাসিফিক সোনারগাঁও হোটেল এর পরিবর্তে নিউ ডি.ও.এইচ.এস রোড, মহাখালী, ঢাকা ১২০৬-এ অবস্থিত প্রতিষ্ঠানের নিজস্ব প্রাঙ্গণে অনুষ্ঠিত হবে:

১. ৩১শে ডিসেম্বর ২০১৯ তারিখে সমাপ্ত বছরের আর্থিক বিবরণী, পরিচালক মন্ডলীর প্রতিবেদন এবং নিরীক্ষকবৃন্দের প্রতিবেদন গ্রহণ, বিবেচনা এবং অনুমোদন।
২. ৩১শে ডিসেম্বর ২০১৯-এর সমাপ্ত বছরের লভ্যাংশ অনুমোদন।
৩. পরিচালক মন্ডলীর নির্বাচন।
৪. ২০২০ সালের জন্য বিধিবদ্ধ নিরীক্ষক নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ।
৫. ২০১৯ সালের জন্য কমপ্লায়েন্স নিরীক্ষক নিয়োগ।

২৫শে মার্চ ২০২০

বোর্ডের সিদ্ধান্তক্রমে

Sd/-

মোঃ আজিজুর রহমান এফসিএস  
হড অফ পাবলিক অ্যাফেয়ার্স এন্ড  
কোম্পানি সেক্রেটারি

#### দৃষ্টব্যঃ

- ▶ যে সকল শেয়ারহোল্ডারগণের নাম কোম্পানি সদস্য বহি এবং ডিপোজিটরি বহিতে রেকর্ড তারিখে (১২ই মার্চ ২০২০) বৈধ ভাবে লিপিবদ্ধ থাকবে, উক্ত শেয়ারহোল্ডারগণ ভার্চুয়াল বার্ষিক সাধারণ সভায় যোগদান এবং লভ্যাংশ প্রাপ্তির যোগ্য বলে বিবেচিত হবেন।
- ▶ বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) আদেশের (এসইসি / এসআরএমআইসি / ০৪-২৩১ / ৯৩২ তারিখ ২৪ মার্চ ২০২০) বিবেচনায়, কোম্পানির আসন্ন ৪৭তম এজিএম ডিজিটাল প্ল্যাটফর্মের মাধ্যমে ভার্চুয়াল সভা পরিচালিত হবে।
- ▶ বৈশ্বিক মহামারী কোভিড-১৯ (করোনাভাইরাস)-এর দরুণ গুরুতর স্বাস্থ্যঝুঁকি এড়াতে আগ্রহী শেয়ারহোল্ডারদের অনলাইন লাইভ পোর্টালের মাধ্যমে ৪৭তম সাধারণ সভায় ডিজিটাল প্ল্যাটফর্মের মাধ্যমে যোগদান করার অনুরোধ করা হলো।
- ▶ এক্ষেত্রে শেয়ারহোল্ডারদের ফেসবুক পেজ-এ যুক্ত হওয়ার জন্য সামাজিক যোগাযোগ মাধ্যম ফেসবুক-এ একটি পেজ তৈরি করা হয়েছে যাহার লিংক “www.facebook.com/batb.shareholders” যা তথ্য ও ডিজিটাল যোগাযোগের জন্য তৈরি করা হয়েছে। সভায় অংশগ্রহণের জন্য শেয়ারহোল্ডারদের সামগ্রিক কার্যপ্রণালী ও অনলাইন লাইভ পোর্টালের লিংক যথাসময়ে জানানো হবে।
- ▶ ই-মেইল-এর মাধ্যমে বার্ষিক প্রতিবেদন ২০১৯ শেয়ারহোল্ডারদের ডিজিটাল কপি প্রেরণ করা হবে। তারপরও যদি কেউ না পেয়ে থাকে, তাহলে লিখিত আবেদনের মাধ্যমে শেয়ার অফিস থেকে সংগ্রহ করতে পারবেন। এছাড়াও বার্ষিক প্রতিবেদন ২০১৯ এর ডিজিটাল কপি কোম্পানির ওয়েবসাইট www.batbangladesh.com মাধ্যমে পাওয়া যাবে। শেয়ারহোল্ডারগণ তাদের স্মার্ট ডিভাইসের মাধ্যমে নিম্নে উল্লেখিত কিউ আর কোড স্ক্যান করেও ডিজিটাল কপি ডাউনলোড করতে পারবেন।



বার্ষিক প্রতিবেদন ২০১৯-এর ডিজিটাল কপি ডাউনলোড করুন



# OUR VALUED SHAREHOLDERS







## আর্থিক অবস্থান বিবরণী

২০১৯ সালের ৩১ ডিসেম্বর তারিখ অনুযায়ী

সম্পদ	টাকা	২০১৯	২০১৮
		টাকা (০০০)	টাকা (০০০)
<b>স্থায়ী সম্পদ</b>			
সম্পত্তি, কারখানা ও যন্ত্রপাতি	চ (ক)	২৯,৫৩১,৯৬৫	২৬,৪৮৩,৫৮৭
ব্যবহৃত সম্পদের স্বত্ব	চ (খ)	১,৬৭২,২২৩	-
<b>মোট স্থায়ী সম্পদ</b>		<b>৩১,২০৪,১৮৮</b>	<b>২৬,৪৮৩,৫৮৭</b>
<b>চলতি সম্পদ</b>			
মজুদ	৯	১৬,৫৩৭,৮৮৪	১৯,৪২৯,২০১
বাণিজ্য ও অন্যান্য প্রাপ্য	১০	২,৬০৯,৯১৬	৪,১৭৪,১২৫
অগ্রিম, জমা ও অগ্রিম পরিশোধ	১১	৩,৬৮৪,৪৮৫	৪,৮২২,৭১১
নগদ অর্থ ও নগদ সমতুল্য	১২	৫,৩৯৩,৭৬৪	১,৬৩৩,৬০৫
<b>মোট চলতি সম্পদ</b>		<b>২৮,২২৬,০৪৯</b>	<b>৩০,০৫৯,৬৪২</b>
<b>মোট সম্পদ</b>		<b>৫৯,৪৩০,২৩৭</b>	<b>৫৬,৫৪৩,২২৯</b>
<b>মালিকানা স্বত্ব ও দায়</b>			
<b>মালিকানা স্বত্ব</b>			
শেয়ার মূলধন	১৩	১,৮০০,০০০	৬০০,০০০
সংরক্ষিত মূলধন তহবিল	১৪	৬৪,৮৯৬	৬৪,৮৯৬
সংরক্ষিত মুনাফা তহবিল/অবশিষ্ট আয়	১৫	৩৩,৯২৮,৫৫৯	২৮,৮৬৩,৯৫৮
<b>কোম্পানির স্বত্বাধিকারীর ওপর আরোপিত মালিকানা স্বত্ব</b>		<b>৩৫,৭৯৩,৪৫৫</b>	<b>২৯,৫২৮,৮৫৪</b>
<b>স্থায়ী দায়</b>			
নিট নির্ধারিত বেনিফিট পরিকল্পনা	১৬	৯৫১,৬১৬	৯৭৮,৫৩৮
বিলম্বিত কর দায়	১৭	৪,২৫৮,৫৪৮	৩,১১২,৯৭৯
ইজারা দায়	চ (খ)	১,৪১২,২৪৩	-
<b>মোট স্থায়ী দায়</b>		<b>৬,৬২২,৪০৭</b>	<b>৪,০৯১,৫১৭</b>
<b>চলতি দায়</b>			
ব্যাংক জমাতিরিক্ত	১৮	-	৭৯৯,৮৮০
স্বল্পমেয়াদী ব্যাংক ঋণ	১৯	-	৪,৩৮০,০০০
ব্যবসা ও অন্যান্য প্রদেয়	২০	১২,২৩৭,০৫৩	১১,৭৫৭,২১৯
ইজারা দায়	চ (খ)	৩৯০,৬৯৮	-
চলতি আয়কর দায়	২১	৪,০২২,৯৩৬	৫,৯১৮,৯৯৭
সঞ্চিতি	২২	৩৬৩,৬৯০	৬৬,৭৬২
<b>মোট চলতি দায়</b>		<b>১৭,০১৪,৩৭৫</b>	<b>২২,৯২২,৮৫৮</b>
<b>মোট দায়</b>		<b>২৩,৬৩৬,৭৮২</b>	<b>২৭,০১৪,৩৭৫</b>
<b>মোট মালিকানা স্বত্ব ও দায়</b>		<b>৫৯,৪৩০,২৩৭</b>	<b>৫৬,৫৪৩,২২৯</b>

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ লিমিটেড

## লাভ ও ক্ষতি ও অন্যান্য সম্মিলিত আয়ের বিবরণী

৩১ ডিসেম্বর, ২০১৯ তারিখে সমাপ্ত বছরের জন্য

সম্পদ	টাকা	২০১৯	২০১৮
		টাকা (০০০)	টাকা (০০০)
মোট বিক্রয়		২৬৯,৮৫৪,৫৭৪	২৩৩,১১৮,১৮৭
সম্পূরক শুষ্ক ও মূল্য সংযোজন কর		(২১৩,০৩৩,২৪৪)	(১৭৮,৪৭৮,৪২০)
গ্রাহকের সাথে সম্পাদিত চুক্তি হতে অর্জিত নিট অর্থ	২৩	৫৬,৮২১,৩৩০	৫৪,৬৩৯,৭৬৭
বিক্রয়কৃত পণ্যের ব্যয়	২৪	(২৯,৯৭২,৭৮০)	(২৭,০৯৬,২৯৭)
মোট মুনাফা		২৬,৮৪৮,৫৫০	২৭,৫৪৩,৪৭০
পরিচালন ব্যয়	২৫	(৮,০৮১,৫৫৭)	(৬,৭২৩,৬৯০)
পরিচালন মুনাফা		১৮,৭৬৬,৯৯৩	২০,৮১৯,৭৮০
নিট আর্থিক আয়/(ব্যয়)	২৬	(৪৭১,৩৬৭)	(৪৭৩,৯১৬)
অ-পরিচালন আয়/(ব্যয়)	২৭	২৪,২৯৬	(১৪,৯৯৬)
শ্রমিক কণ্যাগ তহবিল পূর্ব মুনাফা		১৮,৩১৯,৯২৩	২০,৩৩০,৮৬৭
শ্রমিকের অংশগ্রহণ তহবিল		(৯১৫,৯৯৬)	(১,০১৬,৫৪৩)
আয়কর পূর্ব মুনাফা		১৭,৪০৩,৯২৭	১৯,৩১৪,৩২৪
আয়কর সংক্রান্ত ব্যয়			
চলতি আয়কর	২৮	(৭,০২৮,৫২৩)	(৮,৯৮৫,০৬৯)
বিলম্বিত আয়কর	২৯	(১,১২৯,০৫৫)	(৩১৭,২২১)
		(৮,১৫৭,৫৭৮)	(৯,৩০২,২৯০)
বাৎসরিক মুনাফা		৯,২৪৬,৩৪৯	১০,০১২,০৩৪
অন্যান্য সম্মিলিত আয়			
অন্যান্য সম্মিলিত আয় যা পরবর্তী সময়ের মুনাফা কিংবা ক্ষতির হিসাবে অন্তর্ভুক্ত হবে না (নিট):			
নির্ধারিত বেনিফিট পরিকল্পনার ওপর পুনর্মূল্যায়নের ক্ষতি	৩০	৩৪,৭৬৬	(৩৫,৪৩০)
নির্ধারিত বেনিফিট পরিকল্পনার ওপর বিলম্বিত আয়করের প্রভাব	৩০	(১৬,৫১৪)	৩৯,৮১১
বাৎসরিক অন্যান্য সম্মিলিত ক্ষতি, করের নিট		১৮,২৫২	৪,৩৮২
বাৎসরিক অন্যান্য সম্মিলিত ক্ষতি, করের নিট		৯,২৬৪,৬০১	১০,০১৬,৪১৬
		টাকা	টাকা
শেয়ার প্রতি আয়	৩১	৫১.৩৭	৫৫.৬২

১ থেকে ৪৫ পৃষ্ঠায় সংযোজিত টাকাসমূহ এ আর্থিক বিবরণীর অবিচ্ছেদ্য অংশ

## মালিকানা স্বত্বের পরিবর্তন বিবরণী

৩১ ডিসেম্বর, ২০১৯ তারিখে সমাপ্ত বছরের জন্য

	শেয়ার মূলধন	সংরক্ষিত মূলধন তহবিল টাকা (০০০)	সংরক্ষিত মুনাফা তহবিল টাকা (০০০)	মোট মালিকানা টাকা (০০০)
১ জানুয়ারি, ২০১৮ তারিখে ব্যালেন্স	৬০০,০০০	৬৪,৮৯৬	২২,৪৪৭,৫৪২	২৩,১১২,৪৩৮
বাৎসরিক মুনাফা	-	-	১০,০১২,০৩৪	১০,০১২,০৩৪
বাৎসরিক অন্যান্য সম্মিলিত আয়	-	-	৪,৩৮২	৪,৩৮২
সর্বমোট সম্মিলিত বাৎসরিক আয়	-	-	১০,০১৬,৪১৬	১০,০১৬,৪১৬
লভ্যাংশ ২০১৭	-	-	(৩,৬০০,০০০)	(৩,৬০০,০০০)
৩১ ডিসেম্বর, ২০১৮ তারিখে ব্যালেন্স	৬০০,০০০	৬৪,৮৯৬	২৮,৮৬৩,৯৫৮	২৯,৫২৮,৮৫৪
১ জানুয়ারি, ২০১৯ তারিখে ব্যালেন্স	৬০০,০০০	৬৪,৮৯৬	২৮,৮৬৩,৯৫৮	২৯,৫২৮,৮৫৪
বাৎসরিক মুনাফা	-	-	৯,২৪৬,৩৪৯	৯,২৪৬,৩৪৯
বাৎসরিক অন্যান্য সম্মিলিত আয়	-	-	১৮,২৫২	১৮,২৫২
সর্বমোট সম্মিলিত বাৎসরিক আয়	-	-	৯,২৬৪,৬০১	৯,২৬৪,৬০১
লভ্যাংশ ২০১৮	-	-	-	-
স্টক লভ্যাংশ	১,২০০,০০০	-	(১,২০০,০০০)	-
নগদ লভ্যাংশ	-	-	(৩,০০০,০০০)	(৩,০০০,০০০)
৩১ ডিসেম্বর, ২০১৯ তারিখে ব্যালেন্স	১,৮০০,০০০	৬৪,৮৯৬	৩৩,৯২৮,৫৫৯	৩৫,৭৯৩,৪৫৫

১ থেকে ৪৫ পৃষ্ঠায় সংযোজিত টাকাসমূহ এ আর্থিক বিবরণীর অবিচ্ছেদ্য অংশ

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ লিমিটেড

## নগদ অর্থ প্রবাহের বিবরণী

৩১ ডিসেম্বর, ২০১৯ তারিখে সমাপ্ত বছরের জন্য

	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)
<b>পরিচালনা কার্যক্রম থেকে নগদ অর্থ প্রবাহ</b>		
পরিবেশক, তামাক রপ্তানি ও অন্যান্য আয় থেকে লব্ধ	২৭১,৪৩১,৫৯৯	২৩১,২০২,৫৩৫
মূল্য এবং খরচাদি পরিশোধ	(৩৮,৪৪০,০১৫)	(৩৬,৬১৩,১৬২)
পরিশোধিত সম্পূরক শুল্ক এবং মূল্য সংযোজন কর	(২০৮,১৭১,০৮৫)	(১৭৬,৭৭৯,৬১০)
<b>পরিচালনা কার্যক্রম থেকে প্রাপ্ত নগদ অর্থ</b>	<b>২৪,৮২০,৪৯৯</b>	<b>১৭,৮০৯,৭৬২</b>
পরিশোধকৃত আয়কর	(৮,৯২৪,৫৮৫)	(৮,৪৩০,৭৬৯)
পরিশোধকৃত সুদ	(৩০৬,৬৭৪)	(৪৫৩,৭৩৪)
<b>পরিচালনা কার্যক্রম থেকে নগদ অর্থ</b>	<b>১৫,৫৮৯,২৪০</b>	<b>৮,৯২৫,২৫৯</b>
<b>বিনিয়োগ কার্যক্রম থেকে নগদ অর্থ প্রবাহ</b>		
সম্পত্তি, কারখানা ও যন্ত্রপাতি ক্রয়	(৩,২১৫,৫০৮)	(৬,৯৭৮,৬৬৫)
সম্পত্তি, কারখানা ও যন্ত্রপাতি বিক্রয়লব্ধ আয়	২৯,৫৪৮	১০০,৮৩৬
<b>বিনিয়োগ কার্যক্রমে নগদ অর্থ ব্যবহার</b>	<b>(৩,১৮৫,৯৬০)</b>	<b>(৬,৮৭৭,৮২৯)</b>
<b>আর্থিক কার্যক্রম থেকে নগদ অর্থ প্রবাহ</b>		
স্বল্পমেয়াদী ঋণ থেকে আয়	১৫,৮৮০,০০০	৯,৮০০,০০০
স্বল্পমেয়াদী ঋণ পরিশোধ	(২০,২৬০,০০০)	(৫,৪২০,০০০)
ইজারা দায় পরিশোধ	(৪৭৯,৬৯১)	-
পরিশোধকৃত লভ্যাংশ	(২,৯৯৬,৫৬৫)	(৩,৫৯৬,৩১৬)
<b>আর্থিক কার্যক্রমে নগদ অর্থের ব্যবহার</b>	<b>(৭,৮৫৬,২৫৬)</b>	<b>৭৮৩,৬৮৪</b>
<b>বছরের নিট নগদ অর্থ ও নগদ সমতুল্য সম্পদের বৃদ্ধি/(হ্রাস)</b>	<b>৪,৫৪৭,০২৫</b>	<b>২,৮৩১,১১৪</b>
<b>১ জানুয়ারিতে* নগদ অর্থ ও নগদ সমতুল্য সম্পদ</b>	<b>৮৩৩,৭২৫</b>	<b>(২,০৭৯,৭৪১)</b>
<b>নগদ অর্থের ওপর বিনিময় হারের তারতম্যের প্রভাব</b>	<b>১৩,০১৩</b>	<b>৮২,৩৫১</b>
<b>৩১ ডিসেম্বরে* নগদ অর্থ ও নগদ সমতুল্য সম্পদ</b>	<b>৫,৩৯৩,৭৬৪</b>	<b>৮৩৩,৭২৫</b>

\* ব্যাংক ওভারড্রাফট নগদ এবং নগদ সমতুল্যের অন্তর্ভুক্ত, যা দাবিসাপেক্ষে পরিশোধযোগ্য এবং এটা কোম্পানির নগদ অর্থ ব্যবস্থাপনার একটি অবিচ্ছেদ্য অংশ

১ থেকে ৪৫ পৃষ্ঠায় সংযোজিত টীকাসমূহ এ আর্থিক বিবরণীর অবিচ্ছেদ্য অংশ

## আর্থিক প্রতিবেদনের টীকা

### ১ করপোরেট তথ্য

#### ১.১ কোম্পানি প্রোফাইল

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড (কোম্পানি) একটি পাবলিক লিমিটেড কোম্পানি এবং এর শেয়ার ঢাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জে তালিকাভুক্ত। কোম্পানির নিবন্ধিত কার্যালয়ের ঠিকানা নিউ ডিওএইচএস রোড, মহাখালী, ঢাকা-১২০৬, বাংলাদেশ।

#### ১.২ ব্যবসার ধরণ

কোম্পানিটি বেনসন অ্যান্ড হেজেস, জন প্লেয়ার গোল্ড লিফ, ক্যাপস্টান, রয়েলস, হলিউড, স্টার, ডার্বি, পাইলটের মতো সিগারেট ব্র্যান্ড উৎপাদন ও বাজারজাত করে। ঢাকায় রয়েছে কোম্পানিটির প্রধান কার্যালয় ও সিগারেট উৎপাদন কারখানা। এছাড়া কুষ্টিয়াতে গ্রিনলিফ থ্রেসিং প্ল্যান্ট, মানিকগঞ্জে গ্রিনলিফ রিড্রাইং প্ল্যান্ট এবং দেশজুড়ে বেশ কয়েকটি লিফ এবং সেলস অফিস রয়েছে।

### ২ প্রস্তুতকরণের ভিত্তি

#### ২.১ হিসাবরক্ষণের সঙ্গতি

আর্থিক প্রতিবেদনটি ইন্টারন্যাশনাল ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আইএফআরএস), কোম্পানি আইন ১৯৯৪, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ নীতিমালা ১৯৮৭ এবং অন্যান্য প্রযোজ্য আইন ও বিধানের সঙ্গে সঙ্গতি রেখে প্রস্তুত করা হয়েছে। বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ নীতিমালা ১৯৮৭তে নির্দেশিত বিধি অনুযায়ী পরিচালন কর্মকাণ্ডের নগদ অর্থ প্রবাহের হিসাব ধরা হয়েছে।

আর্থিক প্রতিবেদনটি ঐতিহাসিক ব্যয় ভিত্তিতে প্রস্তুত করা হয়েছে, শুধু আর্থিক সম্পত্তি ও সম্ভাব্য দায় ব্যতিরেকে যার পরিমাপ করা হয়েছে বাজার মূল্যের ভিত্তিতে। পূর্ববর্তী সময়কালের প্রেক্ষিতে তুলনামূলক তথ্য প্রদান করা হয়েছে প্রতিবেদনে।

#### ২.২ অনুমোদনের তারিখ

কোম্পানির পরিচালনা পর্ষদ আর্থিক প্রতিবেদনটি প্রকাশের জন্য ২০২০ সালের ২২ ফেব্রুয়ারি তারিখে অনুমোদন প্রদান করেন।

#### ২.৩ প্রতিবেদনের সময়কাল

এই কোম্পানির বার্ষিক আর্থিক হিসাবকাল ১ জানুয়ারি থেকে ৩১ ডিসেম্বর পর্যন্ত, যা ধারাবাহিকভাবে অনুসরণ করা হচ্ছে।

### ৩ পরিচালন ও প্রদর্শিত মূল্যের একক

এই আর্থিক প্রতিবেদনে মুদ্রা হিসেবে বাংলাদেশি টাকা (টাকা, টিকে, বিডিটি) প্রদর্শিত হয়েছে, যা কোম্পানির পরিচালন ও প্রদর্শিত মূল্যের একক। আর্থিক বিবরণীতে প্রদর্শিত সব অর্থমূল্য ভগ্নাংশের ক্ষেত্রে নিকটবর্তী পূর্ণ সংখ্যায় দেখানো হয়েছে। পূর্ণ সংখ্যা ব্যবহারের কারণে কিছু কিছু ক্ষেত্রে প্রদর্শিত যোগফল প্রতিটি সংখ্যার যোগফল থেকে ভিন্ন হতে পারে।

### ৪ আনুমানিক হিসাব এবং মূল্যায়নের প্রয়োগ

আইএফআরএসের সঙ্গে সামঞ্জস্য রেখে আর্থিক প্রতিবেদনটি তৈরিতে ব্যবস্থাপনা কর্তৃপক্ষকে মূল্যায়ন, হিসাব ও ধারণার ওপর নির্ভর করতে হয়েছে, যা হিসাবন নীতির প্রয়োগ, প্রদর্শিত সম্পদের পরিমাণ, দায়সমূহ, আয় এবং ব্যয়কে প্রভাবিত করে। প্রকৃত ফলাফল মূল্যায়নের চেয়ে ভিন্ন হতে পারে। হিসাবরক্ষণ নীতির প্রয়োগে ব্যবস্থাপনা কর্তৃপক্ষ নিম্নলিখিত মূল্যায়ন করেছেন, আর্থিক বিবরণীতে স্বীকৃত পরিমাণের ওপর যার লক্ষণীয় প্রভাব রয়েছে।

ব্যবহৃত সম্পদের স্বত্ব কোম্পানি আইএফআরএস ১৬ অনুযায়ী স্বীকৃতি দিয়েছে। ব্যবস্থাপনা কর্তৃপক্ষকে এজন্য ইজারা শর্তের ওপর গুরুত্বপূর্ণ মূল্যায়ন প্রয়োগ করতে হয়েছে। বিস্তারিত জানতে এই আর্থিক বিবরণীর টীকা ৮(খ) দেখতে পারেন।

হিসাব ও অনুমান: এসব হিসাব ও অনুমান চলমান প্রক্রিয়ার ভিত্তিতে পুনঃবীক্ষণ করা হয়। হিসাব অনুমিতিগুলোর পুনর্মূল্যায়ন ভবিষ্যতের কথা বিবেচনায় নিয়ে গ্রহণ করা হয়।

আর্থিক বিবরণী প্রস্তুতের সময় ব্যবহৃত গুরুত্বপূর্ণ হিসাব ও ধারণা

১. ফিন্যান্স অ্যাক্ট ২০২০ অনুযায়ী ২০১৯ হিসাব বছরের জন্য প্রযোজ্য আয়কর হার গ্রহণ করা হয়েছে। আর্থিক প্রতিবেদনের জন্য ব্যবস্থাপনা কর্তৃপক্ষ ২০১৯ হিসাব বছরে ৪৫ শতাংশ করপোরেট কর ও ২.৫ শতাংশ সারচার্জ প্রযোজ্য বলে ধরে নিয়েছেন।

২. ২০১৯ সালের ৩১ ডিসেম্বর পর্যন্ত কর্মীদের ভবিষ্য প্রাপ্যের বর্তমান মূল্য নির্ধারণে নিবন্ধিত অ্যাকচুয়ারির পরামর্শক্রমে যথোপযুক্ত ফাইন্যান্সিয়াল ও ডেমোগ্রাফিক অ্যাসাম্পশন ব্যবহার করা হয়েছে।

৩. সঞ্চিতি ও ভবিষ্যৎ ঝুঁকি পরিমাপে সম্পদের সম্ভাব্য ও বড় ধরনের বহির্গমন পদ্ধতি ব্যবহার করা হয়েছে।

সুনির্দিষ্টভাবে হিসাবরক্ষণ পদ্ধতিতে হিসাব ও মূল্যায়নের মতো তাৎপর্যপূর্ণ অংশের তথ্য, যা এই আর্থিক বিবরণীতে উল্লেখিত পরিমাণের ওপর সবচেয়ে গুরুত্বপূর্ণ প্রভাব ফেলে সেগুলো নিম্নের টীকাতে বর্ণিত হলো:

টীকা ৮ (ক):	সম্পত্তি, কারখানা ও যন্ত্রপাতি
টীকা ৮ (খ):	ইজারা
টীকা ৯:	মজুত পণ্য
টীকা ১০:	ব্যবসা ও অন্যান্য পাওনা
টীকা ১৬:	নেট ডিফাইন্ড বেনিফিট প্ল্যানস
টীকা ১৭:	বিলম্বিত কর
টীকা ২১:	চলতি কর দায়
টীকা ২২:	সঞ্চিতি
টীকা ৪১:	অঙ্গীকার
টীকা ৪২:	ভবিষ্যৎ ঝুঁকি

#### ৫ পরিমাপের ভিত্তি

ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ডস বোর্ড (আইএএসবি) কর্তৃক জারিকৃত ইন্টারন্যাশনাল ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আইএফআরএস) অনুযায়ী কোম্পানির আর্থিক প্রতিবেদন প্রস্তুত করা হয়েছে।

আর্থিক প্রতিবেদনটি তৈরি করা হয়েছে প্রারম্ভিক ব্যয়ের ভিত্তিতে। তবে মজুত পণ্য, ব্যবসার পাওনা এবং সম্ভাব্য ঝুঁকি পরিমাপ করা হয়েছে বাজারমূল্যে। এই আর্থিক প্রতিবেদনে পূর্ববর্তী হিসাব বছরের তথ্যের তুলনা করা হয়েছে।

#### ৬ গুরুত্বপূর্ণ হিসাবরক্ষণ নীতিমালা

নিম্নলিখিত হিসাবরক্ষণ নীতিমালা সব সময়কালের জন্য কোম্পানি ধারাবাহিকভাবে প্রয়োগ করে আসছে।

নিম্নে উল্লেখযোগ্য হিসাবরক্ষণ নীতিমালা সূচি আকারে দেয়া হলো:

- ক. চলতি বনাম অ-চলতি বিভাজন
- খ. সম্পত্তি, কারখানা এবং যন্ত্রপাতি
- গ. সম্পদ
- ঘ. শেয়ার মূলধন
- ঙ. অবনমন
- চ. ইজারা
- ছ. মজুত পণ্য
- জ. কর্মীদের প্রাপ্য
- ঝ. সঞ্চিতি
- ঞ. সম্ভাব্য দায়
- ট. বিক্রয় থেকে অর্জিত আয়
- ঠ. কর বাবদ ব্যয়
- ড. বৈদেশিক মুদ্রার লেনদেন
- ঢ. আর্থিক আয় ও ব্যয়
- ণ. শেয়ার প্রতি আয় (ইপিএস)
- ত. নগদ প্রবাহ
- থ. লভ্যাংশ
- দ. ম্যাটেরিয়ালিটি অ্যান্ড অ্যাগ্রিগেশন
- ধ. প্রতিবেদন প্রস্তুত পরবর্তী ঘটনাবলী
- ন. হিসাবরক্ষণ নীতিতে পরিবর্তন ও ঘোষণা



ক. চলতি ও অ-চলতি বিভাজন

চলতি ও অ-চলতি বিভাজনের ভিত্তিতে কোম্পানি সম্পদ ও দায়সমূহ আর্থিক বিবরণীতে তুলে ধরেছে। সম্পদকে তখনই চলতি ধরা হয়, যখন # প্রাথমিকভাবে ব্যবসার উদ্দেশ্যে স্বাভাবিক পরিচালন চক্রের মধ্যে প্রত্যাশিত আদায়, কাঙ্ক্ষিত বিক্রয় বা ভোগ সম্পন্ন হয়। # প্রতিবেদনের সময়কালের ১২ মাসের মধ্যে নগদ বা নগদ সমতুল্যে আদায় হওয়ার কথা, যদি না বিনিময় বা দায় সংক্রান্ত কোনো মীমাংসার বিষয় থাকে।

এর বাইরে সব সম্পদকে অ-চলতি সম্পদ হিসেবে শ্রেণীবিভাজন করা হয়।

কোনো দায়কে তখনই চলতি হিসেবে ধরা হয় যখন:  
# স্বাভাবিক পরিচালন চক্রের মধ্যেই সেটি নিষ্পত্তি হয়,  
# প্রাথমিকভাবে এটা যদি ব্যবসার উদ্দেশ্যে হয়ে থাকে,  
# প্রতিবেদন সময়কালের ১২ মাসের মধ্যে নিষ্পত্তির অপেক্ষায় থাকে,  
# প্রতিবেদন সময়কালের অনধিক ১২ মাস পর নিষ্পত্তি বিলম্বিত করার শর্তহীন কোনো অধিকার না থাকে

অন্য সব দায় অ-চলতি। বিলম্বিত কর ও দায়সমূহকেও অ-চলতি সম্পদ ও দায় হিসেবে শ্রেণীবিভাজন করা হয়।

খ. সম্পত্তি, কারখানা ও যন্ত্রপাতি

(১) স্বীকৃতি ও পরিমাপ

সম্পত্তি, কারখানা ও যন্ত্রপাতির মূল্য নির্ধারণ করা হয় পুঞ্জীভূত অবচয় ও অবনমন (রেকর্ডেড মূল্য বাজার মূল্যের চেয়ে কম হলে) যদি থাকে তা বাদ দিয়ে।

ব্যয়ের মধ্যে আছে অধিগ্রহণ বাবদ এবং কোনো সম্পদকে ব্যবহার উপযোগী অবস্থায় আনার ব্যয়। কোনো উপকরণকে আলাদা আলাদা অংশে ভাগ করা এবং নির্ধারিত স্থানে স্থাপন বাবদ ব্যয়ও এর মধ্যে অন্তর্ভুক্ত। ইজারা নেয়া জমিতে নির্মিত ভবনের আর্থিক মূল্যায়ন করে তাকে ইজারা সম্পত্তি শ্রেণীতে অন্তর্ভুক্ত করা হয়।

(২) সাবসিকুয়েন্ট ব্যয়

কোনো সম্পত্তির কোনো অংশের প্রতিস্থাপন, কারখানা ও যন্ত্রপাতির ব্যয় রেকর্ডেড মূল্য হিসেবে ধরা হয় যদি এর মধ্যে নিহিত অর্থনৈতিক সুবিধা কোম্পানিতে প্রবাহিত হওয়ার সম্ভাবনা থাকে। বাকি সব মেরামত ও রক্ষণাবেক্ষণ ব্যয়, মুনাফা বা ক্ষতি এবং অন্য সমন্বিত আয়ের মধ্যে ধরা হয়।

(৩) অবচয়

স্ট্রেইট-লাইন বেসিসে সম্পত্তি, কারখানা ও যন্ত্রপাতির অবচয় হিসাব করা হয়। নতুন যন্ত্রপাতির অবচয় ধার্য করা হয় যে মাস থেকে এর ব্যবহার শুরু হয়েছে সে মাস থেকে। কোনো সম্পদ ধ্বংস/বাতিল করা হলে সেক্ষেত্রে অবচয় ধার্য করা হয় যে মাসে ধ্বংস বা বাতিল করা হয়েছে তার পূর্ববর্তী মাস পর্যন্ত। ভূমি এবং নির্মাণাধীন সম্পদের অবচয় হয় না। গত কয়েক বছর যাবৎ ধারাবাহিকভাবে এই নীতি অনুসরণ করে আসছে কোম্পানি।

চলতি এবং তুলনামূলক বছরে সম্পদ, কারখানা ও যন্ত্রপাতির ব্যবহারিক জীবনকাল এবং অবশিষ্ট মূল্য নিচে তুলে ধরা হলো:

শ্রেণী	ব্যবহারযোগ্য জীবনকাল		অবশিষ্ট মূল্য	
	২০১৯	২০১৮	২০১৯	২০১৮
নিজস্ব ভবন	৪০	৪০	১%	১%
ইজারাধীন ভবন	সর্বোচ্চ ৪০ বছর, অবচয়ের হার কেস বাই কেস ভিত্তিতে নির্ধারিত	সর্বোচ্চ ৪০ বছর, অবচয়ের হার কেস বাই কেস ভিত্তিতে নির্ধারিত	০%	০%
কারখানা ও যন্ত্রপাতি	৫ / ১০ / ২০*	৫ / ১০ / ২০*	০% / ১%	০% / ১%
ল্যাবরেটরি সরঞ্জাম	১০	১০	০%	০%
অফিস উপকরণ	৫ / ১০	৫ / ১০	০%	০%
আসবাবপত্র	৩ / ৫ / ১০	৩ / ৫ / ১০	০%	০%
যানবাহন	৪ / ৫	৪ / ৫	১%	১%
আইটি সরঞ্জাম	৩ / ৫	৩ / ৫	০%	০%

অবচয়ের পদ্ধতি, ব্যবহারযোগ্য জীবনকাল এবং অবশিষ্ট মূল্য প্রত্যেক রিপোর্টিং তারিখে পুনর্মূল্যায়ন এবং যথাযথভাবে সমন্বয় করা হয়। ২০১৯ সালের ৩১ ডিসেম্বর সমাপ্ত বছরের পূর্ববর্তী ১২ মাসে সম্পদ, কারখানা ও যন্ত্রপাতির উল্লেখযোগ্য সমন্বয় করা হয়নি।

(৪) নির্মাণাধীন সম্পদ

নির্মাণাধীন সম্পদের মধ্যে রয়েছে অধিগ্রহণ এবং/অথবা নির্মাণ, কারখানা ও যন্ত্রপাতি, যেগুলো প্রতিবেদন প্রস্তুতের সময় পর্যন্ত ব্যবহার উপযোগী হয়নি সেগুলো বাবদ ব্যয়।



**(৫) অবনমন**

কোম্পানির নন-ফাইন্যান্সিয়াল সম্পদের রেকর্ডেড মূল্য ব্যতীত সব মজুদ পণ্য, বিলম্বিত কর (সংশ্লিষ্ট হিসাবরক্ষণ মানদণ্ড অনুযায়ী আলাদাভাবে প্রদর্শিত) প্রত্যেক প্রতিবেদন তারিখে পুনর্মূল্যায়ন করা হয় এটা নির্ধারণ করার জন্য যে, সেখানে কোনো ধরনের অবনমন আছে কিনা। এ ধরনের কিছু পাওয়া গেলে সেই সম্পদের পুনর্লভ্যতা হিসাব করা হয়। যদিও প্রতিবেদন তারিখে এ ধরনের কোনো বুকিং ইঙ্গিত পাওয়া যায়নি।

কোনো সম্পদের রেকর্ডেড মূল্য পুনর্লভ্য মূল্যকে অতিক্রম করে গেলে সমন্বিত আর্থিক বিবরণীতে তা ইমপেয়ারমেন্ট ক্ষতি হিসেবে দেখানো হয়।

কোনো সম্পদের পুনর্লভ্যতা হিসাব করা হয় ভবিষ্যত নগদ প্রবাহের বর্তমান মূল্যের নিরিখে, উপযুক্ত হারে ছাড়ের পর ওই সম্পদ ব্যবহারের ফলে যা আসবে তার ভিত্তিতে।

অবনমনের নির্দেশকের মধ্যে আছে:

- প্রত্যাশিত ভবিষ্যৎ আয়ের তুলনায় কম আয়।
- যে দেশ বা অর্থনীতিতে কোম্পানি কার্যক্রম পরিচালনা করছে সেখানকার বাস্তব নেতিবাচক উন্নয়ন প্রবণতা।
- সম্পদের ক্ষতি বা সম্পদের পরিবর্তিত ব্যবহার।

**(৬) অবসর ও হস্তান্তর**

কোনো সম্পদ ব্যবহারের ফলে আর কোনো অর্থনৈতিক লাভের আশা না থাকলে তাকে বাতিল বলে গণ্য করা হয়। নেট বাতিলকরণ প্রক্রিয়া ও সম্পদের রেকর্ডেড মূল্যের পার্থক্য থেকে সম্পদ বাতিলের ওপর লাভ বা ক্ষতির হিসাব পাওয়া যায়। বাতিলকৃত সম্পদ থেকে লাভ বা ক্ষতির হিসাব উল্লেখ করা হয় অন্যান্য আয়/ব্যয়ের মধ্যে লাভ-ক্ষতি হিসাবে।

**(৭) ইজারাসমূহ**

২০১৯ সালের ১ জানুয়ারি আইএফআরএস ১৬ গৃহীত হয়েছে এবং ১২ মাসের কম ব্যবহারযোগ্য আয়ুষ্কাল আছে ও নতুন অবস্থায় যেগুলোর আর্থিক মূল্যমান ৪২,৫০০ টাকার কম সেগুলো ব্যতীত সব ইজারা সম্পদ দায়সহ রাইট-টু-ইউজ সম্পদ হিসাবে ব্যালান্স শিটে পুঁজি আকারে দেখানো হয়েছে।

সম্পদ মাস্টার ডাটায় অন্তর্ভুক্ত সুদহারের ভিত্তিতে ইজারাকৃত সম্পদগুলো ইজারা চুক্তি কার্যকরের তারিখ থেকে ভবিষ্যৎ ইজারা কিস্তির বর্তমান মূল্যে সম্পদ হিসেবে দেখানো হয়। স্বল্পমূল্যের (৪ লাখ ২৫ হাজার টাকার নিচে) এবং স্বল্পমেয়াদের (১২ মাসের কম) ইজারাগুলো সম্পদ হিসেবে না দেখিয়ে ভাড়া ব্যয় হিসেবে পরিচালন মূনাফায় ব্যয় হিসেবে দেখানো হয়েছে। ইজারা চুক্তির শর্তাবলীর আওতায় কোনো সম্পদের মূল্য কমানো বা বাড়ানোর জন্য ইজারা পুনর্মূল্যায়ন (রিঅ্যাসেসমেন্ট) ও ইজারা পরিবর্তনের (মডিফিকেশন) মতো বিষয়গুলো প্রয়োজনের ভিত্তিতে সম্পাদন করা যেতে পারে।

ইজারা চুক্তির মেয়াদকাল ধরে স্ট্রেইট-লাইন ভিত্তিতে সম্পদগুলো অবলোপন (রাইট-অফ) করা হয়। এক্ষেত্রে কোনো ইজারাকৃত সম্পদের প্রয়োজনীয় (ইউজফুল) মেয়াদ নির্ভর করে ওই সম্পদ কত বছর বা সময় ধরে ব্যবহার করা যাবে। এ জাতীয় সম্পদগুলোর প্রয়োজনীয় মেয়াদ চুক্তির শর্তাবলীর ওপর নির্ভর করে এবং এক একটি চুক্তির শর্তাবলী আরেকটি থেকে ভিন্ন হতে পারে।

**গ. আর্থিক উপকরণ**

আর্থিক উপকরণ হচ্ছে একটি চুক্তি যা এক পক্ষের জন্য সম্পদ উৎপাদন করে এবং অন্য পক্ষের জন্য আর্থিক দায় সৃষ্টি করে। নন-ডেরিভেটিভ আর্থিক উপকরণের মধ্যে আছে আমানত, ব্যবসা ও অন্যান্য পাওনা, নগদ ও নগদতুল্য, ব্যবসা ও অন্যান্য প্রদেয়, আন্তঃকোম্পানি প্রদেয়, শেয়ার ক্যাপিটাল এবং সুদবাহী ধার।

**(১) আর্থিক সম্পদ**

কোম্পানি প্রাথমিকভাবে প্রাপ্যসমূহ স্বীকার করে এবং যেদিন এগুলো তৈরি হয় সেদিনই জমা করে। অন্যান্য সকল আর্থিক সম্পদ সেই দিন স্বীকৃত হয় যেদিন কোম্পানি লেনদেনের কন্ট্রোলচ্যুয়াল প্রভিশন অনুসারে একটি পক্ষ হিসেবে গণ্য হয়।

কোম্পানি কোনো আর্থিক সম্পদকে স্বীকার করতে অস্বীকৃতি জানায় যখন চুক্তিভিত্তিক অধিকার বা সেই সম্পদ থেকে নগদ প্রবাহ/নগদ তারল্য প্রবাহের সম্ভাবনা শেষ হয়ে যায়। অথবা কোনো লেনদেন থেকে প্রাপ্য চুক্তিভিত্তিক নগদ প্রবাহ/নগদ তারল্য পাওয়ার অধিকার হস্তান্তর করা হয়, যেখানে সম্পদের মালিকানা সম্পর্কিত সব বুকিং/পুরস্কার হস্তান্তর করা হয়। অথবা ওই সম্পদের মালিকানা সংশ্লিষ্ট সব বুকিং/পুরস্কার হস্তান্তর বা ধারণ না করে এবং সম্পদের ওপর কোনো নিয়ন্ত্রণ বা অধিকার না রাখা।

কোম্পানির আর্থিক সম্পদের মধ্যে আছে ব্যবসা ও অন্যান্য প্রাপ্য, আমানত এবং নগদ ও নগদতুল্য।

**(ক) ব্যবসা এবং অন্যান্য পাওনা**

ব্যবসা এবং অন্যান্য পাওনার মধ্যে আছে গ্রাহক ও অন্যান্য পক্ষের কাছে অনাদায়ী বিল। ব্যবসা এবং অন্যান্য পাওনাসমূহ প্রাথমিকভাবে মূল চালানপত্রের পরিমাণের ওপর এবং পরবর্তীকালে বছরান্তে ব্যবস্থাপনা কর্তৃপক্ষের অনুমোদনক্রমে সংযুক্ত পাওনাসমূহ বাদ দেয়ার পর অবশিষ্ট পরিমাণের ভিত্তিতে হিসাব করা হয়।



#### (খ) আমানত

পরিশোধ মূল্যে আমানত হিসাব করা হয়, যা একটি নির্দিষ্ট সময় বা উদ্দেশ্য শেষ হওয়ার পর পুনর্লভ্য হয়।

#### (গ) নগদ ও নগদতুল্য

নগদ ও নগদতুল্য সম্পদের মধ্যে আছে হাতে থাকা নগদ অর্থ, ব্যাংকে থাকা অর্থ এবং লাভ্যাংশ হিসাব বাদে অন্যান্য ফিল্ড ডিপোজিটের রশিদ, যেগুলো কোনো বাধা ছাড়াই কোম্পানির ব্যবহারের জন্য থাকে। নগদ প্রবাহ বিবরণীর জন্য নগদ ও নগদতুল্য সম্পদের মধ্যে আছে হাতে থাকা নগদ অর্থ, বিভিন্ন আর্থিক প্রতিষ্ঠানে রক্ষিত আমানত, স্বল্পমেয়াদী বিনিয়োগ যেগুলোর ম্যাচিউরিটির মেয়াদ তিন মাস বা এর কম। ব্যাংক ওভারড্রাফট যেগুলো দাবি অনুযায়ী পরিশোধযোগ্য এবং যেগুলো কোম্পানির অর্থ ব্যবস্থাপনার গুরুত্বপূর্ণ অংশ সেগুলোও নগদ ও নগদতুল্য হিসাবে নগদ প্রবাহ বিবরণীতে যুক্ত হয়।

#### (ঘ) অগ্রিম এবং আগাম পরিশোধ

প্রাথমিক স্বীকৃতির পর ডিডাকশন, সমন্বয় কিংবা চার্জ বাদ দিয়ে অগ্রিম খরচে হিসাব করা হয় এবং সম্পত্তি, কারখানা ও যন্ত্রপাতি শিরোনামে উল্লেখ করা হয়।

আগাম পরিশোধ প্রাথমিকভাবে খরচে নিরূপিত হয়। প্রাথমিক স্বীকৃতির পর ওই সময়ের জন্য চার্জ বাদে হিসাব করা হয়।

#### (২) আর্থিক দায়সমূহ

কোম্পানি তার আর্থিক বিবরণীতে তখনই কোনো আর্থিক দায় স্বীকার করে যখন কোম্পানি সেই চুক্তিভিত্তিক আর্থিক দায়ের নানা বিধান অনুসারে একটি পক্ষ হিসেবে গণ্য হয়। কোম্পানি কোনো আর্থিক দায় স্বীকার করে যখন পূর্বে ঘটে যাওয়া ঘটনার চুক্তিভিত্তিক নানা বাধ্যবাধকতা নিশ্চিত হয় এবং ওই নিষ্পত্তির মাধ্যমে আর্থিক সুবিধা প্রদানকারী সম্পদ থেকে অর্থ পরিশোধের কারণ সৃষ্টি হয়।

কোম্পানি তার আর্থিক দায় স্বীকার করে যখন চুক্তিভিত্তিক বাধ্যবাধকতাগুলো বাতিল অথবা এর মেয়াদ শেষ হয়ে যায়। আর্থিক দায়ের মধ্যে ব্যবসা এবং অন্যান্য পরিশোধযোগ্য অন্তর্ভুক্ত।

#### (ক) ব্যবসা এবং অন্যান্য প্রদেয়

ব্যবসা এবং অন্যান্য পরিশোধযোগ্য স্বীকৃত হয় যখন পূর্বে ঘটে যাওয়া ঘটনার চুক্তিভিত্তিক বাধ্যবাধকতা নিশ্চিত হয় এবং যার নিষ্পত্তির ফলাফল হিসেবে এটা আশা করা যায় যে সম্পদ ধারণকারী কোম্পানি থেকে সম্পদের বহির্গমন হবে। ব্যবসা এবং অন্যান্য পরিশোধযোগ্যসমূহ প্রাথমিকভাবে বাজারমূল্যে স্বীকৃত/হিসাব করা হয়। প্রাথমিকভাবে স্বীকৃত/হিসাব হওয়ার পর ব্যবসা এবং অন্যান্য পরিশোধযোগ্যসমূহ ইফেক্টিভ ইন্টারেস্ট মেম্বার ব্যবহার করে অ্যামরটাইজড কস্ট হিসাবে দেখানো হয়।

#### (৩) আর্থিক সম্পদ ও দায় অফসেট করা

আর্থিক সম্পদ ও দায় অফসেট করা হয় এবং আর্থিক অবস্থার বিবরণীতে নেট পরিমাণ উল্লেখ করা হয় তখনই এবং শুধুমাত্র তখনই যখন কোম্পানির আইনগত অধিকার আছে সেই পরিমাণ অর্থ অফসেট করার এবং তা নেট বেসিসে সমাধানে সম্মত হয় অথবা সম্পদ আদায়/নিরূপন এবং একই সময়ে দায়ও নিষ্পত্তি হয়।

#### ঘ. শেয়ার মূলধন

সাধারণত শেয়ারকে ইকুইটি হিসেবে শ্রেণীভুক্ত করা হয়। সাধারণ শেয়ারের ক্ষেত্রে ক্রমবর্ধমান খরচকে ইকুইটি থেকে বাদ দেয়া নেট অব ট্যান্ড ইফেক্টিভ হিসাবে দেখা হয়। পরিশোধিত মূলধন হচ্ছে কোম্পানির দ্বারা শেয়ারহোল্ডারদের জন্য ইস্যু করা সব শেয়ার (বোনাস শেয়ারসহ) বাবদ প্রদত্ত সমুদয় অর্থ। সাধারণ শেয়ারহোল্ডাররা মাঝে মাঝে ঘোষিত ডিভিডেন্ড পাওয়ার এবং শেয়ারহোল্ডারদের সভায় ভোট দেয়ার অধিকার রাখেন। কোনো কোম্পানি ভঙ্গার সময় সাধারণ শেয়ারহোল্ডারদের অবস্থান অন্য সব শেয়ারহোল্ডার ও পাওনাদারদের পরে হয় এবং তারা লিকুইডেশন পরবর্তী অবশিষ্ট আয় পাওয়ার অধিকার রাখেন।

#### ঙ. অবনমন

##### (১) স্বীকৃতি

কোনো সম্পদ ইমপেয়ারড কিনা তার বস্তুনিষ্ঠ প্রমাণ বের করার জন্য আর্থিক সম্পদসমূহ লাভ-ক্ষতি এবং পাওনাসমূহ প্রত্যেক প্রতিবেদন তারিখে মূল্যায়ন করা হয়। কোনো আর্থিক সম্পদকে ইমপেয়ারড ধরা হয় যদি বস্তুনিষ্ঠ প্রমাণ থাকে যে, আর্থিক সম্পদের প্রাথমিক স্বীকৃতির পর কোনো ক্ষতিকর ঘটনা ঘটেছে এবং এটি বিশ্বস্তভাবে অনুমান করা যায় যে, সেই ক্ষতিকর ঘটনা ওই আর্থিক সম্পদের ভবিষ্যৎ নগদ প্রবাহ/নগদ তারল্য প্রবাহে নেতিবাচক প্রভাব রেখেছে।

মজুতকৃত পণ্য ব্যতীত অন্যান্য অ-আর্থিক সম্পদের রেকর্ডেড মূল্য প্রত্যেক প্রতিবেদন তারিখে পুনর্মূল্যায়ন করা হয় এতে কোনো ধরনের ইমপেয়ারমেন্ট আছে কিনা তা বোঝার জন্য। তেমন কোনো লক্ষণ পাওয়া গেলে সম্পদের পুনর্লভ্য মূল্য নির্ধারণ করা হয়। ইমপেয়ারমেন্ট ক্ষতি হিসাব করা হয় যখন কোনো সম্পদের চলমান পরিমাণ অথবা তার নগদ উৎপাদন ইউনিট তার পুনর্লভ্য মূল্যকে ছাড়িয়ে যায়। যদি কোনো ইমপেয়ারমেন্ট ক্ষতি থেকে থাকে, তাহলে তা লাভ-ক্ষতি এবং অন্যান্য সমন্বিত আয় বিবরণীতে হিসাব করা হয়।

##### (২) পুনর্লভ্য মূল্যের হিসাব

কোনো সম্পদের আদায়যোগ্য পরিমাণ তার নেট বিক্রয়মূল্য অথবা ব্যবহারমূল্যের তুলনায় বেশি। ব্যবহারমূল্য কোনো নির্দিষ্ট সম্পদের অনুমিত ভবিষ্যৎ নগদ প্রবাহ ডিসকাউন্ট করে বর্তমান মূল্যে নিয়ে আসা হয় একটি ডিসকাউন্ট হার ব্যবহার করে, যা ওই নির্দিষ্ট সম্পদের ঝুঁকি এবং টাইম ভ্যালু অব ম্যানি যাচাই করে বর্তমান বাজার মূল্যায়ন করে। এমন কোনো সম্পদ যা স্বাধীনভাবে কোনো অর্থের আন্তঃপ্রবাহ তৈরি করে না, ক্যাশ জেনারেটিং ইউনিটের জন্য আদায়যোগ্য মূল্য নির্ধারণ করা হয় সেই সম্পদ, যা অধিকারভুক্ত।

**(৩) রিভার্সাল অব ইমপেয়ারমেন্ট**

ইমপেয়ারমেন্ট ক্ষতি উল্টো হয় যদি আদায়যোগ্য পরিমাণ নির্ধারণের জন্য ব্যবহৃত অনুমানসমূহের পরিবর্তন ঘটে। ইমপেয়ারমেন্ট ক্ষতি শুধুমাত্র তখন এড়ানো যায় যখন সেই সম্পদের রেকর্ডেড পরিমাণ অবচয় অথবা ক্রমশোধের পরবর্তী নির্ধারিত চলমান পরিমাণের চেয়ে বেশি না হয়।

চ.

**ইজারা**

কোনো চুক্তি ইজারা কিনা অথবা চুক্তিতে ইজারার কোনো শর্ত রয়েছে কিনা তা কোম্পানি চুক্তি সম্পাদনের শুরুতে মূল্যায়ন করে। অর্থাৎ যদি চুক্তির মাধ্যমে একটি নির্দিষ্ট সময় পর্যন্ত কোনো সম্পদ ব্যবহারের অধিকার প্রতিষ্ঠিত হয়েছে কিনা তা বিবেচনা করা হয়।

ইজারাদার হিসেবে কোম্পানি

স্বল্পমেয়াদী ও কমমূল্যের সম্পদ ব্যতীত সব ধরনের ইজারা মূল্যায়নে কোম্পানি একটি একক স্বীকৃতি ও পরিমাপ পদ্ধতি প্রয়োগ করে। কোম্পানি ইজারা মূল্য পরিশোধ এবং ওই সম্পদ ব্যবহারের জন্য ইজারা দায়ের স্বীকৃতি দেয়।

**(১) রাইট-অব-ইউজ সম্পদ**

কোম্পানি ইজারাপ্রাপ্তির দিন থেকে (যে দিন থেকে ইজারা নেয়া সম্পদ ব্যবহারের জন্য হাতে পাওয়া যায়) রাইট-অব-ইউজ সম্পদের স্বীকৃতি দেয়। রাইট-অব-ইউজ সম্পদের হিসাব করা হয় পুঞ্জীভূত অবচয় ও ইমপেয়ারড ক্ষতি বাদ দিয়ে এবং ইজারা সম্পদের কোনো পুনর্মূল্যায়ন হলে তা সমন্বয় করে।

**(২) ইজারা দায়**

কোম্পানি ইজারা গ্রহণের দিন থেকে পরবর্তী মেয়াদ পর্যন্ত প্রদেয় ভাড়ার বর্তমান মূল্য ইজারা দায় হিসেবে স্বীকৃতি দেয়। ইজারা মূল্য পরিশোধের মধ্যে আছে, ইজারা সংক্রান্ত কোনো প্রণোদনা থাকলে তা বাদ দিয়ে ফিল্ড পেইন্ট, সূচক ও হারের ভিত্তিতে বিভিন্ন ধরনের ভেরিয়েবল পেইন্ট এবং অবশিষ্ট মূল্যের নিশ্চয়তার অধীনে প্রত্যাশিত পরিশোধের পরিমাণ। ইজারা মূল্যের মধ্যে আরো রয়েছে কোনো পারচেজ অপশনের এক্সসাইজ মূল্য, যদি যুক্তিসঙ্গতভাবে নিশ্চিত হওয়া যায় যে, কোম্পানি ওই অপশনটি প্রয়োগ করবে। এছাড়া কোম্পানি ইজারা চুক্তি বাতিল করলে তার জন্য প্রদেয় জরিমানাও ইজারা দায় হিসেবে গণ্য হবে।

কোনো সূচক বা হারের ওপর নির্ভরশীল নয় এমন ভেরিয়েবল ইজারা মূল্যগুলো ওই সময়ের মধ্যে ব্যয় হিসেবে স্বীকৃত হয় (যদি না সেগুলো মজুদ পণ্য সৃষ্টিতে ব্যয় হয়), যে সময়ের মধ্যে ওই ঘটনা বা শর্তাবলী মূল্য পরিশোধের পরিস্থিতি তৈরি করে।

ইজারা পরিশোধের পরিমাণ হিসাব করতে কোম্পানি ইজারার দিন থেকে ঋণের ক্রমবর্ধমান সুদ হার ব্যবহার করে। কারণ ইজারার মধ্যে যে সুদ লুক্কায়িত থাকে তা তাৎক্ষণিক নির্ধারণযোগ্য নয়। ইজারার পর থেকে সুদ বৃদ্ধি ও ইজারা পরিশোধ কমাতে দায়ের পরিমাণ বাড়তে থাকে। অধিকন্তু ইজারা ও ভাড়ার শর্তে অথবা ওই সম্পদ ক্রয়ের সুযোগ মূল্যায়নে কোনো পরিবর্তন এলে ইজারার চলতি দায় পুনর্মূল্যায়ন করা হয়।

সুদবাহী ঋণ এবং ধার কোম্পানির ইজারা দায়ের মধ্যে অন্তর্ভুক্ত।

**(৩) স্বল্পমেয়াদী ও কমমূল্যের ইজারা**

স্বল্পমেয়াদী (১২ মাসের কম) ইজারা হলে কোম্পানিকে আইএফআরএস ১৬-এর স্বীকৃতি দেয়ার প্রয়োজন নেই। একইভাবে কম মূল্যের (৫০০০ ডলারের কম) ইজারা সম্পদের স্বীকৃতি ও পরিমাপের ক্ষেত্রেও আইএফআরএস ১৬ প্রয়োগের দরকার নেই। এগুলোকে ইজারার মেয়াদ পর্যন্ত স্ট্রেইট-লাইন ভিত্তিতে খরচ হিসেবে দেখানো হয়।

ছ.

**মজুদ পণ্য**

কাঁচামাল এবং প্রস্তুতকৃত পণ্যের মজুদ খরচ স্বল্প এবং আদায়যোগ্য মূল্যের চেয়ে কম হিসাব করা হয়। খুচরা যন্ত্রাংশের মূল্য খরচের ভিত্তিতে নির্ধারণ করা হয়। ট্রানজিটে থাকা পণ্য ব্যতীত অন্যান্য পণ্যের খরচ ভারিত গড় পদ্ধতিতে নির্ধারণ করা হয়। এবং এর ভেতর পণ্যটি অর্জন, উৎপাদন অথবা পরিবর্তন এবং বর্তমান স্থান ও অবস্থায় পণ্যগুলো নিয়ে আসার সব খরচ অন্তর্ভুক্ত থাকে। নেট আদায়যোগ্য মূল্য নির্ধারণ করা হয় ব্যবসার সাধারণ প্রক্রিয়ায় অনুমিত বিক্রয়মূল্য থেকে বিক্রয় প্রক্রিয়ায় গুরুত্বপূর্ণ এবং বিক্রয় শেষ করতে যত খরচ পড়ছে তা বাদ দিয়ে।

ট্রানজিটে থাকা পণ্যসামগ্রী বলতে বোঝায় আর্থিক বিবরণী প্রস্তুতকালীন তারিখ পর্যন্ত খরচ, যা প্রতিবেদন দাখিলের তারিখ পর্যন্ত হাতে এসে পৌঁছায়নি। ট্রানজিটে থাকা পণ্যসমূহের মূল্য সংশ্লিষ্ট সব খরচসহ হিসাব করা হয়।

জ.

**কর্মচারী সুবিধাদি****(১) স্বল্পমেয়াদী সুবিধাবলী**

স্বল্পমেয়াদী কর্মচারী সুবিধা প্রতিশ্রুতিসমূহ আনডিসকাউন্ট ভিত্তিতে হিসাব করা হয় এবং খরচ করা হয় যখন এ জাতীয় কোনো সেবা প্রদান করা হয়। স্বল্পমেয়াদী ক্যাশ বোনাস এবং মনুফা ভাগাভাগি পরিকল্পনার অধীনে কোনো দায় স্বীকার করা হয়, যদি কোম্পানির বর্তমান সময়ে এ অর্থ প্রদানের জন্য কোনো আইনি অথবা গঠনতাত্ত্বিক বাধ্যবাধকতা থাকে, যদি সেই কর্মচারী অতীতে সেবা প্রদান করে থাকেন এবং সেই দায়িত্ব পালন বিশ্বস্তভাবে মেনে নেয়া হয়।



## (২) ডিফাইন্ড (নির্ধারিত) সুবিধাবলী পরিকল্পনা

### (ক) ম্যানেজমেন্ট গ্র্যাচুইটি স্কিম

কোম্পানি আনফাউন্ড একটি গ্র্যাচুইটি স্কিম পরিচালনা করে ব্যবস্থাপনা কর্মকর্তাদের জন্য, যারা ২০১৩ সালের ফেব্রুয়ারির মধ্যে নিয়োগপ্রাপ্ত হয়েছেন। এই গ্র্যাচুইটি স্কিমের সদস্যরা গ্র্যাচুইটি পাওয়ার জন্য উপযুক্ত হন টানা ৫ বছর কোম্পানিকে সেবা দেয়ার পর।

### (খ) ম্যানেজমেন্ট পেনশন ফান্ড

১ জানুয়ারি ১৯৮৭ থেকে ৩১ আগস্ট ২০০৭ তারিখের মধ্যে যোগদানকারী ব্যবস্থাপনা কর্মীদের জন্য কোম্পানি একটি ফাউন্ড পেনশন স্কিম পরিচালনা করে। এই ফাউন্ডের সদস্যরা টানা ৫ বছর কোম্পানিকে সেবা দেয়ার পর এ ফাউন্ডের জন্য যোগ্য হন। বোর্ড অব ট্রাস্টি দ্বারা এ ফান্ড পরিচালিত হয়।

দুটি ফাউন্ডের ক্ষেত্রেই ডিফাইন্ড বেনিফিট অবলিগেশনের বর্তমান মূল্য এবং প্ল্যান অ্যাসেস্টের বাজারমূল্য দুটোই পেশাদার অ্যাকচুয়ারি দ্বারা নির্ধারণ করা হয়। প্রজেক্টেড ইউনিট ক্রেডিট পদ্ধতি ব্যবহার করা হয়েছে ডিফাইন্ড বেনিফিট অবলিগেশনের বর্তমান মূল্য নির্ধারণ করার জন্য এবং চলমান ও অতীত সেবার খরচ এবং পারস্পরিক সামঞ্জস্যপূর্ণ বীমার অনুমানের ক্ষেত্রে ডেমোগ্রাফিক এবং আর্থিক বিভিন্ন চলক ব্যবহার করা হয়েছে। প্ল্যান অ্যাসেস্টের বাজারমূল্য এবং অবলিগেশনের বর্তমান মূল্যের পার্থক্যকে দায় অথবা সম্পদ হিসেবে ফাইন্যান্সিয়াল স্টেটমেন্টে দেখানো হয়। বীমার মান নির্ণয়ে লাভ অথবা ক্ষতির হিসাবের ক্ষেত্রে অন্যান্য সমন্বিত আয় হিসাবে পরিপূর্ণরূপে স্বীকার্য হয়।

### (৩) ডিফাইন্ড কনট্রিবিউশন প্ল্যান

#### (ক) ম্যানেজমেন্ট গ্র্যাচুইটি স্কিম

ম্যানেজমেন্ট কর্মীদের মধ্যে যারা ২০১৩ সালের ১ মার্চের পরে যোগদান করেছেন তাদের জন্য কোম্পানি একটি ফাউন্ড গ্র্যাচুইটি স্কিম পরিচালনা করে। কোম্পানি ম্যানেজমেন্ট কর্মীদের মূল বেতনের ১৫% এই ফাউন্ডে জমা রাখে তাদের কাজে যোগদানের দিন থেকে। বোর্ড অব ট্রাস্টি দ্বারা এ ফান্ড পরিচালিত হয়। এ ফাউন্ডের সদস্যরা টানা ৫ বছর কোম্পানিতে কাজ করার পর তা পাওয়ার যোগ্য হন।

#### (খ) কর্মী গ্র্যাচুইটি স্কিম

নন-ম্যানেজমেন্ট কর্মীদের জন্য কোম্পানি ফান্ড পরিচালনা করে। যেখানে কোম্পানি তাদের মূল বেতনের ১৫% তাদের কাজে যোগদানের দিন থেকে জমা রাখে। বোর্ড অব ট্রাস্টির দ্বারা এ ফান্ড পরিচালিত হয়। এ ফাউন্ডের সদস্যরা টানা ৫ বছর কাজ করার পর এ ফাউন্ডের জন্য যোগ্য বিবেচিত হন।

#### (গ) প্রভিডেন্ট ফান্ড

কোম্পানি তার কর্মীদের জন্য তাদের যোগদানের তারিখ হিসাব না করে প্রভিডেন্ট ফান্ড (ভবিষ্য তহবিল) পরিচালনা করে। চাকরি স্থায়ী হওয়ার পর সব কর্মীকেই কোম্পানির নিয়ম অনুযায়ী এ ফাউন্ডে অংশগ্রহণ করে তাদের মূল বেতনের ১০% জমা রাখতে হয় এবং কোম্পানিও সে অনুযায়ী অর্থ ফাউন্ডে জমা রাখে। বোর্ড অব ট্রাস্টি দ্বারা এ ফান্ড পরিচালিত হয়। এ ফাউন্ডের সদস্যরা টানা ৫ বছর কোম্পানিতে কাজ করার পর এ ফাউন্ডের অর্থপ্রাপ্তির উপযুক্ত হন।

কোম্পানি ডিফাইন্ড বা সংজ্ঞায়িত কনট্রিবিউশন ফান্ডকে ব্যয় হিসেবে স্বীকৃতি দেয় বা বিবেচনা করে, যখন কোনো কর্মী ওই কনট্রিবিউশনের বিপরীতে সেবা প্রদান করে। আইনি ও গঠনমূলক দায়বদ্ধতা ওই পরিমাণ পর্যন্ত নির্দিষ্ট, যে পরিমাণ এ ফাউন্ডে জমা রাখতে ইচ্ছুক।

#### (ঘ) কর্মচারীদের মুনাফার অংশগ্রহণ তহবিল

কোম্পানি তার কর্মীদের জন্য তহবিল 'কর্মচারীদের মুনাফার অংশগ্রহণ তহবিল' হিসেবে পরিচালনা করে এবং ২০১৩ সালের সংশোধিত 'বাংলাদেশ শ্রম আইন ২০০৬' অনুযায়ী কোম্পানি মুনাফার ৫% (এ জাতীয় ব্যয় কেটে রাখার আগে) কর্মচারীদের মুনাফার অংশগ্রহণ তহবিলে জমা রাখে।

কোম্পানি এ ফাউন্ডে জমাকে ব্যয় হিসেবে বিবেচনা করে, যখন কোনো কর্মী এই জমার বিপরীতে প্রয়োজনীয় সেবা প্রদান করে। আইনি ও গঠনমূলক দায়বদ্ধতা ওই পরিমাণ পর্যন্ত নির্দিষ্ট, যে পরিমাণ এ ফাউন্ডে জমা রাখতে ইচ্ছুক।

ঝ.

#### সম্পত্তি

সম্পত্তির স্বীকৃতি কেবল তখনই দেয়া হয়, যদি পূর্ববর্তী কোনো ঘটনার কারণে কোম্পানির জন্য বর্তমান কোনো আইনি অথবা গঠনমূলক দায়বদ্ধতা সৃষ্টি হয়, যা বিশ্বস্তভাবে হিসাব করা যায় এবং এটা সম্ভাব্য যে, দায় নিষ্পত্তির জন্য অর্থনৈতিক সুবিধাসমূহের বহির্গমন প্রয়োজনীয় হতে পারে। যখন কোম্পানি একটি সম্পত্তির কিছু অংশ বা সবটুকুই রিইমবার্সড হওয়ার আশা করে তখন ওই রিইমবার্সমেন্ট একটি আলাদা সম্পদ হিসেবে স্বীকৃত হয়। তবে এটা কেবল তখনই স্বীকৃত হয় যখন রিইমবার্সমেন্ট একেবারেই নিশ্চিত থাকে।

যদি টাইম ভ্যালু অব মানি বা অর্থের সময়মূল্যের ফলাফল যদি বাস্তব হয় সেক্ষেত্রে নির্ধারিত সময়ের সঙ্গে সঙ্গতিপূর্ণ চলতি কর-পূর্ব হারে সম্পত্তি ডিসকাউন্ট করা হয়। ডিসকাউন্ট করার সময় সময়প্রবাহে সম্পত্তির প্রবৃদ্ধিকে আর্থিক ব্যয় হিসেবে চিহ্নিত করা হয়।

প্রত্যেক প্রতিবেদন সময় শেষে সম্পত্তি/বিধানসমূহ পর্যালোচনা করা হয় এবং বর্তমান হিসাবের সঙ্গে সমন্বয় করা হয়। যদি সম্ভাবনা থাকে যে, দায় নিষ্পত্তির জন্য অর্থনৈতিক সুবিধাসমূহের বহির্গমন প্রয়োজন, তখন সম্পত্তিসমূহ উল্টে দেয়া হয়।

৬. সন্ধ্যা ঝুঁকি

সন্ধ্যা দায়

অতীতের কোনো ঘটনার ওপর ভিত্তি করে সন্ধ্যা দায় হিসাব করা হয়, যার অন্তিত্ব নিশ্চিত করা সম্ভব কেবল ভবিষ্যৎ ঘটনা ঘটা বা না ঘটার ওপর, যার নিয়ন্ত্রণ সব ক্ষেত্রে কোনো একটি পক্ষের হাতে থাকে না।

কোম্পানি তার সন্ধ্যা দায় আর্থিক বিবরণীতে উল্লেখ করে। কোনো প্রডিশন/বিধান ওই সময়ের মধ্যে স্বীকৃত হয়, যে সময়ে ওই প্রডিশনের স্বীকৃত মাণদণ্ড পূরণ হয়।

সন্ধ্যা সম্পদ

অতীতে ঘটে যাওয়া কোনো ঘটনার ওপর ভিত্তি করে সন্ধ্যা সম্পদ নির্ধারণ হয়, যার অন্তিত্ব নিশ্চিত করা সম্ভব কেবল ভবিষ্যৎ অনিশ্চিত ঘটনা ঘটা বা না ঘটার ওপর, যার নিয়ন্ত্রণ প্রতিষ্ঠানের হাতে থাকে না।

সন্ধ্যা সম্পদ কোনোভাবেই স্বীকৃত হওয়া উচিত নয়। যখন কোনো আর্থিক সম্পদের আদায় সম্পূর্ণভাবে নিশ্চিত হয় শুধু তখনই সম্পদ স্বীকৃতির প্রশ্ন আসে, যদি কিনা এটা নিশ্চিতভাবে পরিমাপ করা যায়। কারণ তখন সেই সম্পদ আর সন্ধ্যা সম্পদ হিসেবে গণ্য হয় না।

৭. বিক্রয় আয়

বিক্রয় থেকে অর্জিত আয় স্বীকৃত হয় যখন পণ্য কিংবা সেবা কোম্পানি নির্ধারিত বিনিময় হারে ক্রেতার হাতে তুলে দেয়া হয়। কোম্পানি মনে করে আয় ব্যবস্থাপনায় এটি মুখ্য, যেহেতু এখানে গ্রাহকের হাতে তুলে দেয়ার আগে সেবা কিংবা পণ্যের ওপর নিয়ন্ত্রণ সুরক্ষিত থাকে।

পণ্য বিক্রয় থেকে অর্জিত রাজস্ব পরিমাপ করা হয় প্রাপ্ত বা প্রাপ্য, নেট মূল্য সংযোজিত কর (ভ্যাট), সম্পূর্ণক শুদ্ধ (এসডি), রফতানি শুদ্ধ এবং স্বাস্থ্য সারচার্জের বাজার মূল্যে। এস টার্নওভারের মধ্যে আছে অভ্যন্তরীণ বাজারে বিক্রিত সিগারেট, তামাক পাতা ও প্রস্তুতকৃত পণ্য এবং এসডি, ভ্যাট, রফতানি শুদ্ধ (২০১৯ সালের ৩০ জুন পর্যন্ত তামাক পাতা রফতানির ক্ষেত্রে) এবং হেলথ সারচার্জ হিসেবে সরকারকে প্রদান করা অর্থ।

কোম্পানির দৈনন্দিন কার্যক্রম দায়বদ্ধতার মধ্যে আছে

কার্যক্রম দায়বদ্ধতা	যখন কার্যক্রম দায়বদ্ধতা পূর্ণ হয়	যখন পাওনা বাকি থাকে	একক বিক্রয় মূল্য যেভাবে নির্ধারিত হয়
<b>অভ্যন্তরীণ বিক্রি:</b>			
পরিবেশক	কারখানা/গুদামের ফটকে নির্দিষ্ট সময়	চুক্তির শুরুতে	নিয়ন্ত্রক অনুমোদিত মূল্য অনুসারে
শুধুমুন্ড	কারখানা ফটকে নির্দিষ্ট সময়	সরবরাহের ৩০ দিনের মধ্যে	নিয়ন্ত্রক অনুমোদিত মূল্য অনুসারে
<b>রফতানি বিক্রি:</b>			
সংশ্লিষ্ট পক্ষ এবং বাইরের পক্ষ	নির্দিষ্ট সময়; আইসিসি ইস্যুকৃত ফ্রি অন বোর্ড	ক. চুক্তির শুরুতে খ. কতিপয় লেনদেনের ক্ষেত্রে বিল অব ল্যাডিংয়ের তারিখে	সম্মতমূল্যে সম্মতমূল্যে

চুক্তিতে অন্য কোনো অঙ্গীকার রয়েছে কিনা তা কোম্পানি বিবেচনা করে থাকে, যা পৃথক কার্যক্রমের দায় এবং যেখানে লেনদেন মূল্যের একটি অংশ বরাদ্দ রাখতে হয়। দেশের ভেতর পরিবেশকদের কাছে বিক্রির ক্ষেত্রে মূল্য নির্ধারণের ক্ষেত্রে কোম্পানি গ্রাহকের কাছে পরিশোধযোগ্য বিভিন্ন বিষয়ের প্রভাব বিবেচনা করে।

গ্রাহকের সঙ্গে চুক্তির অন্তর্ভুক্ত বিভিন্ন ধরনের বিবেচনা কোম্পানির থাকে, সেগুলোর লেনদেনের মূল্য নির্ধারণের ক্ষেত্রে রাজস্ব থেকে বাদ দেয়া হয়। এসব বিবেচনা থাকে পূর্বনির্ধারিত। রাজস্বের ওপর এসব বিবেচনার প্রভাব থাকে শুধু দেশের মধ্যকার গ্রাহকের সঙ্গে চুক্তির ক্ষেত্রে।

বিবেচনা প্রাক্কলনের ক্ষেত্রে কোম্পানি 'প্রত্যাশিত মূল্য' পদ্ধতি কিংবা 'সবচেয়ে সন্ধ্যা অংক' পদ্ধতি, যেটি প্রযোজ্য হয়, প্রয়োগ করে থাকে। চুক্তির মেয়াদে কিংবা অনুরূপ চুক্তির ক্ষেত্রে কোম্পানি ধারাবাহিকভাবে এটা প্রয়োগ করে থাকে।

৮. আয়কর ব্যয়

চলতি আয়কর সম্পদ এবং দায় পরিমাপ করা হয় কর কর্তৃপক্ষকে পরিশোধিত বা উদ্ধার করা কাঙ্ক্ষিত পরিমাণের ওপর। আয়কর ব্যয়ের মধ্যে চলতি এবং বিলম্বিত কর অন্তর্ভুক্ত। লাভ-ক্ষতি বিবরণী ও অন্য সমন্বিত আয়ের হিসাবে এটা অন্তর্ভুক্ত থাকে, তবে এটা যদি সরাসরি মূলধন বা অন্য সমন্বিত আয় হিসাবের মতো আইটেমের সঙ্গে সংশ্লিষ্ট থাকে, তাহলে ব্যতিক্রম হয়।

(১) চলতি কর

চলতি করের মধ্যে আছে সেই বছরের জন্য প্রদেয় অথবা প্রাপ্য করযোগ্য আয় অথবা ক্ষতি এবং পূর্ববর্তী বছরের সাপেক্ষে কোনো প্রদেয় বা প্রাপ্যের সমন্বয়। বর্তমানে কোম্পানি ৪৫% হারে আয়কর এবং ২.৫% হারে সারসার্জ দিতে বাধ্য।

(২) বিলম্বিত কর

বিলম্বিত কর স্বীকৃত হয় আর্থিক প্রতিবেদনের জন্য সম্পদ ও দায়ের চলমান খরচের অস্থায়ী পার্থক্যের সাপেক্ষে। বিলম্বিত কর সেই কর হারে হিসাব করা হয় যেগুলো ব্যবহৃত হবে তখন যখন অস্থায়ী পার্থক্যগুলো বিপরীত হবে, যেগুলো প্রতিবেদন তারিখের মধ্যে চালু হওয়া সেইসব আইনের ওপর রিভারশীল।



বিলম্বিত কর সম্পদ সেই পর্যন্ত স্বীকৃত হয় যে যখন এটা সম্ভব হয় যে, ভবিষ্যৎ করযোগ্য মুনাফা সহজলভ্য হবে যার বিপরীতে অস্থায়ী পার্থক্যগুলো ব্যবহারযোগ্য হবে।  
বিলম্বিত কর সম্পদ প্রত্যেক প্রতিবেদন তারিখে পুনর্মূল্যায়ন করা হয় এবং সেই পর্যন্ত কমিয়ে ফেলা হয় যখন এটি কোনোভাবেই সম্ভাব্য হবে না যে কর সুবিধা স্বীকৃত হবে।

বিলম্বিত কর সম্পদ এবং দায় অফসেট করা হয় যদি আইনগত গ্রহণযোগ্য কোনো অধিকার থাকে বর্তমান কর দায় এবং সম্পদ অফসেট করার এবং সেগুলো কর কর্তৃপক্ষের মাধ্যমে কর আরোপের সঙ্গে জড়িত কিনা তার নেট ভিত্তিতে বর্তমান কর দায় এবং সম্পদ নিষ্পত্তি করে অথবা কর সম্পদ এবং দায় একসঙ্গে স্বীকৃত হয়।

#### ড. বৈদেশিক মুদ্রার লেনদেনসমূহ

বৈদেশিক মুদ্রার লেনদেনসমূহ বাংলাদেশি মুদ্রায় হিসাব করা হয় লেনদেনের দিনে বিনিময় হারের ভিত্তিতে। সকল আর্থিক সম্পদ এবং দায় যেগুলো প্রতিবেদন তারিখে বৈদেশিক মুদ্রায় রূপান্তর করা হয়েছে সেগুলো পুনরায় রূপান্তর করা হয় কার্যকরী মুদ্রায় ওইদিন বিদ্যমান বিনিময় হারের ওপর ভিত্তি করে। প্রতিবেদন মেয়াদের শেষে আর্থিক পণ্য নিষ্পত্তি অথবা রূপান্তরের ক্ষেত্রে যে পার্থক্য তৈরি হয় সেগুলো আইএএস:২১ দ্য ইফেক্ট অব চেঞ্জস ইন ফরেন এক্সচেঞ্জ রেট অনুসারে লাভ-ক্ষতি ও অন্যান্য বিস্তৃত আয় হিসেবে অন্তর্ভুক্ত হয়।

নন মানিটির সামগ্রী ঐতিহাসিক খরচের ভিত্তিতে বৈদেশিক মুদ্রায় হিসাব করা হয় লেনদেনের দিন বিদ্যমান বিনিময় হার অনুযায়ী।

#### ঢ. আর্থিক আয় ও ব্যয়

আর্থিক আয়ের মধ্যে আছে ব্যাংকে সঞ্চিত আর্থিক আমানতের সুদ। আর্থিক আয় অ্যাক্রুয়াল বেসিসে স্বীকৃত এবং লাভ-ক্ষতি ও অন্যান্য সমন্বিত আয়ের হিসাবে দেখানো হয়। আর্থিক খরচের মধ্যে আছে ব্যাংক থেকে নেয়া ওভারড্রাফট ও ঋণের সুদ ব্যয়।

#### ণ. শেয়ারপ্রতি আয় (ইপিএস)

কোম্পানি তার সাধারণ শেয়ারের ক্ষেত্রে বেসিক শেয়ার প্রতি আয়কে (ইপিএস) প্রদর্শন করে। বেসিক ইপিএস হিসাব করা হয় কোম্পানির সাধারণ শেয়ারহোল্ডারদের জন্য প্রযোজ্য লাভ-ক্ষতিতে ওই বছরে সাধারণ শেয়ারের ভারিত গড় সংখ্যা দিয়ে ভাগ করে।

ডায়লুটেড ইপিএস নির্ধারিত হয় সাধারণ শেয়ারহোল্ডারদের লাভ-ক্ষতি এবং অপরিশোধিত ভারিত গড় সাধারণ শেয়ার সমন্বয় করে, সকল ডায়লুটেড সাধারণ শেয়ারের জন্য। যদিও ইপিএসের ডায়লুশন এই আর্থিক প্রতিবেদনের জন্য প্রযোজ্য হবে না, কারণ প্রতিবেদন তারিখে কোনো সম্ভাব্য ডায়লুটেড সাধারণ শেয়ার ছিল না।

#### ত. নগদ প্রবাহ বিবরণী

পরিচালন কার্যক্রম থেকে নগদ প্রবাহ আইএএস ৭: স্টেটমেন্ট অব ক্যাশ ফ্লো অনুযায়ী প্রত্যক্ষ পদ্ধতির অধীনে দেখানো হয়েছে।

#### থ. লভ্যাংশ

আর্থিক প্রতিবেদনে চূড়ান্ত লভ্যাংশ বিতরণ দায় হিসেবে দেখানো হয় সেই সময়কালের জন্য যখন বার্ষিক সাধারণ সভায় লভ্যাংশের অনুমোদন দেয়া হয়েছে। অন্যদিকে অন্তর্বর্তী লভ্যাংশ স্বীকৃত হয় সেই সময়কালে যখন লভ্যাংশ ঘোষণা ও প্রদান করা হয়।

#### দ. ম্যাটেরিয়ালিটি এবং অ্যাগ্রেশন

একই ধরনের উপাদানের প্রত্যেক ম্যাটেরিয়াল ক্লাস আর্থিক প্রতিবেদনে আলাদাভাবে দেখানো হয়। তবে ধরণ ও কাজে ভিন্ন হলে আলাদাভাবে দেখানো হয় যদি না সেগুলো ইমম্যাটেরিয়াল হয়।

#### ধ. প্রতিবেদন প্রস্তুত পরবর্তী ঘটনাবলী

প্রতিবেদন তারিখের পরবর্তী ঘটনাবলী যা প্রতিবেদন তারিখে কোম্পানির অবস্থা সম্পর্কে ধারণা প্রদান করে যা ইঙ্গিত করে যে বর্তমান পরিস্থিতি যথাযথ নয়, তাও আর্থিক বিবরণীতে তুলে ধরা হয়েছে। আর্থিক বিবরণীতে স্বীকৃত পরিমাণ প্রতিবেদন সময় পরবর্তী ঘটনা যা প্রতিবেদন সময়ের পরেও বিদ্যমান এই প্রমাণ দেয়, তা সমন্বয় করা হয়েছে। প্রতিবেদন সময়ের পরবর্তী ঘটনাবলী যা প্রতিবেদন সময়ের পরবর্তী পরিস্থিতি সম্পর্কে ধারণা দেয় তার কোনো সমন্বয় করা হয়নি। আর্থিক বিবরণীতে ম্যাটেরিয়াল নন-অ্যাডজাস্টমেন্ট ঘটনাবলী তুলে ধরা হয়েছে।

আসন্ন ভবিষ্যৎ কার্যক্রম চালিয়ে যাওয়ার মতো পর্যাপ্ত সম্পদ আছে কোম্পানির কাছে। এ কারণে চলমান প্রকল্প ভিত্তিতে আর্থিক বিবরণী প্রস্তুত করেছে কোম্পানি। চলমান ব্যবসা এগিয়ে নিতে কোম্পানির বর্তমান সম্পদ পর্যাপ্ত তহবিল এবং ক্রেডিট সুবিধা তৈরিতে সক্ষম।

#### ন. হিসাবরক্ষণ নীতি ও ঘোষণায় পরিবর্তন

নতুন এবং সংশোধিত মানদণ্ড এবং ব্যাখ্যাসমূহ

##### (১) আইএফআরএস ১৬- ইজারাসমূহ

আইএফআরএস ১৬ জারি করা হয় ২০১৬ সালের জানুয়ারিতে এবং এটি আইএএস ১৭ ইজারাসমূহকে প্রতিস্থাপন করে। আইএফআরএস ১৬ ইজারার স্বীকৃতি, পরিমাপ, প্রদর্শন ও ঘোষণার নীতি বর্ণিত হয়েছে এবং আইএএস ১৭ এর অধীন আর্থিক হিসাবের মতোই একক অন-ব্যালাঙ্গ শিটের আওতায় সব ইজারা হিসাবের প্রয়োজন হয়।

আইএফআরএস ১৬ অনুযায়ী কোনো চুক্তির ফলে একটি নির্ধারিত সম্পদ নির্দিষ্ট সময় পর্যন্ত ব্যবহারের ওপর নিয়ন্ত্রণ প্রতিষ্ঠিত হয় তাহলে তাকে ইজারা হিসেবে ধরা হয়। আরএফআরএস ১৬ এর অধীনে পরিচালন ও আর্থিক ইজারার মধ্যকার পার্থক্য বাদ দেয়া হয় এবং সব ইজারার জন্য নতুন ইজারা সম্পদ ও ইজারা দায় স্বীকৃত হয়। স্বল্প মেয়াদী (১২ মাস বা এর কম) এবং কম মূল্যের (৫০০০ ডলারের নিচে) ইজারাসমূহকে এ মানদণ্ড থেকে অব্যাহতি দেয়া হয়। ইজারার দিন থেকে ইজারাগ্রহীতার ওপর ভাড়া প্রদানের দায় এবং নির্ধারিত মেয়াদ পর্যন্ত ইজারা সম্পদ ব্যবহারের অধিকার স্বীকৃতি হয়। ইজারা দায়ের ওপর সুদ ব্যয় এবং ইজারা সম্পদ ব্যবহারে অবচয় ব্যয়ও স্বীকৃত হয়।

## ইজাদার হিসাবে

বিএটিবির গুদাম, কার্যালয়, অ্যাপার্টমেন্ট এবং অন্যান্য কাজে সুনির্দিষ্ট মেয়াদে ইজারা চুক্তি আছে। ২০১৯ সালে কোম্পানি আইএএস ১৭ অনুযায়ী সব ইজারার মূল্যায়ন সম্পন্ন করেছে এবং আইএফআরএস ১৬ অনুযায়ী সব ইজারার রাইট-অব-ইউজ ও দায় স্বীকৃতি দিয়েছে।

(ক) আইএএস ১৭ এর অধীনে ইজারাসমূহকে পরিচালন ইজারা হিসেবে শ্রেণীকরণ

অন্তর্বর্তী সময়ে ইজারা দায় পরিমাপ করা হয়েছিল অবশিষ্ট ভাড়ার বর্তমান মূল্যে। রাইট-অব-ইউজ সম্পদের যে হিসাব করা হয়েছে তা অগ্রিম পরিশোধ বা বর্ষিত ভাড়া সমন্বয়ের পর ইজারা দায়ের সমান।

(খ) আইএএস ১৭ এর অধীনে ইজারাসমূহকে আর্থিক ইজারা হিসেবে শ্রেণীকরণ

নতুন নীতি অনুযায়ী আইএএস ১৭ এর অধীনে আর্থিক ইজারার জন্য রাইট-অব-ইউজ সম্পদ এবং ২০১৯ সালের ১ জানুয়ারি দায়ের চলতি পরিমানকে আর্থিক ইজারা হিসেবে বিবেচনা করা হয়েছে।

আইএফআরএস ১৬ গ্রহণের প্রভাব সংক্ষেপে নিম্নরূপ:

শ্রেণী	১ জানুয়ারি ২০১৯ হিসাবে, টাকায় (০০০)			
	পিপিইথেকে স্থানান্তর	সুদ দায়	পূর্ববর্তী পরিশোধ	রাইট-অব-ইউজ সম্পদ
ভাড়া কৃত অ্যাপার্টমেন্ট	৩২,৩০৫	২,০০৮	৮,১৫৪	২২,১৪৪
ফর্ক লিফট	৩,৮৪০	৩৭৩	-	৩,৪৬৭
কার্যালয়	২৫,২৬৮	২,৭৪৯	২৪৮	২২,২৭০
গুদাম	১,৩৩৯,৬৫০	৩৪৯,২৬২	৫৯,৩৯১	৯৩০,৯৯৮
	১,৪০১,০৬৩	৩৫৪,৩৯২	৬৭,৭৯২	৯৭৮,৮৭৯

রিকনসিলিয়েশন	টাকায় (০০০)
৩১ ডিসেম্বর ২০১৮ হিসাবে পরিচালন ইজারা প্রতিশ্রুতি	১,৪০৯,৮৯৯
ইজারাসমূহ (কম মূল্যের ব্যতীত)	৬১৩
ইজারাসমূহ (অবশিষ্ট ব্যবহারযোগ্য আয়ুষ্কাল ব্যতীত)	৮,২২৩
১ জানুয়ারি ২০১৯ হিসাবে ইজারা দায়সমূহ	১,৪০১,০৬৩

## আইএফআরএস ১৬ বাস্তবায়নের প্রভাব মূল্যায়ন

### আর্থিক অবস্থার বিবরণীর ওপর প্রভাব

৩১ ডিসেম্বর ২০১৯ সমাপ্ত হিসাব বছরের জন্য

সম্পদ	টাকা	প্রতিবেদিত	সমান্বয়	আইএফআরএস ১৬ অবলম্বন ব্যতীত পরিমাণ
		টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
<b>স্থায়ী সম্পদ</b>				
সম্পত্তি, কারখানা ও যন্ত্রপাতি		২৯,৫৩১,৯৬৫	-	২৯,৫৩১,৯৬৫
রাইট-অব-ইউজ সম্পদ	চ.খ.২	১,৬৭২,২২৩	(১,৬৭২,২২৩)	-
<b>মোট স্থায়ী সম্পদ</b>		<b>৩১,২০৪,১৮৮</b>	<b>(১,৬৭২,২২৩)</b>	<b>২৯,৫৩১,৯৬৫</b>
<b>চলতি সম্পদ</b>				
মজুত পণ্য		১৬,৫৩৭,৮৮৪	-	১৬,৫৩৭,৮৮৪
ব্যবসা ও অন্যান্য পাওনা		২,৬০৯,৯১৬	-	২,৬০৯,৯১৬
অগ্রিম, আমানত ও আগাম পরিশোধ		৩,৬৮৪,৪৮৫	-	৩,৬৮৪,৪৮৫
নগদ ও নগদতুল্য		৫,৩৯৩,৭৬৪	-	৫,৩৯৩,৭৬৪
<b>মোট চলতি সম্পদ</b>		<b>২৮,২২৬,০৪৯</b>	<b>-</b>	<b>২৮,২২৬,০৪৯</b>
<b>মোট সম্পদ</b>		<b>৫৯,৪৩০,২৩৭</b>	<b>(১,৬৭২,২২৩)</b>	<b>৫৭,৭৫৮,০১৪</b>
<b>মালিকানা স্বত্ব ও দায়</b>				
<b>মালিকানা স্বত্ব</b>				
শেয়ার মূলধন		১,৮০০,০০০	-	১,৮০০,০০০
সংরক্ষিত মূলধন তহবিল		৬৪,৮৯৬	-	৬৪,৮৯৬
সংরক্ষিত মুনাফা তহবিল		৩৩,৯২৮,৫৫৯	৬৫,৯২৫	৩৩,৯৯৪,৪৮৪
<b>কোম্পানির স্বত্বাধিকারীর ওপর আরোপিত মালিকানা স্বত্ব</b>		<b>৩৫,৭৯৩,৪৫৫</b>	<b>৬৫,৯২৫</b>	<b>৩৫,৮৫৯,৩৮০</b>
<b>স্থায়ী দায়</b>				
নিট নির্ধারিত বেনিফিট পরিকল্পনা		৯৫১,৬১৬	-	৯৫১,৬১৬
বিলম্বিত কর	১৭.১	৪,২৫৮,৫৪৮	৬২,০৯১	৪,৩২০,৬৩৯
ইজারা দায়	চ.খ.২	১,৪১২,২৪৩	(১,৪১২,২৪৩)	-
<b>সর্বমোট স্থায়ী দায়</b>		<b>৬,৬২২,৪০৭</b>	<b>(১,৩৫০,১৫২)</b>	<b>৫,২৭২,২৫৫</b>
<b>চলতি দায়</b>				
ব্যাংক জমাতিরিক্ত		-	-	-
স্বল্পমেয়াদী ব্যাংক ঋণ		-	-	-
ব্যবসা ও অন্যান্য প্রদেয়		১২,২৩৭,০৫৩	২,৭০১	১২,২৩৯,৭৫৪
ইজারা দায়		৩৯০,৬৯৮	(৩৯০,৬৯৮)	-
চলতি আয়কর দায়		৪,০২২,৯৩৬	-	৪,০২২,৯৩৬
সম্মতি		৩৬৩,৬৮৮	-	৩৬৩,৬৮৮
<b>সর্বমোট চলতি দায়</b>		<b>১৭,০১৪,৩৭৫</b>	<b>(৩৮৭,৯৯৭)</b>	<b>১৬,৬২৬,৩৭৮</b>
<b>সর্বমোট দায়</b>		<b>২৩,৬৩৬,৭৮২</b>	<b>(১,৭৩৮,১৪৯)</b>	<b>২১,৮৯৮,৬৩৩</b>
<b>সর্বমোট মালিকানা স্বত্ব ও দায়</b>		<b>৫৯,৪৩০,২৩৭</b>	<b>(১,৬৭২,২২৩)</b>	<b>৫৭,৭৫৮,০১৪</b>



## লাভ ও ক্ষতি এবং অন্যান্য সম্মিলিত আয়ের ওপর প্রভাব

৩১ ডিসেম্বর ২০১৯ সমাপ্ত হিসাব বছরের জন্য

সম্পদ	টাকা	প্রতিবেদিত	সময়	আইএফআরএস ১৬ অবলম্বন ব্যতীত পরিমাণ
		টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
মোট বিক্রয়		২৬৯,৮৫৪,৫৭৪	-	২৬৯,৮৫৪,৫৭৪
সম্পূরক গুরু ও ভ্যাট		(২১৩,০৩৩,২৪৪)	-	(২১৩,০৩৩,২৪৪)
নিট বিক্রয়লব্ধ অর্থ		৫৬,৮২১,৩৩০	-	৫৬,৮২১,৩৩০
বিক্রয়কৃত পণ্যের ব্যয়		(২৯,৯৭২,৭৮০)	(৬৯,৮২১)	(৩০,০৪২,৬০১)
মোট মুনাফা		২৬,৮৪৮,৫৫০	(৬৯,৮২১)	২৬,৭৭৮,৭২৯
পরিচালন ব্যয়		(৮,০৮১,৫৫৭)	৩৫,৯১১	(৮,০৪৫,৬৪৬)
পরিচালন মুনাফা		১৮,৭৬৬,৯৯৩	(৩৩,৯১০)	১৮,৭৩৩,০৮৩
নিট আর্থিক আয়/(ব্যয়)	২৬	(৪৭১,৩৬৭)	১৬৪,৬৯৩	(৩০৬,৬৭৪)
অ-পরিচালন আয়/(ব্যয়)		২৪,২৯৬	৩,৯৭১	২৮,২৬৭
শ্রমিক কল্যাণ তহবিলপূর্ব মুনাফা		১৮,৩১৯,৯২৩	১৩৪,৭৫৩	১৮,৪৫৪,৬৭৬
শ্রমিকের অংশগ্রহণ তহবিল		(৯১৫,৯৯৬)	(৬,৭৩৮)	(৯২২,৭৩৪)
আয়করপূর্ব মুনাফা		১৭,৪০৩,৯২৭	১২৮,০১৬	১৭,৫৩১,৯৪৩
আয়কর সংক্রান্ত ব্যয়				
চলতি আয়কর		(৭,০২৮,৫২৩)	-	(৭,০২৮,৫২৩)
বিলম্বিত আয়কর	১৭.১	(১,১২৯,০৫৫)	(৬২,০৯১)	(১,১৯১,১৪৬)
		(৮,১৫৭,৫৭৮)	(৬২,০৯১)	(৮,২১৯,৬৬৯)
বাৎসরিক মুনাফা		৯,২৪৬,৩৪৯	৬৫,৯২৫	৯,৩১২,২৭৪
বাৎসরিক সম্মিলিত আয়		৯,২৬৪,৬০১	৬৫,৯২৫	৯,৩১২,২৭৪

## নগদ অর্থ প্রবাহ বিবরণীর ওপর প্রভাব

৩১ ডিসেম্বর ২০১৯ সমাপ্ত হিসাব বছরের জন্য

সম্পদ	প্রতিবেদিত	সময়	আইএফআরএস ১৬ অবলম্বন ব্যতীত পরিমাণ
	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
পরিচালন কার্যক্রম থেকে নগদ অর্থ প্রবাহ			
পরিবেশক, তামাকপাতা রফতানি ও অন্যান্য আয় থেকে প্রাপ্ত	২৭১,৪৩১,৫৯৯	-	২৭১,৪৩১,৫৯৯
মূল্য ও খরচাদি পরিশোধ	(৩৮,৪৪০,০১৫)	(৫২৪,৪৪০)	(৩৮,৯৬৪,৪৫৫)
পরিশোধিত সম্পূরক শুল্ক ও ভ্যাট	(২০৮,১৭১,০৮৫)	-	(২০৮,১৭১,০৮৫)
পরিচালন কার্যক্রম থেকে প্রাপ্ত নগদ	২৪,৮২০,৪৯৯	(৫২৪,৪৪০)	২৪,২৯৬,০৫৯
পরিশোধিত আয়কর	(৮,৯২৪,৫৮৫)	-	(৮,৯২৪,৫৮৫)
পরিশোধিত সুদ	(৩০৬,৬৭৪)	-	(৩০৬,৬৭৪)
পরিচালন কার্যক্রম থেকে নিট নগদ অর্থ	১৫,৫৮৯,২৪০	-	১৫,০৬৪,৮০০
বিনিয়োগ কার্যক্রম			
সম্পত্তি, কারখানা ও যন্ত্রপাতি ক্রয়	(৩,২১৫,৫০৮)	-	(৩,২১৫,৫০৮)
সম্পত্তি, কারখানা ও যন্ত্রপাতি বিক্রয়লব্ধ অর্থ	৭৪,২৯৮	-	৭৪,২৯৮
বিনিয়োগ কার্যক্রমে ব্যবহৃত নিট নগদ প্রবাহ	(৩,১৪১,২১০)	-	(৩,১৪১,২১০)
অর্থায়ন কার্যক্রম			
স্বল্পমেয়াদী ঋণ থেকে আয়	১৫,৮৮০,০০০		
স্বল্পমেয়াদী ঋণ পরিশোধ	(২০,২৬০,০০০)		১৫,৮৮০,০০০
ইজারা দায় পরিশোধ	(৫২৪,৪৪০)	৫২৪,৪৪০	(২০,২৬০,০০০)
লভ্যাংশ পরিশোধ	(২,৯৯৬,৫৬৫)		(২,৯৯৬,৫৬৫)
অর্থায়ন কার্যক্রমে নিট নগদ প্রবাহ	(৭,৯০১,০০৫)	৫২৪,৪৪০	(৭,৩৭৬,৫৬৫)
নগদ ও নগদতুল্যের নেট বৃদ্ধি/(হ্রাস)	৪,৫৪৭,০২৫	৫২৪,৪৪০	৪,৫৪৭,০২৫
নগদ ও নগদ সমতুল্য (১ জানুয়ারি)	৮৩৩,৭২৫		৮৩৩,৭২৫
বিনিময় হারের ওঠানামার প্রভাব	১৩,০১৩		১৩,০১৩
নগদ ও নগদ সমতুল্য (৩১ ডিসেম্বর)	৫,৩৯৩,৭৬৩		৫,৩৯৩,৭৬৩

## (২) সম্পদের সীমা পরিবর্তন

২০১৯ সালের ২৭ অক্টোবর অনুষ্ঠিত ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানির পরিচালনা পর্ষদের অনুমোদনের ভিত্তিতে কোম্পানির স্থায়ী সম্পদের সীমা ২০,০০০ টাকা থেকে বাড়িয়ে ৩০,০০০ টাকা করা হয়েছে। হিসাবরক্ষণ নীতির পরিবর্তন ভূতাপেক্ষা প্রয়োগ করা হয়নি এবং ২০১৮ সালের তুলনামূলক তথ্য পুনরায় বিবৃত হয়নি। আইএএস ১ অনুসারে সমগ্র প্রভাব ভূতাপেক্ষা প্রয়োগের মতো নয়।

সম্পদের সীমা পরিবর্তনের ফলে তুলনামূলক তথ্যের পরিবর্তনের বিস্তারিত নিচের সারণীতে:

আর্থিক অবস্থান বিবরণীর ওপর প্রভাব	২০১৮
	টাকা (০০০)
সমাপনী সম্পদ ব্যালান্স (৩১ ডিসেম্বর ২০১৮)	২৬,৪৮৩,৫৮৭
নীতি পরিবর্তনের কারণে প্রভাব	(১৯,৫৫৫)
সংশোধিত সমাপনী অ্যাসেট ব্যালান্স	২৬,৪৬৪,০৩২
মালিকানাধীন পরিবর্তন বিবরণীর ওপর প্রভাব	
সমাপনী মালিকানাধীন ব্যালান্স	২৯,৫২৮,৮৫৪
নীতি পরিবর্তনের ফলে প্রভাব	(১৯,৫৫৫)
সংশোধিত মালিকানাধীন সমাপনী ব্যালান্স	২৯,৫০৯,২৯৯
পরিচালন বিবরণীর পরিবর্তন	
উৎপাদন ব্যয়	(৫,০৪৯,৮৮২)
পরিচালন ব্যয়	(৬,৭২৩,৬৯০)
মোট পরিচালন ব্যয় (২০১৮)	(১১,৭৭৩,৫৭২)
নীতির পরিবর্তনের কারণে অবচয়ের প্রভাব	৫,৭৮০
পরিচালন ও উৎপাদন	(৫,৮৫৯)
সংশোধিত মোট ব্যয়	(১১,৭৭৩,৬৫১)

## ৭. মানদণ্ড জারি হলেও এখনো কার্যকর হয়নি

কোম্পানির আর্থিক প্রতিবেদন প্রকাশ করা পর্যন্ত যেসব মানদণ্ড বা ব্যাখ্যা জারি বা ইস্যু করা হয়েছে, কিন্তু কার্যকর হয়নি তা নিচে তুলে ধরা হলো। মানদণ্ড কার্যকর হওয়ার পর প্রযোজ্য হলে কোম্পানি তা প্রয়োগ করবে। তবে এটা পূর্ণাঙ্গ মানদণ্ডতালিকা নয়, কোম্পানির মূল্যায়ন অনুযায়ী যেগুলো প্রয়োগের সম্ভাবনা সবচেয়ে বেশি কেবল সেগুলোই তুলে ধরা হলো।

## ক. আইএএস ১ এবং আইএএস ৮-এর সংশোধনী: ম্যাটেরিয়ালের সংজ্ঞা

২০১৮ সালের অক্টোবরে আইএসবি 'প্রেজেন্টেশন অব ফিন্যান্সিয়াল স্টেটমেন্ট' বিষয়ক আইএএস ১ এবং 'অ্যাকাউন্টিং পলিসিজ', 'চেঞ্জস ইন অ্যাকাউন্টিং এস্টিমেটস অ্যান্ড এরোরস' বিষয়ক আইএএস ৮-এর সংশোধনী জারি করে। মানদণ্ড অনুযায়ী ম্যাটেরিয়ালের সংজ্ঞাকে আরো সঙ্গতিপূর্ণ করতে এবং সংজ্ঞার কিছু অংশ আরো সুনির্দিষ্ট করতে এ সংশোধনী জারি করা হয়। নতুন সংজ্ঞা অনুযায়ী, তথ্য বাদ গেলে, ভুলভাবে বিবৃত হলে বা অস্পষ্টতা থাকলে তা ম্যাটেরিয়াল হিসেবে বিবেচিত হবে। কারণ ওই আর্থিক বিবরণীর ওপর ভিত্তি করে আর্থিক বিবরণীর প্রাথমিক ব্যবহারকারীরা সিদ্ধান্ত নিয়ে থাকে, যা ভুল বা অস্পষ্ট তথ্যের কারণে প্রভাবিত হতে পারে।

ম্যাটেরিয়ালের সংজ্ঞার পরিবর্তনে কোম্পানির সমন্বিত আর্থিক বিবরণীর ওপর লক্ষণীয় প্রভাব থাকবে না বলে মনে করা হচ্ছে।



ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ লিমিটেড  
**আর্থিক প্রতিবেদনের টীকা (অব্যাহত)**

চ(ক) সম্পত্তি, কারখানা ও যন্ত্রপাতি  
 টীকা ডক ও ডখতে হিসাবরক্ষণ নীতি দেখুন

	ক্রিহোক্ত ভবন	ক্রিহোক্ত ভবন	আসবাব এবং ফিক্সচার	আইটি সরঞ্জাম	ল্যাবরেটরি সরঞ্জাম	ইথেরা ভবন	অফিস সরঞ্জাম	কারখানা এবং যন্ত্রপাতি	যানবাহন	নির্মাণাধীন সম্পদ	মোট
	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
<b>খরচ</b>											
০১ জানুয়ারি ২০১৮ এর ব্যালান্স	৯৩০,৬৮০	৩৭৫,৭৮১	৩৫৩,৩২২	৩৫৬,৮৮১	২৩৩,১১৪	২৩০,৮০৬	৪৪১,৬২৬	১,০১২,২১৩	১,০১২,২১৩	৩,৩০২,৩০৬	৯,৬০৬,২০৬
অতিরিক্ত বাতিল/হস্তান্তর	৩৩৮,৬৯৩	৫২,৯৮১	১২,৯৮১	১২,৯৮১	-	-	-	-	-	-	-
<b>৩১ ডিসেম্বর ২০১৮ এর ব্যালান্স</b>	<b>১,২৬৯,২৭৩</b>	<b>৪২৮,৭৬২</b>	<b>৩৬৬,৩০৩</b>	<b>৩৬৯,৮৬২</b>	<b>২৩৩,১১৪</b>	<b>২৩০,৮০৬</b>	<b>৪৪১,৬২৬</b>	<b>১,০১২,২১৩</b>	<b>১,০১২,২১৩</b>	<b>৩,৩০২,৩০৬</b>	<b>৯,৬০৬,২০৬</b>
০১ জানুয়ারি ২০১৯ এর ব্যালান্স	৯৯২,৬৩৬	১,০১২,৭৩৬	৪০৪,৩০৩	৩৫৬,৮৮১	২৩৩,১১৪	২৩০,৮০৬	৪৪১,৬২৬	১,০১২,২১৩	১,০১২,২১৩	৩,৩০২,৩০৬	৯,৬০৬,২০৬
অতিরিক্ত বাতিল/হস্তান্তর	১,২৬৯,২৭৩	৪২৮,৭৬২	৩৬৬,৩০৩	৩৬৯,৮৬২	২৩৩,১১৪	২৩০,৮০৬	৪৪১,৬২৬	১,০১২,২১৩	১,০১২,২১৩	৩,৩০২,৩০৬	৯,৬০৬,২০৬
<b>৩১ ডিসেম্বর ২০১৯ এর ব্যালান্স</b>	<b>২,২৬১,৯০৯</b>	<b>১,৪৪১,৬৯৮</b>	<b>৭৭০,৬০৬</b>	<b>৭২৬,৭৪৩</b>	<b>৪৬৬,২২৮</b>	<b>৪৬১,৬১২</b>	<b>৮৮৩,২৫২</b>	<b>২,০২৪,৪২৬</b>	<b>২,০২৪,৪২৬</b>	<b>৬,৬০৬,৫১২</b>	<b>১৯,২১২,৪১২</b>
<b>অবচয় এবং অবনমন</b>											
০১ জানুয়ারি ২০১৮ এর ব্যালান্স	১৬৯,৬২২	২৬,৬১৯	৩১৬,৩০৩	৩১৬,৩০৩	২৩৩,১১৪	২৩০,৮০৬	৪৪১,৬২৬	১,০১২,২১৩	১,০১২,২১৩	৩,৩০২,৩০৬	৯,৬০৬,২০৬
ওই বছরের জন্য অবচয় অবনমন	-	-	-	-	-	-	-	-	-	-	-
বাতিল/হস্তান্তর	-	-	-	-	-	-	-	-	-	-	-
<b>৩১ ডিসেম্বর ২০১৮ এর ব্যালান্স</b>	<b>১৬৯,৬২২</b>	<b>২৬,৬১৯</b>	<b>৩১৬,৩০৩</b>	<b>৩১৬,৩০৩</b>	<b>২৩৩,১১৪</b>	<b>২৩০,৮০৬</b>	<b>৪৪১,৬২৬</b>	<b>১,০১২,২১৩</b>	<b>১,০১২,২১৩</b>	<b>৩,৩০২,৩০৬</b>	<b>৯,৬০৬,২০৬</b>
০১ জানুয়ারি ২০১৯ এর ব্যালান্স	১৬৯,৬২২	২৬,৬১৯	৩১৬,৩০৩	৩১৬,৩০৩	২৩৩,১১৪	২৩০,৮০৬	৪৪১,৬২৬	১,০১২,২১৩	১,০১২,২১৩	৩,৩০২,৩০৬	৯,৬০৬,২০৬
ওই বছরের জন্য অবচয় অবনমন	১৬৯,৬২২	২৬,৬১৯	৩১৬,৩০৩	৩১৬,৩০৩	২৩৩,১১৪	২৩০,৮০৬	৪৪১,৬২৬	১,০১২,২১৩	১,০১২,২১৩	৩,৩০২,৩০৬	৯,৬০৬,২০৬
বাতিল/হস্তান্তর	-	-	-	-	-	-	-	-	-	-	-
<b>৩১ ডিসেম্বর ২০১৯ এর ব্যালান্স</b>	<b>৩৩৯,২৪৪</b>	<b>৫৩,২৩৮</b>	<b>৬৩২,৬০৬</b>	<b>৬৩২,৬০৬</b>	<b>৪৬৬,২২৮</b>	<b>৪৬১,৬১২</b>	<b>৮৮৩,২৫২</b>	<b>২,০২৪,৪২৬</b>	<b>২,০২৪,৪২৬</b>	<b>৬,৬০৬,৫১২</b>	<b>১৯,২১২,৪১২</b>

নেট বুক ভার্স

৩১ ডিসেম্বর ২০১৮ চতে

৩১ ডিসেম্বর ২০১৯ চ

	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)
<b>৮.ক.১</b> অবচয় ও অবনমনের জন্য বরাদ্দ		
উৎপাদনের উপরি ব্যয়	৯৮৫,৫৪৩	১,২০৪,০২৬
পরিচালন ব্যয়	২৪৭,১১৯	২০৭,৫৪২
তামাক পাতার চার্জ	২৪৯,০০৫	২৮১,৭৬৬
	<b>১,৪৮১,৬৬৭</b>	<b>১,৬৯৩,৩৩৪</b>

**৮.ক.২** নির্মাণাধীন সম্পদ  
নির্মাণ পর্যায়ে কারখানা ও যন্ত্রপাতি, অফিস সরঞ্জাম, ফ্রিহোল্ড ভবন ও লিজহোল্ড ভবনের ব্যয় সম্পর্কিত ৩১ ডিসেম্বর ২০১৯ সালে সম্পত্তি, কারখানা ও যন্ত্রপাতি অন্তর্ভুক্ত।

**৮.ক.৩** সম্পত্তি, কারখানা ও যন্ত্রপাতি বাতিল  
বিস্তারিত ২৭.১ নম্বর টীকায়

**৮ (খ)** ইজারা তফসিল  
কোম্পানির ইজারার মধ্যে আছে গুদাম, হ্যান্ডলিং শেড, ফর্ক লিফট, অফিস, ভাড়া নেয়া অ্যাপার্টমেন্ট এবং অন্যান্য উপকরণ, যা আইএফআরএস ১৬ লিজের আওতায় ব্যবহার করা হয়। রাইট-অব-ইউজ সম্পদ এবং ইজারা দায়ের তথ্য নিম্নে বর্ণিত হলো:

(ক) আরওইউ সম্পদ

খরচ	ভাড়াকৃত অ্যাপার্টমেন্ট	ফর্ক লিফট	অফিস	গুদাম	মোট
	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
০১ জানুয়ারি ২০১৮ এর ব্যালান্স	-	-	-	-	-
তদতিরিক্ত/পরিবর্তন	-	-	-	-	-
বাতিল	-	-	-	-	-
<b>৩১ ডিসেম্বর ২০১৮ এর ব্যালান্স</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
০১ জানুয়ারি ২০১৯ এর ব্যালান্স	৩০,২৯৭	৩,৪৬৭	২২,৫১৯	৯৯০,৩৮৮	১,০৪৬,৬৭১
তদতিরিক্ত/পরিবর্তন	২২,২৬৪	২৮,৯৭৩	৫৯,৭৩৩	১,০৬৩,২৬০	১,১৭৪,২৩০
বাতিল	(৬,২৩১)	-	(২,৬১৩)	(৪৯,৩৬৮)	(৫৮,২১২)
<b>৩১ ডিসেম্বর ২০১৯ এর ব্যালান্স</b>	<b>৪৬,৩৩০</b>	<b>৩২,৪৪০</b>	<b>৭৯,৬৩৯</b>	<b>২,০০৪,২৮০</b>	<b>২,১৬২,৬৮৯</b>
<b>অবচয় এবং অবনমন</b>					
০১ জানুয়ারি ২০১৮ এর ব্যালান্স	-	-	-	-	-
ওই বছরের অবচয়	-	-	-	-	-
অবনমন	-	-	-	-	-
বাতিল/পরিবর্তন	-	-	-	-	-
<b>৩১ ডিসেম্বর ২০১৮ এর ব্যালান্স</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
০১ জানুয়ারি ২০১৯ এর ব্যালান্স	-	-	-	-	-
ওই বছরের জন্য অবচয়	২৭,৭৭৯	৫,১১৪	২০,৩৮১	৪৫০,৬৫৪	৫০৩,৯২৮
০১ জানুয়ারি ২০১৯ এর ব্যালান্স	-	-	-	-	-
বাতিল/পরিবর্তন	(৮১৮)	-	(১,০৮২)	(১১,৫৬২)	(১৩,৪৬২)
<b>৩১ ডিসেম্বর ২০১৯ এর ব্যালান্স</b>	<b>২৬,৯৬১</b>	<b>৫,১১৪</b>	<b>১৯,২৯৯</b>	<b>৪৩৯,০৯২</b>	<b>৪৯০,৪৬৬</b>
<b>নেট বুক ভ্যালু</b>					
৩১ ডিসেম্বর ২০১৮	-	-	-	-	-
৩১ ডিসেম্বর ২০১৯	১৯,৩৬৯	২৭,৩২৬	৬০,৩৪০	১,৫৬৫,১৮৭	১,৬৭২,২২৩

## (খ) ইজারা দায়

অ-চলতি অংশ	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)
ইজারা দায়সমূহ-অ-চলতি	১,৯৩২,৪৭৫	-
সুদ দায়সমূহ-অ-চলতি	(৫২০,২৩২)	-
৩১ ডিসেম্বর ২০১৯ এ	১,৪১২,২৪৩	-
চলতি অংশ	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)
ইজারা দায়সমূহ-চলতি	৫৪২,৮৪৯	-
সুদ দায়সমূহ-চলতি	(১৫২,১৫১)	-
৩১ ডিসেম্বর ২০১৯ এ	৩৯০,৬৯৮	-
মোট ইজারা দায়	১,৮০২,৯৪১	-

৮.খ.১

অবচ্যুতি ও লোকসানে বরাদ্দ		
উৎপাদনের উপরি ব্যয়	১৩৩,৭৩৯	-
পরিচালন ব্যয়	১৪৬,০৫২	-
তামাকের জন্য ব্যয়	২২৪,১৩৬	-
	৫০৩,৯২৮	-

৯

	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)
মজুত পণ্য		
হিসাবরক্ষণ নীতি দেখুন টীকা ৬ছ তে		
হাতে থাকা মজুত পণ্য	১৬,১৫৫,৪৬৪	১৯,২৯১,৮৪৬
ট্রানজিটে থাকা মজুত পণ্যঃ	৩৮২,৪২০	১৩৭,৩৫৫
	১৬,৫৩৭,৮৮৪	১৯,৪২৯,২০১
হাতে থাকা মজুত পণ্য		
তামাক পাতা	১০,৪৬৮,৪৩১	১০,৮৫৩,০৪৮
মোড়কিকরণ উপকরণ	৭৪৩,৯২৮	২,৪৭৫,৩৫২
প্রক্রিয়াকরণ কাজ	৪৬,৯৭০	৩৩,৪৪৪
প্রস্তুতকৃত পণ্য		
প্রস্তুতকৃত পণ্যের খরচ	৭৮৯,৮৯৭	১,০৫৮,৯৮২
প্রস্তুতকৃত পণ্যের ওপর ভ্যাট, সম্পূরক শুষ্ক ও এইচডিএস*	৩,৬০৮,১৪১	৪,৩৫১,৬৩১
বিক্রয়কারী দোকান	৪৯৮,০৯৭	৫১৯,৩৮৯
*স্বাস্থ্য উন্নয়ন সার্চার্জ	১৬,১৫৫,৪৬৪	১৯,২৯১,৮৪৬
ট্রানজিটে থাকা মজুত পণ্য		
তামাক পাতা	৭,৬৫০	৪,৬৫৮
মোড়কিকরণ উপকরণ	৩৩৩,৫২৪	১৯,১৯১
বিক্রয়কারী দোকান	৪১,২৪৪	১১৩,৫০৬
	৩৮২,৪২০	১৩৭,৩৫৫

		২০১৯	২০১৮
		টাকা (০০০)	টাকা (০০০)
১০	ব্যবসা এবং অন্যান্য পাওনা		
	নোট ৬ গ (১) (ক)		
	ব্যবসায় পাওনা	২,৩০৪,২৬২	৩,৬৭৩,৭৮০
	সম্ভাব্য ক্রেডিট লস	(১,১৫২)	(২,১৭২)
	নেট ব্যবসায় পাওনা	২,৩০৩,১১০	৩,৬৭১,৬০৮
	আন্তঃকোম্পানি পাওনা	২৪৫,০৮০	১২০,৭৫০
	বিবিধ পাওনা	৬১,৭২৬	৩৮১,৭৬৭
		২,৬০৯,৯১৬	৪,১৭৪,১২৫
	ব্যবসায় পাওনা সুদবাহী নয়.		
১১	অগ্রীম, আমানত এবং পূর্ববর্তী পরিশোধ		
	দেখুন নোট ৬ গ (১) (ঘ)		
	অগ্রীমসমূহ		
	সরবরাহকারকদের কাছে অগ্রীম	২,৩২৭,২৩৮	৩,০২৮,৮১৮
	সম্পূরক গুচ্ছ এবং ভ্যাট	১,৩১৪,২৪০	১,৭৫২,৪৮০
	কর্মীদের কাছে অগ্রীম	২৮,৩২৫	২৮,২২৫
		৩,৬৬৯,৮০৩	৪,৮০৯,৫২৩
	আমানত		
	সিকিউরিটি আমানত	১২,৬৩৬	১২,৬৩৬
		১২,৬৩৬	১২,৬৩৬
	পূর্ববর্তী পরিশোধ		
	বীমা	২,০৪৭	৫৫২
		২,০৪৭	৫৫২
		৩,৬৮৪,৪৮৫	৪,৮২২,৭১১
১২	নগদ ও নগদ সমতুল্য		
	দেখুন নোট ৬ গ (১) (গ)		
	হাতে থাকা নগদ অর্থ	৭৭৬	৮১০
	ব্যাংকে থাকা নগদ অর্থ		
	ডিভিডেন্ড অ্যাকাউন্ট	৪৯,৮২৪	৪৬,৩৮৯
	বৈদেশিক মুদ্রা হিসাব	৬৩৯,৪৪১	১,১৬৭,১৯২
	চলতি হিসাব	১,৬৯৫,৫৮৪	৪১৯,২১৪
	স্থায়ী আমানত		
	স্থানীয়	২,০০০,০০০	-
	বৈদেশিক	৪১৯,৭০০	-
		২,৪১৯,৭০০	-
	স্বল্পমেয়াদী আমানত (এসটিডি)	৫৮৮,৪৩৯	-
		৫,৩৯২,৯৮৭	১,৬৩২,৭৯৫
	আর্থিক বিবরণীতে নগদ ও নগদ সমতুল্য	৫,৩৯৩,৭৬৪	১,৬৩৩,৬০৫

উপরের সব ব্যালান্স তফসিলি ও রাষ্ট্রায়ত্ত্ব ব্যাংকে রয়েছে। এতে সুদ যুক্ত হয় ব্যাংকের দৈনিক আমানতের সুদ হার অনুযায়ী।  
নগদ প্রবাহের বিবরণীর উদ্দেশ্যে নগদ ও নগদ সমতুল্যের মধ্যে আছে নিম্নলিখিত বিষয়গুলো (৩১ ডিসেম্বর)

	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)
ব্যাংকে ও হাতে থাকা নগদ	৫,৩৯৩,৭৬৪	১,৬৩৩,৬০৫
নগদ ব্যবস্থাপনার উদ্দেশ্যে ব্যবহৃত ব্যাংক ওভারড্রাফট	-	(৭৯৯,৮৮০)
নগদ প্রবাহ ব্যবস্থাপনায় নগদ ও নগদ সমতুল্য	৫,৩৯৩,৭৬৪	৮৩৩,৭২৫

১২.১

**নিয়ন্ত্রিত নগদ ব্যালান্স**

শেয়ারহোল্ডারদের ডিভিডেন্ড প্রদানের উদ্দেশ্যে ডিভিডেন্ড অ্যাকাউন্ট ব্যবহৃত হয় কেবল। ডিভিডেন্ড লেনদেনের সঙ্গে এ হিসাবের হেরফের হয়।

১২.২

**ব্যাংকিং সুবিধার সংস্থান**

ব্যাংক থেকে স্বল্প মেয়াদী চলতি তহবিল সুবিধা ১৫,৫৯৬ মিলিয়ন টাকা। এ সুবিধা বার্ষিক ভিত্তিতে নবায়নযোগ্য।

১৩

**শেয়ার মূলধন**

হিসাবরক্ষণ নীতি দেখুন টীকা ৬ ঘ তে.

অনুমোদিত	২০১৯	২০১৮
প্রতিটি ১০ টাকা মূল্যের ৬০,০০০,০০০ সাধারণ শেয়ার	৬০০,০০০,০০০	৬০০,০০০,০০০
প্রতিটি ১০ টাকা মূল্যের ৪,৮০০,০০০,০০০ সাধারণ শেয়ার	৪,৮০০,০০০,০০০	-
প্রতিটি ১০ টাকা মূল্যের ৪,৮০০,০০০,০০০ সাধারণ শেয়ার	৫,৪০০,০০০,০০০	৬০০,০০০,০০০
<b>ইস্যুকৃত, ক্রয়কৃত এবং পুরোপুরি পরিশোধিত</b>		
নগদে ইস্যু:		
প্রতিটি ১০ টাকা মূল্যের ৩টি সাধারণ শেয়ার	৩০	৩০
নগদ ব্যতীত অগ্যান্য বিবেচনায় ইস্যুকৃত:		
প্রতিটি ১০ টাকা মূল্যের ৫৯,৯৯৯,৯৯৭টি সাধারণ শেয়ার	৫৯৯,৯৯৯,৯৭০	৫৯৯,৯৯৯,৯৭০
প্রতিটি ১০ টাকা মূল্যের ৫৯,৯৯৯,৯৯৭টি সাধারণ শেয়ার	১,২০০,০০০,০০০	-
প্রতিটি ১০ টাকা মূল্যের ১২০,০০০,০০০টি বোনাস সাধারণ শেয়ার	১,৮০০,০০০,০০০	৬০০,০০০,০০০

২০১৮ সালের জন্য কোম্পানি ২০০% স্টক লভ্যাংশ সুপারিশ করে। ২৮ এপ্রিল, ২০১৯ তারিখে অনুষ্ঠিত শেয়ারহোল্ডারদের সভায় এ লভ্যাংশ অনুমোদিত হয়। পরবর্তীতে ২৭ মে, ২০১৯ তারিখে এ শেয়ার সংশ্লিষ্ট শেয়ারহোল্ডারদের জন্য বরাদ্দ দেয়া হয়। এছাড়া কোম্পানি অনুমোদিত মূলধন ৫,৪০০,০০০,০০০ থেকে ৬০০,০০০,০০০তে উন্নীত করে, ২৮ এপ্রিল, ২০১৯ তারিখে অনুষ্ঠিত বিশেষ সাধারণ সভায় শেয়ারহোল্ডাররা তা অনুমোদন করেন।

১৩.১

**শেয়ার ধারণ অবস্থান**

দেখুন হিসাবরক্ষণ নীতি টীকা ৬ ঘ তে

শেয়ারহোল্ডারের নাম	২০১৯			২০১৮		
	শেয়ার সংখ্যা	মূল্য (টাকা)	শতকরা হার	শেয়ার সংখ্যা	মূল্য (টাকা)	শতকরা হার
র্যালো ইনভেস্টমেন্ট কো. লি. ইউকে.	১৩১,২৩৬,০৭৪	১,৩১২,৩৬০,৭৪০	৭২.৯১%	৪৩,৭৪৫,৩৫৮	৪৩৭,৪৫৩,৫৮০	৭২.৯১%
ইনভেস্টমেন্ট করপোরেশন অব বাংলাদেশ	১০,৪৭৬,১৩২	১০৪,৭৬১,৩২০	৫.৮২%	৩,৪১৬,৯১২	৩৪,১৬৯,১২০	৫.৬৯%
সাধারণ বীমা করপোরেশন	৫,০৮৩,৯৯১	৫০,৮৩৯,৯১০	২.৮২%	১,৬৯৪,০৪৭	১৬,৯৪০,৪৭০	২.৮২%
বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড	৫৯৮,৭৯৪	৫,৯৮৭,৯৪০	০.৩৩%	১৯৭,৩৭৬	১,৯৭৩,৭৬০	০.৩৩%
বাংলাদেশ সরকার	১,১৬০,৪৭২	১১,৬০৪,৭২০	০.৬৪%	৩৮৬,৮২৪	৩,৮৬৮,২৪০	০.৬৪%
অন্যান্য	৩১,৪৪৪,৫৩৭	৩১৪,৪৪৫,৩৭০	১৭.৪৭%	১০,৫৫৯,৪৮৩	১০৫,৫৯৪,৮৩০	১৭.৬০%
	১৮০,০০০,০০০	১,৮০০,০০০,০০০	১০০%	৬০,০০০,০০০	৬০০,০০০,০০০	১০০%



## ১৩.২ শেয়ার বিতরণ তফসিল

তালিকাভুক্তির জন্য প্রয়োজনীয় বিধি মেনে রিপোর্টিং তারিখে শেয়ার বিতরণের তফসিল নিচে দেয়া হলো:

শেয়ারহোল্ডার'স রেঞ্জ	২০১৯			২০১৮		
	শেয়ারহোল্ডারের সংখ্যা	মোট শেয়ার সংখ্যা	শেয়ার ধারণের শতকরা হার	শেয়ারহোল্ডারের সংখ্যা	মোট শেয়ার সংখ্যা	শেয়ার ধারণের শতকরা হার
৫০১টির কম শেয়ার	১৭,২৯৫	১,৬৪৬,০৫৭	০.৯১%	২,১৭৯	১৪৭,৯৮৯	০.২৫%
৫০১ থেকে ৫,০০০ শেয়ার	১,৮৫৭	২,৩২৮,৬৩৯	১.২৯%	১৭১	২৩৩,৮০৯	০.৩৯%
৫,০০১ থেকে ১০,০০০ শেয়ার	৭৪	৫২২,৪৭০	০.২৯%	১৭	১২৯,৪৩৪	০.২২%
১০,০০১ থেকে ২০,০০০ শেয়ার	৩১	৪৪২,৫১৭	০.২৫%	১৩	১৮৩,১০৮	০.৩১%
২০,০০১ থেকে ৩০,০০০ শেয়ার	১২	২৯৭,৯১৫	০.১৭%	৫	১১৯,১৪৯	০.২০%
৩০,০০১ থেকে ৪০,০০০ শেয়ার	৪	১৩৮,৫৬০	০.০৮%	৫	১৭৩,৬৮১	০.২৯%
৪০,০০১ থেকে ৫০,০০০ শেয়ার	৩	১৩৪,০২৬	০.০৭%	৬	২৬৭,০২১	০.৪৫%
৫০,০০১ থেকে ১০০,০০০ শেয়ার	১৩	৯৩১,১২০	০.৫২%	৩	২৪৪,০৮৩	০.৪১%
১০০,০০১ থেকে ১,০০০,০০০ শেয়ার	১৮	৬,৬৫৫,৪১৯	৩.৭০%	১৫	৪,২৯০,০৪৬	৭.১৫%
১,০০০,০০০টির বেশি শেয়ার	৮	১৬৬,৯০৩,২৭৭	৯২.৭২%	৫	৫৪,২১১,৬৮০	৯০.৩৫%
	১৯,৩১৫	১৮০,০০০,০০০	১০০%	২,৪১৯	৬০,০০০,০০০	১০০%

## ১৪ ক্যাপিটাল রিজার্ভ

ক্যাপিটাল রিজার্ভ হচ্ছে প্রেরণযোগ্য নয় এমন ৬৪.৯ মিলিয়ন টাকার রিজার্ভ, যার ৯০% বাংলাদেশ ব্যাংকের নির্দেশনা অনুযায়ী সম্পত্তি, কারখানা ও যন্ত্রপাতি বাতিল করার ফলে কর পরবর্তী পুঞ্জিভূত মুনাফা। সম্পত্তি, কারখানা ও যন্ত্রপাতি বিক্রি থেকে প্রাপ্ত মুনাফার ভিত্তিতে এ ধরনের বিশেষ রিজার্ভ সৃষ্টি ১৯৯৩ সালে প্রত্যাহার করা হয়েছে।

	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)
১৫ রিটেন্ড আর্নিং		
১ জানুয়ারি পর্যন্ত ব্যালান্স	২৮,৮৬৩,৯৫৮	২২,৪৪৭,৫৪২
এক বছরে মোট সমন্বিত আয়:		
১ জানুয়ারি পর্যন্ত ব্যালান্স	৯,২৪৬,৩৪৯	১০,০১২,০৩৪
এক বছরে মোট সমন্বিত আয়	১৮,২৫২	৪,৩৮২
	৩৮,১২৮,৫৫৯	৩২,৪৬৩,৯৫৮
লভ্যাংশ:		
২০১৮ সালের জন্য স্টক লভ্যাংশ	(১,২০০,০০০)	
২০১৮ সালের জন্য নগদ লভ্যাংশ	(৩,০০০,০০০)	(৩,৬০০,০০০)
৩১ ডিসেম্বরের ব্যালান্স	৩৩,৯২৮,৫৫৯	২৮,৮৬৩,৯৫৮

## ১৬ নেট ডিফাইন্ডবেনিফিট প্ল্যান

টাকা ৬(এইচ) এ হিসাবরক্ষণ নীতি দেখুন।

	টাকা	পারিতোষিক তহবিল	পেনশন তহবিল	মোট
		টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
২০১৯				
ডিফাইন্ডবেনিফিট অবলিগেশন	১৬.১	(৯৫১,০৮৯)	(১৩,৬৬১)	(৯৬৪,৭৫০)
প্ল্যান অ্যাসেটের বাজার মূল্য	১৬.২	-	১৩,১৩৩	১৩,১৩৩
নেট উদ্ধৃত্ত/(ঘাটতি)		(৯৫১,০৮৯)	(৫২৮)	(৯৫১,৬১৬)
২০১৮				
ডিফাইন্ডবেনিফিট অবলিগেশন	১৬.১	(১,০৩৮,০৫৭)	(২১৪,৫৩৬)	(১,২৫২,৫৯৩)
প্ল্যান অ্যাসেটের বাজার মূল্য	১৬.২	-	২৭৪,০৫৫	২৭৪,০৫৫
নেট উদ্ধৃত্ত/(ঘাটতি)		(১,০৩৮,০৫৭)	(৫৯,৫১৯)	(১,০৯৭,৫৭৬)



	টাকা	পারিতোষিক তহবিল	পেনশন তহবিল	মোট
		টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
<b>১৬.১ ডিফাইন্ড বেনিফিট অবলিগেশনে পরিবর্তন</b>				
০১ জানুয়ারি, ২০১৮ সালে ডিফাইন্ড বেনিফিট অবলিগেশন		৮৬৯,১১৪	২৬৩,৭৯৭	১,১৩২,৯১১
চলতি সেবা ব্যয়		৭১,২১২	১০,৫৭১	৮১,৭৮৩
সুদ ব্যয়		৭৩,৮৭৪	২১,০৩২	৯৪,৯০৬
অতীত সেবা ব্যয়-পরিকল্পনা সংশোধনসমূহ		-	-	-
তহবিল থেকে প্রদান করা বেনিফিট		-	(৩২,৪৭৯)	(৩২,৪৭৯)
কোম্পানি কর্তৃক সরাসরি প্রদান করা বেনিফিট		(৫৯,৯৫৭)	-	(৫৯,৯৫৭)
অ্যাকচুয়ারিয়াল (লাভ)/ক্ষতি		৮৩,৮১৪	(৪৮,৩৮৪)	৩৫,৪৩০
<b>৩১ ডিসেম্বর, ২০১৮ সালের ডিফাইন্ড বেনিফিট অবলিগেশন</b>		<b>১,০৩৮,০৫৭</b>	<b>২১৪,৫৩৬</b>	<b>১,২৫২,৫৯৩</b>
০১ জানুয়ারি, ২০১৯ সালের ডিফাইন্ড বেনিফিট অবলিগেশন		১,০৩৮,০৫৭	২১৪,৫৩৬	১,২৫২,৫৯৩
চলতি সেবা ব্যয়		৭৭,২৬৬	৬,০৩৪	৮৩,৩০০
সুদ ব্যয়		৮২,১৬৯	৬,৭৭০	৮৮,৯৩৯
অতীত সেবা ব্যয়-পরিকল্পনা সংশোধন		-	১৪,৭৬৭	-
তহবিল কর্তৃক পরিশোধিত বেনিফিট		-	(২৮২,২৬৫)	(২৮২,২৬৫)
কোম্পানি কর্তৃক সরাসরি পরিশোধিত বেনিফিট		(১৪৯,০১৫)	-	(১৪৯,০১৫)
অ্যাকচুয়ারিয়াল (লাভ)/ক্ষতি		(৯৭,৩৮৮)	৫৩,৮১৯	(৪৩,৫৬৯)
<b>৩১ ডিসেম্বর, ২০১৯ সালে ডিফাইন্ড বেনিফিট</b>		<b>৯৫১,০৮৯</b>	<b>১৩,৬৬১</b>	<b>৯৬৪,৭৫০</b>
<b>১৬.২ বাজার মূল্যে প্ল্যান অ্যাসেটের গতিবিধি</b>				
০১ জানুয়ারি, ২০১৯ সালে প্ল্যান অ্যাসেটের বাজার মূল্য		-	২৬৩,৭৯৭	২৬৩,৭৯৭
কর্মীদের অবদান		-	২০,৮২০	২০,৮২০
প্ল্যান অ্যাসেট থেকে প্রত্যাশিত প্রাপ্তি		-	২১,৯১৭	২১,৯১৭
প্ল্যান কর্তৃক পরিশোধিত বেনিফিট		-	(৩২,৪৭৯)	(৩২,৪৭৯)
অ্যাকচুয়ারিয়াল (লাভ)/ক্ষতি		-	-	-
<b>৩১ ডিসেম্বর, ২০১৮ সালে প্ল্যান অ্যাসেটের বাজার মূল্য</b>		<b>-</b>	<b>২৭৪,০৫৫</b>	<b>২৭৪,০৫৫</b>
০১ জানুয়ারি, ২০১৯ সালে প্ল্যান অ্যাসেটের বাজার মূল্য		-	২৭৪,০৫৫	২৭৪,০৫৫
কর্মীদের অবদান		-	১৮,০৬৩	১৮,০৬৩
প্ল্যান অ্যাসেট থেকে প্রত্যাশিত প্রাপ্তি		-	১২,০৮৩	১২,০৮৩
প্ল্যান কর্তৃক পরিশোধিত বেনিফিট		-	(২৮২,২৬৫)	(২৮২,২৬৫)
অ্যাকচুয়ারিয়াল লাভ/(ক্ষতি)		-	(৮,৮০৩)	(৮,৮০৩)
<b>৩১ ডিসেম্বর প্ল্যান অ্যাসেটের বাজার মূল্য</b>		<b>-</b>	<b>১৩,১৩৩</b>	<b>১৩,১৩৩</b>
<b>১৬.৩ লাভ/ক্ষতি এবং অন্যান্য সমন্বিত আয়ের হিসাবে পরিলক্ষিত নির্ধারিত বেনিফিট দায়</b>				
<b>২০১৯</b>				
<b>মুনাফা/ক্ষতি</b>				
চলতি সেবা ব্যয়		৭৭,২৬৬	৬,০৩৪	৮৩,৩০০
বেনিফিট দায় থেকে আহরিত সুদ		৮২,১৬৯	(৫,৩১৪)	৭৬,৮৫৫
নিষ্পত্তি ব্যয়		-	১৪,৭৬৭	১৪,৭৬৭
প্ল্যান অ্যাসেটের প্রত্যাশিত রিটার্ন		-	-	-
<b>নেট বেনিফিট ব্যয়/(আয়)</b>		<b>৮২,১৬৯</b>	<b>৯,৪৫৩</b>	<b>৯১,৬২২</b>
		<b>১৫৯,৪৩৫</b>	<b>১৫,৪৮৭</b>	<b>১৭৪,৯২২</b>

	টাকা	পারিতোষিক তহবিল	পেনশন তহবিল	মোট
		টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
২০১৮				
মুনাফা/ক্ষতি				
চলতি সেবা ব্যয়		৭১,২১২	১০,৫৭১	৮১,৭৮৩
বেনিফিট দায় থেকে আহরিত সুদ		৭৩,৮৭৪	২১,০৩২	৯৪,৯০৬
প্ল্যান অ্যাসেস্টের প্রত্যাশিত রিটার্ন		-	(২১,৯১৭)	(২১,৯১৭)
নেট বেনিফিট ব্যয়/(আয়)		৭৩,৮৭৪	(৮৮৬)	৭২,৯৮৮
		১৪৫,০৮৬	৯,৬৮৫	১৫৪,৭৭১

১৬.৪

অ্যাকচুয়ারিয়াল অনুমান  
রিপোর্টিং তারিখে অ্যাকচুয়ারিয়াল অনুমান

	৩১ ডিসেম্বর ২০১৯	
	পারিতোষিক তহবিল	পেনশন তহবিল
ডিসকাউন্ট হার	৯.০%	৯.০%
বেতন বৃদ্ধির হার ( মূলবেতন)	১১%	১১%
মৃত্যু হার (কর্মে থাকাকালীন)*		
বয়স ২০-৩৫	১৫%	১৫%
বয়স ৩৬-৪৫	১০%	১০%
বয়স ৪৬-৫৮	৫%	৫%

\*যেহেতু বাংলাদেশে কোনো প্রকাশিত মৃত্যু তালিকানেই এবং এ কারণে অ্যাকচুয়ারিতে ব্যবহার করা হয়েছে ইন্ডিয়ান অ্যান্ডিউরড মর্টালিটি (২০০৬-০৮), যা থেকে এ বিষয়ে কাছাকাছি ধারণা পাওয়া যাবে।

১৭

বিলম্বিত কর সম্পদ  
দেখুন হিসাবরক্ষণ নীতির টাকা ৬ ঠ (২).

	২০১৯		
	রিপোর্টিং তারিখে ক্যারিং অ্যামাউন্ট	কর ভিত্তি	করযোগ্য/(ছাড়যোগ্য) সাময়িক ব্যবধান
	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
মজুত পণ্যের প্রতিশন	(১১২,৮৪৩)	-	(১১২,৮৪৩)
পারিতোষিক প্রতিশন	(১,০১১,১৩৫)	-	(১,০১১,১৩৫)
নেট সাময়িক ব্যবধান	(১,১২৩,৯৭৮)	-	(১,১২৩,৯৭৮)
প্রযোজ্য কর হার			৪৭.৫%
বিলম্বিত কর সম্পদ			(৫৩৩,৮৮৯)
	২০১৮		
	রিপোর্টিং তারিখে ক্যারিং অ্যামাউন্ট	কর ভিত্তি	করযোগ্য/(ছাড়যোগ্য) সাময়িক ব্যবধান
	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
মজুত পণ্যের প্রতিশন	(২৭৬,৪৭৯)	-	(২৭৬,৪৭৯)
পারিতোষিক প্রতিশন	(১,০৩৮,০৫৭)	-	(১,০৩৮,০৫৭)
নেট সাময়িক ব্যবধান	(১,৩১৪,৫৩৬)	-	(১,৩১৪,৫৩৬)
প্রযোজ্য কর হার			৪৭.৫%
বিলম্বিত কর সম্পদ			(৬২৪,৪০৫)

১৭.১

বিলম্বিত কর দায়সমূহ

দেখুন হিসাবরক্ষণ নীতির টীকা ৬ ঠ (২)

	২০১৯		
	রিপোর্ট তারিখে ক্যারিং অ্যামাউন্ট	কর ভিত্তি	করযোগ্য/(ছাড়যোগ্য) সাময়িক ব্যবধান
	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
জমি বাদে কারখানা, সম্পত্তি এবং যন্ত্রপাতি	২০,০৩৬,৫৫৪	৯,৮১৬,৪৯৫	১০,২২০,০৫৮
রাইট-অব-ইউজ সম্পদ	(১৩০,৭১৮)	-	(১৩০,৭১৮)
নেট সাময়িক ব্যবধান	১৯,৯০৫,৮৩৬	৯,৮১৬,৪৯৫	১০,০৮৯,৩৪০
প্রযোজ্য কর হার			৪৭.৫%
বিলম্বিত কর দায়সমূহ			৪,৭৯২,৪৩৭

	২০১৮		
	রিপোর্ট তারিখে ক্যারিং অ্যামাউন্ট	কর ভিত্তি	করযোগ্য/(ছাড়যোগ্য) সাময়িক ব্যবধান
	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
জমি বাদে কারখানা, সম্পত্তি এবং যন্ত্রপাতি	১৫,১৬০,৮০১	৭,২৯২,৬২৪	৭,৮৬৮,১৭৭
নেট সাময়িক ব্যবধান	১৫,১৬০,৮০১	৭,২৯২,৬২৪	৭,৮৬৮,১৭৭
প্রযোজ্য কর হার			৪৭.৫%
বিলম্বিত কর দায়সমূহ			৩,৭৩৭,৩৮৪

	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)
বিলম্বিত কর সম্পদ	(৫৩৩,৮৮৯)	(৬২৪,৪০৫)
বিলম্বিত কর দায়সমূহ (আরওইউ সম্পদ)	(৬২,০৯১)	-
বিলম্বিত কর দায়সমূহ (আরওইউ বাদে অন্যান্য সম্পদ)	৪,৮৫৪,৫২৮	৩,৭৩৭,৩৮৪
বিলম্বিত কর দায়	৪,২৫৮,৫৪৮	৩,১১২,৯৭৯

১৮

ব্যাংক ওভারড্রাফট

স্ট্যান্ডার্ড চার্টার্ড ব্যাংক

এইচএসবিসি

কমার্শিয়াল ব্যাংক অব সিলোন পিএওসি

পরিচালন মূলধনের চাহিদা মেটাতে কোম্পানি উপরুল্লিখিত ব্যাংকগুলো থেকে ওভারড্রাফট নিয়েছে। এ ধরনের ওভারড্রাফট চাহিদার ভিত্তিতে পরিশোধযোগ্য।

১৯

স্বল্প মেয়াদী ব্যাংক ঋণ

স্ট্যান্ডার্ড চার্টার্ড ব্যাংক

১৯.১

শর্তাবলী এবং পরিশোধের সময়সীমা

	২০১৯		২০১৮	
	ঋণ সীমা	আউটস্ট্যান্ডিং ঋণ	ঋণ সীমা	আউটস্ট্যান্ডিং ঋণ
	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক		-	৫,৫০০,০০০	৪,৩৮০,০০০
	-	-	৫,৫০০,০০০	৪,৩৮০,০০০

পরিচালন মূলধনের চাহিদার পরিপ্রেক্ষিতে স্ট্যান্ডার্ড ব্যাংক, কমার্শিয়াল ব্যাংক অব সিলোন পিএওসি, সিটি ব্যাংক এনএ, এইচএসবিসি, ইস্টার্ন ব্যাংক লিমিটেড ও রূপালী ব্যাংক থেকে কোম্পানি স্বল্প মেয়াদী ঋণ নিয়েছে। মেয়াদপূর্তির পর এ ধরনের ঋণ পরিশোধযোগ্য।

	টাকা	২০১৯	২০১৮		
		টাকা (০০০)	টাকা (০০০)		
<b>২০ ব্যবসা ও অন্যান্য পাওনা</b>					
হিসাবরক্ষণ নীতির টাকা ও গ (২) (ক) দেখুন					
ব্যবসায় পাওনা		১,৯২৪,৬৯০	৩,২০০,৭০৯		
আন্তঃকোম্পানি পাওনা		৫,১৮৮,৯৭২	৪,৭৩০,৮৩৫		
কর্মীদের মনাফা অংশগ্রহণ তহবিল (ডব্লিউপিপিএফ)		১৮,৯৯৬	৩৬১,৫৪৩		
মজুরি এবং অন্যান্য সুবিধা		৫১০,২১২	৫০৭,৯৭৬		
অদাবিকৃত লভ্যাংশ	৩২	৪৯,৮২৪	৪৬,৩৮৯		
ক্রমবর্ধমান ব্যয়		৪,৪৬৬,৬৬০	২,৩৯০,০৯৮		
বিবিধ পাওনা		৭৭,৬৯৯	৫১৯,৬৬৯		
		<b>১২,২৩৭,০৫৩</b>	<b>১১,৭৫৭,২১৯</b>		
<b>২১ চলতি কর দায়সমূহ</b>					
দেখুন হিসাবরক্ষণ নীতির টাকা ও ঠ (১).					
০১ জানুয়ারির ব্যালাস		৫,৯১৮,৯৯৭	৫,৩৬৪,৬৯৭		
এক বছরে সংরক্ষিত সঞ্চিতি		৭,০২৮,৫২৩	৮,৯৮৫,০৬৯		
		<b>১২,৯৪৭,৫২০</b>	<b>১৪,৩৪৯,৭৬৬</b>		
অগ্রিম করপোরেট কর পরিশোধ		(৮,৯২৪,৫৮৫)	(৮,৪৩০,৭৬৯)		
<b>৩১ ডিসেম্বরের ব্যালাস</b>		<b>৪,০২২,৯৩৬</b>	<b>৫,৯১৮,৯৯৭</b>		
<b>২২ সঞ্চিতি</b>					
দেখুন হিসাবরক্ষণ নীতির টাকা ও ঠ					
ব্যয়ের জন্য সঞ্চিতি		৩৬৩,৬৯০	৬৬,৭৬২		
		<b>৩৬৩,৬৯০</b>	<b>৬৬,৭৬২</b>		
<b>২৩ বিক্রয়লব্ধ রাজস্ব</b>					
দেখুন হিসাবরক্ষণ নীতির টাকা ও ট					
বিক্রয় থেকে কোম্পানির রাজস্বের ডিজঅ্যাগ্রগেশন এখানে তুলে ধরা হলো					
	একক	২০১৯	২০১৮	২০১৯	২০১৮
		(মিলিয়ন)	(মিলিয়ন)	টাকা (০০০)	টাকা (০০০)
অভ্যন্তরীণ বিক্রয় থেকে মোট রাজস্ব সম্পূর্ণ শুদ্ধ ও ভ্যাট	শলাকা	৫০,৭৪৪	৫১,৪২৫	২৬৬,০১৮,২৩১ (২১২,৯৮২,৬১১)	২৩০,৬৭৪,০১২ (১৭৮,২১৭,৮৯৫)
অভ্যন্তরীণ বিক্রয় থেকে নেট রাজস্ব				৫৩,০৩৫,৬২০	৫২,৪৫৬,১১৭
প্রস্তুত পণ্য রফতানি থেকে মোট রাজস্ব রফতানি শুদ্ধ	শলাকা	৬৯,০০	-	৬৬,২৭৫	-
তামাক পাতা রফতানি থেকে নেট রাজস্ব				৬৬,২৭৫	-
বিক্রয়লব্ধ মোট রাজস্ব রফতানি শুদ্ধ	কেজি	১৫.৫৩	৯.১৮	৩,৭৭০,০৬৮ (৫০,৬৩৩)	২,৪৪৪,২৭৫ (২৬০,৫২৫)
তামাক পাতা রফতানি থেকে নেট রাজস্ব				৩,৭১৯,৪৩৫	২,১৮৩,৬৫০
বিক্রয়লব্ধ মোট নেট রাজস্ব				<b>৫৬,৮২১,৩৩০</b>	<b>৫৪,৬৩৯,৭৬৭</b>
অভ্যন্তরীণ বিক্রয় থেকে মোট নেট রাজস্ব					
বাইরের ক্রেতা				৫৩,০৩৫,৬২০	৫২,৪৫৬,১১৭
সংশ্লিষ্ট পক্ষের কাছে বিক্রয়				-	-
				<b>৫৩,০৩৫,৬২০</b>	<b>৫২,৪৫৬,১১৭</b>

	একক	২০১৯	২০১৮	২০১৯	২০১৮
		(মিলিয়ন)	(মিলিয়ন)	টাকা (০০০)	টাকা (০০০)
প্রস্তুত পণ্য রফতানি থেকে নেট রাজস্ব					
বাইরের ক্রেতা				-	-
সংশ্লিষ্ট পক্ষের কাছে বিক্রয়				৬৬,২৭৫	-
				৬৬,২৭৫	-
তামাক পাতা রফতানি থেকে নেট রাজস্ব					
বাইরের ক্রেতা				১,৭৯৪,৯০৮	১,০০৪,২৫৬
সংশ্লিষ্ট পক্ষের কাছে বিক্রয়				১,৯২৪,৫২৭	১,১৭৯,৩৯৩
				৩,৭১৯,৪৩৫	২,১৮৩,৬৫০
বিক্রয়লব্ধ মোট নেট রাজস্ব				৫৬,৮২১,৩৩০	৫৪,৬৩৯,৭৬৭

২৪	বিক্রয় ব্যয়	টাকা	২০১৯	২০১৮
			টাকা (০০০)	টাকা (০০০)
	কাঁচামালের প্রারম্ভিক মজুত		১৩,৩৫২,৩২৮	৮,২৪৮,৫৮২
	কাঁচামাল ক্রয়		২১,৮৪৬,৪৪৩	২৫,৬৫১,০২১
	ব্যবহারযোগ্য কাঁচামাল		৩৫,১৯৮,৭৭১	৩৩,৮৯৯,৬০৩
	কাঁচামালের সমাপনী মজুত		(১১,৬০০,৫০৩)	(১৩,৩৫২,৩২৮)
	কাঁচামাল ব্যবহার		২৩,৫৯৮,২৬৭	২০,৫৪৭,২৭৫
	প্রারম্ভিক চলমান কাজ		৩৩,৪৪৪	৫৪,৪১১
	সমাপনী চলমান কাজ		(৪৬,৯৭০)	(৩৩,৪৪৪)
			২৩,৫৮৪,৭৪১	২০,৫৬৮,২৪২
	উৎপাদন উপরি ব্যয়	২৪.১	৫,৩৫৬,৭৪৯	৫,০৪৯,৮৮২
	পণ্য উৎপাদনে মোট ব্যয়		২৮,৯৪১,৪৯০	২৫,৬১৮,১২৪
	প্রস্তুতকৃত পণ্যের প্রারম্ভিক মজুত		১,০৫৮,৯৮২	১,৮৭৪,৬৫০
	প্রস্তুতকৃত পণ্যের সমাপনী মজুত		(৭৮৯,৮৯৭)	(১,০৫৮,৯৮২)
	রয়্যালটি ব্যতীত বিক্রিত পণ্যের মোট ব্যয়		২৯,২১০,৫৭৫	২৬,৪৩৩,৭৯২
	রয়্যালটি		৭৬২,২০৪	৬৬২,৫০৫
	বিক্রয় বাবদ মোট ব্যয়		২৯,৯৭২,৭৮০	২৭,০৯৬,২৯৭
২৪.১	উৎপাদন উপরি ব্যয়			
	বেতন ও মজুরি		১,৫৩৪,৪৪৮	১,৩২৭,৬৯৬
	পরিষেবা		৩৩৬,২৭০	৩৯২,০৩৫
	ভাড়া ও সেবা		৪৭৮,৭২৫	৫২৮,২০০
	মেরামত ও রক্ষণাবেক্ষণ		৫১৮,৫৪৯	৩৩২,৬৮০
	অবচয় ও অবনমন	৮(ক)১ এবং ৮(খ)১	১,১১৯,২৮২	১,২০৪,০২৬
	ভ্রমণ ও প্রশিক্ষণ		১৩৮,৬০৯	১২২,২২৭
	প্রিন্টিং ও স্টেশনারি		১৭,৫৪২	২০,০৭৬
	নিরাপত্তা ও সুরক্ষা		১৪২,০৫৮	১৩৯,৮৪৬
	পরিবেশক ব্যয়		৫৩০,৩৫৯	৫৪৬,১৯১
	বীমা		৯৭,৫১৩	৯৪,১৫০
	গবেষণা ও উন্নয়ন		৮,৬৮৫	১,৯৮৭
	স্পায়ার কনজাম্পশন		২১৫,৪৭৮	১২৭,০২৫
	অন্যান্য ব্যয়		২১৯,২৩১	২১৩,৭৪৩
			৫,৩৫৬,৭৪৯	৫,০৪৯,৮৮২

	টাকা	২০১৯	২০১৮
		টাকা (০০০)	টাকা (০০০)
<b>২৫</b>	<b>পরিচালন ব্যয়</b>		
	বেতন ও মজুরি	১,৩৩০,৪৩২	১,০৪৫,২৬৮
	পরিষেবা	২৫,০৭৮	৪১,০০৬
	ভাড়া ও সেবা	৩১৭,২৮০	৪১৮,২৮৭
	মেরামত ও রক্ষণাবেক্ষণ	১৮০,৪১৩	১৮১,৭১৮
	অবচয়	৩৯৩,১৭১	২০৭,৫৪২
	ভ্রমণ ও প্রশিক্ষণ	৩৫৪,৫৪৫	২৮৩,৬৯৭
	প্রিন্টিং ও স্টেশনারি	৫১,৫৩৬	৫২,০৫১
	নিরাপত্তা ও সুরক্ষা	৮৬,৩০০	৮২,০৭৪
	পরিবেশন ব্যয়	২১২,৫৪৯	১৮০,৩৩৫
	বীমা	৬,৩৩৫	৪,৩৮৩
	ব্যবসা সহায়ক ব্যয়	১,২২২,৪৪৮	৯৩৯,৫৫০
	সামাজিক দায়বদ্ধতা	৮৯,২৭৪	১০০,৫৮৯
	আইন, সাচিবিক ও পেশাগত ফি	২৫৪,৭৪৯	২২০,০৫৫
	নিরীক্ষা ফি	৯৫০	৯০০
	তথ্য-প্রযুক্তি	২৪৩,৭৫৩	২২৭,১৪৯
	কারিগরি ও পরামর্শক ফি	১,০১৪,০০০	৯১৮,৭৫৪
	বাজার গবেষণা ও পরিচালন ব্যয়	১,৭৪৯,৩৫১	১,৪৩৫,৩০৮
	অন্যান্য ব্যয়	৫৪৯,৩৯২	৩৮৫,০২৩
		<b>৮,০৮১,৫৫৭</b>	<b>৬,৭২৩,৬৯০</b>
<b>২৬</b>	<b>নেট আর্থিক আয়/(ব্যয়)</b>		
	দেখুন হিসাবরক্ষণ নীতির টাকা ৬ ড		
	সুদ আয়	১১০,৫৮৫	১১,৮৪১
	সুদ ব্যয়		
	ঋণ	(৪১৭,২৫৮)	(৪৮৫,৭৫৮)
	আইএফআরএস ১৬	(১৬৪,৬৯৩)	-
		<b>(৪৭১,৩৬৬)</b>	<b>(৪৭৩,৯১৬)</b>
<b>২৭</b>	<b>অপরিচালন আয়/(ব্যয়)</b>		
	সম্পত্তি, কারখানা ও যন্ত্রপাতির অপসারণ এবং আরওইউ থেকে লাভ/(ক্ষতি)	(১,৫৩৩)	(৪০,২০৩)
	অন্যান্য আয়	২৫,৮২৯	২৫,২০৭
		<b>২৪,২৯৬</b>	<b>(১৪,৯৯৬)</b>

২৭.১

বছরের অচলতি সম্পদ অপসারণ

	ব্যয়	পুঞ্জিত অবচয়	লিখিত মূল্য	বিক্রয় প্রক্রিয়া	লাভ/(ক্ষতি)	ক্রোতা/(অবলোপন)
	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
ফ্রিহোল্ড ভবন	(২,৯২৮)	২,২১৫	(৭১৪)	-	(৭১৪)	অবলোপন
আসবাব ও ফিকশচার	(৪৩,৩৫৫)	৩৬,৮১৯	(৬,৫৩৬)	-	(৬,৫৩৬)	অবলোপন
ল্যাবরেটরি যন্ত্রপাতি	(১০৬)	১০৬	(০)	-	(০)	অবলোপন
আইটি সরঞ্জাম	(১১,৪৪৬)	৫,৪৫৫	(৫,৯৯০)	-	(৫,৯৯০)	অবলোপন
ইজারা সম্পত্তি ও ভবন	(৫৮,৯১০)	১৩,৭৮১	(৩৭৯)	-	(৩৭৯)	অবলোপন
অফিস সরঞ্জাম	(২৫,৩৩৯)	১৬,৮৩০	(৮,৫০৯)	-	(৮,৫০৯)	অবলোপন
কারখানা ও যন্ত্রপাতি	(১৬,৯৪৫)	৮,৮৮৮	(৮,০৫৭)	-	(৮,০৫৭)	অবলোপন
যানবাহন	(৮১,৭৫১)	৮০,৮৫৫	(৮৯৬)	২৯,৫৪৮	২৮,৬৫৩	কোম্পানির কর্মী
<b>২০১৯</b>	<b>(২৪০,৭৮০)</b>	<b>১৬৪,৯৪৯</b>	<b>(৩১,০৮১)</b>	<b>২৯,৫৪৮</b>	<b>(১,৫৩৩)</b>	
<b>২০১৮</b>	<b>(৬৯৯,৩৬৩)</b>	<b>৫৫৮,৩২৩</b>	<b>(১৪১,০৪০)</b>	<b>১০০,৮৩৬</b>	<b>(৪০,২০৩)</b>	

সব সম্পদ অপসারণ হয়েছে কোম্পানির নীতি অনুযায়ী



	টাকা	২০১৯	২০১৮
		টাকা (০০০)	টাকা (০০০)
২৮	আয়কর ব্যয়		
	চলতি আয়কর		
	চলতি আয়কর চার্জ	২১	৮,৯৮৫,০৬৯
	বিলম্বিত কর:		
	তৈরির সঙ্গে সম্পর্কিত এবং সাময়িক ভিন্নতা বাদ দিয়ে	২৯	৩১৭,২২১
	লাভ বা ক্ষতি বিবরণীতে উল্লেখিত আয়কর ব্যয়		
		৮,১৫৭,৫৭৮	৯,৩০২,২৯০

২৮.১

কার্যকর কর হারের সমন্বয়সাধন

	২০১৯		২০১৮	
	%	টাকা (০০০)	%	টাকা (০০০)
কর পূর্ববর্তী মুনাফা		১৭,৪০৩,৯২৭		১৯,৩১৪,৩২৪
চলতি কর ব্যয়	৪০.৩৮%	৭,০২৮,৫২৩	৪৬.৫২%	৮,৯৮৫,০৬৯
বিলম্বিত কর ব্যয়	৬.৪৯%	১,১২৯,০৫৫	১.৬৪%	৩১৭,২২১
মোট কর ব্যয়	৪৬.৮৭%	৮,১৫৭,৫৭৮	৪৮.১৬%	৯,৩০২,২৯০
প্রযোজ্য হারে প্রত্যাশিত আয়কর	৪৭.৫০%	৮,২৬৬,৮৬৫	৪৭.৫০%	৯,১৭৪,৩০৪
পূর্ববর্তী বছরের সঙ্গে সমন্বয়	-২.৫৯%	(৪৫০,১৮৩)	-০.৩১%	(৬০,৫৭৬)
নন ডিডাকটেবল ব্যয়ের ওপর কর	-৪.৫৩%	(৭৮৮,১৫৯)	-০.৬৭%	(১২৮,৬৫৯)
কার্যকর চলতি কর	৪০.৩৮%	৭,০২৮,৫২৩	৪৬.৫২%	৮,৯৮৫,০৬৯
কার্যকর বিলম্বিত কর	৬.৪৯%	১,১২৯,০৫৫	১.৬৪%	৩১৭,২২১
	৪৬.৮৭%	৮,১৫৭,৫৭৮	৪৮.১৬%	৯,৩০২,২৯০

	টাকা	২০১৯	২০১৮
		টাকা (০০০)	টাকা (০০০)
২৯	বিলম্বিত কর (ব্যয়)/আয়		
	বছরের শুরুতে বিলম্বিত কর দায়সমূহ	১৭	২,৮৩৫,৫৭০
	বছরের শেষে বিলম্বিত কর দায়সমূহ	১৭	৩,১১২,৯৭৯
			(২৭৭,৪০৯)
	প্রত্যক্ষ ইকুইটিতে স্বীকৃত অ্যাকচুয়ারিয়াল ক্ষতির বিলম্বিত কর		১৬,৫১৪
	সরাসরি মুনাফায় স্বীকৃত বিলম্বিত কর (ব্যয়)/আয়		(৩১৭,২২১)
৩০	অন্যান্য সমন্বিত আয়		
	ডিফাইন্ড বেনিফিট প্ল্যানের অ্যাকচুয়ারিয়াল অর্জন/(ক্ষতি)-পারিতোমিক তহবিল		৯৭,০৮৮
	ডিফাইন্ড বেনিফিট প্ল্যানের অ্যাকচুয়ারিয়াল অর্জন/(ক্ষতি)-পেনশন তহবিল		(৬২,৬২২)
			৩৪,৭৬৬
	লেস: বিলম্বিত কর, অ্যাকচুয়ারিয়াল অর্জন/(ক্ষতি) নির্ধারিত বেনিফিট প্ল্যান-পারিতোমিক ৪৫%		(১৬,৫১৪)
	নির্ধারিত বেনিফিট প্ল্যানের ওপর নেট অ্যাকচুয়ারিয়াল অর্জন/(ক্ষতি)-ওসিআইয়ে চার্জযুক্ত পারিতোমিক		১৮,২৫২
	নির্ধারিত বেনিফিট প্ল্যানের ওপর নেট অ্যাকচুয়ারিয়াল অর্জন/(ক্ষতি)-ওসিআইয়ে চার্জযুক্ত		১৮,২৫২



	টাকা	২০১৯	২০১৮			
		টাকা (০০০)	টাকা (০০০)			
৩১	শেয়ার প্রতি আয়					
৩১.১	শেয়ার প্রতি মূল আয়					
	ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ডস (আইএএস) ৩৩: আর্নিংস পার শেয়ার অনুযায়ী শেয়ার প্রতি আয় (ইপিএস) হিসাব করা হয়। ইপিএসের গঠন নিচে দেয়া হলো					
	শেয়ারহোল্ডারদের মোট মুনাফা	৯,২৪৬,৩৪৯	১০,০১২,০৩৪			
	বাকি থাকা শেয়ারের ভারিত গড় সংখ্যা	১৮০,০০০	১৮০,০০০			
		টাকা	টাকা			
	শেয়ার প্রতি আয়	৫১.৩৭	৫৫.৬২*			
	মেয়াদের মধ্যে অর্থাৎ বছরের শুরুতে ধারণকৃত (আউটস্ট্যান্ডিং) সাধারণ শেয়ারের ভারিত (ওয়েটেড) গড় সংখ্যা হচ্ছে বছরের শুরুতে আউটস্ট্যান্ডিং সাধারণ শেয়ারের সংখ্যা, যা সমন্বয় করা হয়েছে টাইম-ওয়েটিং ফ্যাক্টর দিয়ে ওই সময়ে ইস্যুকৃত সাধারণ শেয়ারের সংখ্যা গুণ করে। টাইম-ওয়েটিং ফ্যাক্টর হচ্ছে বছরব্যাপী অর্থাৎ ২০১৯ সালের ১ জানুয়ারি থেকে ৩১ ডিসেম্বর পর্যন্ত সময়ের অনুপাতে কতদিন ধরে শেয়ারগুলো আউটস্ট্যান্ডিং ছিল। শেয়ারের ভারিত গড় সংখ্যা গণনা করা হয়েছে এটা ধরে নিয়ে যে, শেয়ারগুলো সবসময় ইস্যুকৃত ছিল। অর্থাৎ বছরের শুরুতে শেয়ারগুলো ইস্যু করা হয়েছিল।					
	*২০১৯ সালে প্রদেয় বোনাস শেয়ার বিবেচনা করে বর্তমান সর্বমোট শেয়ারের সঙ্গে ২০১৮ সালের ইপিএস পুনঃগণনা করা হয়েছে					
৩১.২	ডাইলুটেড শেয়ার প্রতি আয়					
	প্রযোজ্য নয় বলে হিসাব করা হয়নি।					
		টাকা	২০১৮			
৩২	পরিশোধিত লভ্যাংশ					
	প্রারম্ভিক অদাবিকৃত লভ্যাংশ	৪৬,৩৮৯	৪২,৭০৫			
	চূড়ান্ত ঘোষিত লভ্যাংশ					
	২০১৮/২০১৭ সালের জন্য নগদ লভ্যাংশ	৩,০৪৬,৩৮৯	৩,৬৪২,৭০৫			
		৩,০৪৬,৩৮৯	৩,৬৪২,৭০৫			
	সমাপনী অদাবিকৃত লভ্যাংশ	৩২.১	৪৬,৩৮৯			
	পরিশোধিত লভ্যাংশ	২,৯৯৬,৫৬৫	৩,৫৯৬,৩১৬			
৩২.১	অদাবিকৃত লভ্যাংশের সময় পর্যালোচনা					
		২০১৭ সালের পূর্বে	২০১৭	২০১৮	২০১৯	মোট
		টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
	০১ জানুয়ারি ২০১৯ সালে অদাবিকৃত লভ্যাংশ	৩৮,৬৬৫	৩,৫৯৯	৪,১২৬	-	৪৬,৩৮৯
	৩১ ডিসেম্বর ২০১৯ সালে অদাবিকৃত লভ্যাংশ	৩৮,৪২১	৩,৪৮৫	৪,০৭৩	৩,৮৪৫	৪৯,৮২৪
৩৩	বৈদেশিক মুদ্রার প্রবাহ					
				২০১৯	২০১৮	
				ইউএসডি (০০০)	ইউএসডি (০০০)	
	রয়্যালটি লভ্যাংশ			৫,২৬০	৪,৮৫৩	
	লভ্যাংশ			২৩,২৯৬	২৭,৫৩২	
				২৮,৫৫৬	৩২,৩৮৫	
				২০১৯	২০১৮	
				জিবিপি (০০০)	জিবিপি (০০০)	
	কারিগরী ও পরামর্শক ফি			৭,৯৬৭	৬,৯৬১	
				৭,৯৬৭	৬,৯৬১	



রয়্যালটির মধ্যে আছে ২০১৬ সালে বেনসন অ্যান্ড হেজেস ও পলএণ্ড বিক্রির মাধ্যমে।

কারিগরী ও পরামর্শক ফি সৃষ্টি হয়েছে। বাংলাদেশ বিনিয়োগ উন্নয়ন কর্তৃপক্ষের (বিডা) অনুমোদনক্রমে তা বাইরে পাঠানো হয়েছে। এটা পাঠানো হয়েছে আইন অনুযায়ী কর বাদ দিয়ে।

৩৪ কস্ট, ইন্স্যুরেন্স অ্যান্ড ফ্রেইটের (সিআইএফ) ভিত্তিতে আমদানি মূল্য	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)
কাঁচামাল ও মোড়কিকরণ দ্রব্য	১,৭৭২,৪৮৫	১,৮৮৯,৮৯৮
স্পেয়ার ও অন্যান্য	১,৪৫২,১৪১	৯৬৪,৩৭৩
মূলধনী পণ্য	৫৪১,৯১৯	২,৫১২,৪০১
	৩,৭৬৬,৫৪৫	৫,৩৬৬,৬৭২

৩৫ তামাক পাতা রফতানি থেকে আয়	২০১৯	২০১৮
	ইউএসডি (০০০)	ইউএসডি (০০০)
তামাক পাতা রফতানি আয়	৪৪,৫৪৪	২৯,১৬৬

৩৬ সক্ষমতা  
কোম্পানি নিরবচ্ছিন্ন পরিচালনের ভিত্তিতে কাজ করে এবং স্থাপিত যন্ত্রপাতির কনফিগারেশন ও পরিকল্পিত সম্প্রসারণের নিরিখে বলা যায়, বিভিন্ন ধরনের স্পেসিফিকেশন (যেমন ফিল্টার) ও প্যাকেজিং (হিঞ্জ লিড, শেল ও স্লাইড) কনফিগারেশনের ভবিষ্যত যে চাহিদা তা পূরণে কোম্পানির সক্ষমতা রয়েছে।

সিগারেটের প্রকৃত উত্পাদন (মিলিয়ন শলাকা)	২০১৯	২০১৮
		৫০,১৫১

৩৭ অংশভিত্তিক প্রতিবেদন  
কোম্পানি বাংলাদেশে স্থায়ীভাবে অবস্থিত। সিগারেট থেকে মোট রাজস্বের পরিমাণ ২৬৬,০৮ মিলিয়ন টাকা (২০১৮: ২৩০,৬৭৪ মিলিয়ন)। কোম্পানির এমন কোনো অচলতি সম্পদ নেই যার অবস্থান দেশের বাইরে।

সিগারেট বিক্রির রাজস্বের ৪৩,৫৫৩ মিলিয়ন টাকা (২০১৮: ৪১,৩৮৫) এসেছে একক গ্রাহকের কাছে বিক্রি থেকে।

প্রাথমিকভাবে কোম্পানি বাংলাদেশে সিগারেট উৎপাদন ও বিক্রির সঙ্গে জড়িত এবং অভ্যন্তরীণ রিপোর্টিং পদ্ধতি এটাকে কেন্দ্র করেই। যদিও বিস্তৃত ব্র্যান্ড পোর্টফোলিওর অধীনে কোম্পানির সুনির্দিষ্টভাবে আলাদা আলাদা ব্র্যান্ড ও ভাগ আছে তারপরও এটা প্রধান পরিচালন সিদ্ধান্ত প্রণেতার জন্য নিয়মিত অভ্যন্তরীণ আর্থিক তথ্যের ক্ষেত্রে এটা অবিচ্ছেদ্য অংশ নয়। উচ্চতর হিসাব ছাড়া কোম্পানির আর্থিক ফলাফল প্রত্যভিত্তিক আলাদা করা সম্ভব নয়।

এর বাইরে কোম্পানি বাংলাদেশের বাইরে তামাক পাতা রফতানি করছে, যা থেকে মোট নেট আয়ের ১০% আসছে। সিগারেট বিক্রি এবং রফতানি আয়ের ব্রেকআপ টাকা ২৩-এ উপস্থাপন করা হয়েছে।

৩৮ আমদানিকৃত ও স্থানীয় কাঁচামালের ব্যবহার

	২০১৯		২০১৮	
	মোড়কীকরণ দ্রব্য	তামাক পাতা	মোড়কীকরণ দ্রব্য	তামাক পাতা
	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
<b>আমদানিকৃত:</b>				
প্রারম্ভিক	২,৪০৩,৯৬১	৭২৪,৪১২	১,০৯২,১১৭	২৬৯,০৪০
ক্রয়	৩,৫৮৮,৯৪৭	১,০৯১,৭০৫	৫,৮৭১,৩০৯	১,৮৬৩,০৬০
ব্যবহার	(৫,০০৬,৩৪৯)	(১,৪০৯,০৩৯)	(৪,৫৫৯,৪৬৪)	(১,৪০৭,৬৮৮)
<b>সমাপনী (এ)</b>	<b>৯৮৬,৫৬০</b>	<b>৪০৭,০৭৮</b>	<b>২,৪০৩,৯৬১</b>	<b>৭২৪,৪১২</b>
<b>অভ্যন্তরীণ:</b>				
প্রারম্ভিক	৯০,৫৮২	১০,১৩৩,৩৭৩	৪৬,৫২৬	৬,৮৪০,৮৯৯
ক্রয়	৫,৬৮৯,২৩২	১১,৪৭৬,৫৫৯	৫,০৬২,০৯৯	১২,৮৫৪,৫৫৩
ব্যবহার	(৫,৬৬৯,৫৯২)	(৮,৫৫৪,৫৩১)	(৫,০১৮,০৪৩)	(৭,৮১৬,২৫৩)
রফতানি		(৩,০৫৮,৭৫৭)	-	(১,৭৪৫,৮২৭)
<b>সমাপনী (বি)</b>	<b>১১০,২২২</b>	<b>১০,০৯৬,৬৪৪</b>	<b>৯০,৫৮২</b>	<b>১০,১৩৩,৩৭৩</b>
<b>সমাপনী মজুদ (এ+বি)</b>	<b>১,০৯৬,৭৮১</b>	<b>১০,৫০৩,৭২২</b>	<b>২,৪৯৪,৫৪৩</b>	<b>১০,৮৫৭,৭৮৫</b>

৩৯

## আর্থিক উপাদানসমূহ-বাজারমূল্য ও ঝুঁকি ব্যবস্থাপনা

## ক. হিসাবরক্ষণ শ্রেণীকরণ এবং বাজারমূল্য

নিচের সারণীতে আর্থিক সম্পদ ও আর্থিক দায়ের প্রযোজ্য ক্ষেত্রে চলতি পরিমান এবং বাজারমূল্য দেখানো হয়েছে। চলতি পরিমান যদি যৌক্তিকভাবে বাজারমূল্যের কাছাকাছি না হয় তাহলে বাজারমূল্যে পরিমাপ না করা আর্থিক সম্পদ ও আর্থিক দায়ের তথ্য এখানে দেখানো হয় না।

যখন কোনো আর্থিক সম্পদ বা আর্থিক দায়ের বাজারমূল্য পরিমাপ করা হয় তখন কোম্পানি যতটা সম্ভব বাজার উপাত্ত ব্যবহার করে। মূল্যায়ন পদ্ধতিতে ব্যবহৃত উপাত্তের ভিত্তিতে বাজারমূল্যকে বিভিন্ন স্তরে শ্রেণী বিভক্ত করা হয়।

স্তর ১: ক্রিয়াশীল বাজারে একই ধরনের সম্পদ ও দায়ের জন্য উদ্ধৃত মূল্য (অসম্মিত)।

স্তর ২: স্তর ১এ অন্তর্ভুক্ত উদ্ধৃত মূল্য ব্যতীত অন্যান্য উপাত্ত, যা সম্পদ বা দায়ের ক্ষেত্রে প্রত্যক্ষ (যেমন মূল্য) বা পরোক্ষভাবে (যেমন মূল্য থেকে উৎসারিত) পর্যবেক্ষণযোগ্য।

স্তর ৩: সম্পদ বা দায়ের জন্য উপাত্ত, যেগুলো পর্যবেক্ষণযোগ্য বাজার উপাত্তের (অপর্যবেক্ষণযোগ্য উপাত্ত) ভিত্তিতে নয়।

যদি কোনো সম্পদ বা দায়ের বাজারমূল্য পরিমাপে উপাত্ত ব্যবহার করা হয় তাহলে তাকে বাজারমূল্য হায়ারার্কির বিভিন্ন স্তরে শ্রেণীবিন্যাসিত করা হয়। তারপর বাজারমূল্যের পরিমাপকে শ্রেণীবিন্যাসিত করা হয় হায়ারার্কির একই স্তরে। কারণ পুরো পরিমাপের জন্য নিম্ন স্তরের উপাত্ত খুবই তাৎপর্যপূর্ণ।

রিপোর্টিং সময়কালের শেষান্তে যখন স্থানান্তরগুলো হয়ে থাকে সেই সময় কোম্পানি বাজারমূল্য হায়ারার্কির বিভিন্ন স্তরের মধ্যে স্থানান্তরের স্বীকৃতি দিয়ে থাকে।



টাকা	চলতি মূল্য										বাজারমূল্য			
	ট্রেডিংয়ের জন্য	বাজারমূল্যে চিহ্নিত	বাজারমূল্যে হেজিং উপকরণ	মেয়াদপূর্তির জন্য ধারণ করা	খণ্ড ও পাওনা	বিক্রয়ের জন্য পর্যাপ্ত	অন্যান্য আর্থিক দায়	মোট পরিমান	স্র ১	স্র ২	স্র ৩	স্র ৪	বাজারমূল্য	
													টাকা (০০০)	টাকা (০০০)
৩১ ডিসেম্বর ২০১৯														
<b>বাজারমূল্যে আর্থিক সম্পদ পরিমাপ</b>														
১০	-	-	-	-	২,৩০৯,৯১৬	-	-	২,৩০৯,৯১৬	-	-	-	-	-	২,৩০৯,৯১৬
১১	-	-	-	-	-	-	-	-	-	-	-	-	-	-
১২	-	-	-	-	-	-	-	-	-	-	-	-	-	-
					২,৩০৯,৯১৬			২,৩০৯,৯১৬						২,৩০৯,৯১৬
<b>বাজারমূল্যে পরিমাপ না করা আর্থিক সম্পদ</b>														
১১	-	-	-	-	১২,৬৩৬	-	-	১২,৬৩৬	-	-	-	-	-	১২,৬৩৬
১২	-	-	-	-	৫,৩৯২,৯৮৭	-	-	৫,৩৯২,৯৮৭	-	-	-	-	-	৫,৩৯২,৯৮৭
					৫,৪০৫,৬২৩			৫,৪০৫,৬২৩						৫,৪০৫,৬২৩
<b>বাজারমূল্যে পরিমাপ না করা আর্থিক দায়</b>														
১৮	-	-	-	-	-	-	-	-	-	-	-	-	-	-
১৯	-	-	-	-	-	-	-	-	-	-	-	-	-	-
২০	-	-	-	-	-	-	১২,২৩৭,০৫৩	১২,২৩৭,০৫৩	-	-	-	-	-	১২,২৩৭,০৫৩
					-	-	১২,২৩৭,০৫৩	১২,২৩৭,০৫৩						১২,২৩৭,০৫৩

টাকা	চলতি মূল্য										বাজারমূল্য			
	ট্রেডিংয়ের জন্য	বাজারমূল্যে চিহ্নিত	বাজারমূল্যে হেজিং উপকরণ	মেয়াদপূর্তির জন্য ধারণ করা	খণ্ড ও পাওনা	বিক্রয়ের জন্য পর্যাপ্ত	অন্যান্য আর্থিক দায়	মোট পরিমান	স্র ১	স্র ২	স্র ৩	স্র ৪	বাজারমূল্য	
													টাকা (০০০)	টাকা (০০০)
৩১ ডিসেম্বর ২০১৮														
<b>বাজারমূল্যে পরিমাপ না করা আর্থিক সম্পদ</b>														
১০	-	-	-	-	৪,১৭৪,১২৫	-	-	৪,১৭৪,১২৫	-	-	-	-	-	-
১১	-	-	-	-	১২,৬৩৬	-	-	১২,৬৩৬	-	-	-	-	-	-
১২	-	-	-	-	১,৬৩২,৭৯৪	-	-	১,৬৩২,৭৯৪	-	-	-	-	-	-
					৫,৮০৯,৫৫৫			৫,৮০৯,৫৫৫						৫,৮০৯,৫৫৫
<b>বাজারমূল্যে পরিমাপ না করা আর্থিক দায়</b>														
১৮	-	-	-	-	-	-	৭৯৯,৮৮০	৭৯৯,৮৮০	-	-	-	-	-	-
১৯	-	-	-	-	-	-	৪,৩৮০,০০০	৪,৩৮০,০০০	-	-	-	-	-	৪,৩৮০,০০০
২০	-	-	-	-	-	-	১১,৭৫৭,২১৯	১১,৭৫৭,২১৯	-	-	-	-	-	-
					-	-	১৬,৯৬৭,০৯৯	১৬,৯৬৭,০৯৯						১৬,৯৬৭,০৯৯

খ. আর্থিক ঝুঁকি ব্যবস্থাপনা

আর্থিক উপকরণ ব্যবহার থেকে নিম্নলিখিত তিন ধরনের ঝুঁকি থাকে কোম্পানির:

- ১) ঋণ ঝুঁকি
- ২) তারল্য ঝুঁকি
- ৩) বাজার ঝুঁকি

কোম্পানির ঋণ ঝুঁকি ব্যবস্থাপনার রূপরেখা প্রতিষ্ঠা এবং দেখভালের সার্বিক দায়িত্ব পরিচালনা পর্ষদের। কোম্পানিকে মুখোমুখি হতে হয় এমন ঝুঁকি চিহ্নিত করা ও বিশ্লেষণ করার জন্য রয়েছে ঝুঁকি ব্যবস্থাপনা নীতি। বাজারের অবস্থা ও কোম্পানির কার্যক্রমের পরিবর্তনের সঙ্গে সঙ্গতি রেখে ঝুঁকি ব্যবস্থাপনা নীতি, কার্যাবলী ও পদ্ধতি নিয়মিত পর্যালোচনা করা হয়। কোম্পানির সামনে থাকা নিম্নলিখিত প্রতিটি ঝুঁকি, এসব ঝুঁকি পরিমাপ ও ব্যবস্থাপনার জন্য কোম্পানির উদ্দেশ্য, নীতি ও পদ্ধতি এবং কোম্পানির মূলধন ব্যবস্থাপনার তথ্য এই টীকায় বর্ণিত হয়েছে।

১) ঋণ ঝুঁকি

ঝুঁকি ঝুঁকি হচ্ছে আর্থিক ঝুঁকি। কোনো গ্রাহক বা কোনো আর্থিক উপকরণের অপরপক্ষ যদি চুক্তির বাধ্যবাধকতা পরিপালনে ব্যর্থ হয় এবং প্রাথমিকভাবে গ্রাহক বা কোনো পক্ষের কাছে পাওনা জমে গেলে এ ঝুঁকি সৃষ্টি হয়।

এজন্য কোম্পানির ঋণ নীতি আছে এবং নিয়মিত ভিত্তিতে ঋণ ঝুঁকি তদারক করা হয়। তদারকির অংশ হিসেবে ঝুঁকির ধরণ যেমন সেগুলোর আইনগত অবস্থা, আর্থিক অবস্থা ও সময়ের ভিত্তিতে পাওনাগুলোকে গ্রুপভুক্ত করা হয়। পাওনার ভিত্তিতে কোম্পানির ঋণ ঝুঁকি মূলত গ্রাহকের কারণেই সৃষ্টি হয়।

ঝুঁকিতে পড়ার সর্বোচ্চ আশঙ্কা তৈরি হয় প্রত্যেকটি আর্থিক সম্পদের চলতি পরিমানসমূহ থেকে যা আর্থিক অবস্থার বিবরণীতে উল্লেখ করা হয়।

প্রত্যাশিত অনাদায়ী ক্ষতি (ক্রেডিট লস) পরিমাপে প্রত্যেক রিপোর্টিং তারিখে একটি প্রভিশন মেট্রিক্স ব্যবহার করে ইমপেয়ারমেন্ট অ্যানালাইসিস করা হয়। পাওনা অর্থ কতদিন ধরে অনাদায়ী তার ওপর ভিত্তি করে প্রভিশন হার নির্ণয় করা হয়। ক্ষতির প্যাটার্ন প্রায় একই এমন বিভিন্ন গ্রাহক/ভোক্তা অংশকে গ্রুপভুক্ত করতে এটা করা হয়। আর এ গণনায় সম্ভাব্যতা-ভারিত ফলাফল (প্রব্যাবিলিটি-ওয়েটেড আউটকাম), টাইম ড্যালু অব মানির পাশাপাশি রিপোর্টিং তারিখে সহজলভ্য অতীত ঘটনা, বর্তমান পরিস্থিতি এবং ভবিষ্যৎ অর্থনৈতিক পরিস্থিতির পূর্বাভাস বিষয়ে যুক্তিসঙ্গত ও সমর্থনযোগ্য তথ্য উঠে আসে। সাধারণত অতীতের কোনো পাওনা (বাণিজ্য প্রাপ্য) এক বছরের বেশি সময় ধরে অনাদায়ী থাকলে এবং এনফোর্সমেন্ট কার্যক্রমের বিষয়ভুক্ত না হলে তা রাইট-অফ করা হয়। ঋণপত্র (লেটার অব ক্রেডিট) বাণিজ্য প্রাপ্যের অবিচ্ছেদ্য অংশ হিসেবে বিবেচিত হয় এবং ইমপেয়ারমেন্ট বা ক্ষতি গণনায়ও এটা বিবেচনা করা হয়।

প্রভিশন ম্যাট্রিক্স প্রয়োগ করে গ্রুপের ব্যবসা পাওনা ও কন্ট্রাস্ট অ্যাসেটের ওপর ঝুঁকি নিচে দেখানো হলো:

৩১ ডিসেম্বর ২০১৯	ব্যবসা পাওনাসমূহ					
	বকেয়ার মেয়াদ					
	চলতি	< ৩০ দিন	৩০-৯০ দিন	৩০-৯০ দিন	১৮১-৩৬৫ দিন	> ৩৬৫ দিন
টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	
ঝুঁকি প্রত্যাশিত হার	০.০৫%	০.০৬%	০.০৭%	০.০৮%	০.০৯%	১০%
প্রাক্কলিত মোট	২,৩০৪,২৬২	-	-	-	-	-
খেলাপির চলতি পরিমান						
প্রত্যাশিত ঋণ ক্ষতি	১,১৫২	-	-	-	-	-

৩১ ডিসেম্বর ২০১৮	ব্যবসা পাওনাসমূহ					
	বকেয়ার মেয়াদ					
	চলতি	< ৩০ দিন	৩০-৯০ দিন	৩০-৯০ দিন	১৮১-৩৬৫ দিন	> ৩৬৫ দিন
টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	
প্রত্যাশিত ক্রেডিট লস রেট	০.০৫%	০.০৬%	০.০৭%	০.০৮%	০.০৯%	১০%
অনুমিত মোট গ্রস	২২৯,৭০৭	৩,৪২৮,৬৪৯	-	-	-	-
প্রত্যাশিত ক্রেডিট লস	১১৫	২,০৫৭	-	-	-	-



	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)

### ক) ঋণ ঝুঁকিতে পড়ার আশঙ্কা

অবশিষ্ট আর্থিক সম্পদের চলতি পরিমানেই সর্বোচ্চ ঋণ ঝুঁকির বিষয়টি প্রকাশ হয়। রিপোর্টিং তারিখে সর্বোচ্চ ঋণ ঝুঁকি ছিল:

		২০১৯	২০১৮
অগ্রিম, আমানত ও পূর্ব পরিশোধসমূহ	১১	১২,৬৩৬	১২,৬৩৬
ব্যাংকে নগদ	১২	৫,৩৯২,৯৮৭	১,৬৩২,৭৯৫
		৫,৪০৫,৬২৩	১,৬৪৫,৪৩১

### খ) ব্যবসা ও অন্যান্য পাওনার সময়

৩১ ডিসেম্বর পর্যন্ত ব্যবসা ও অন্যান্য পাওনাসমূহের বয়স যার অবনতি হয়নি তা হলো:

	২০১৯	২০১৮
৩০ দিনের বকেয়া	২,৪৮২,১৭৮	৩,৮১২,৪১০
৩১-৯০ দিনের বকেয়া	১৪,১২৮	৩৫৫,১১১
৯১-১৮০ দিনের বকেয়া	৮৮,২৪৬	-
১৮০ দিনের বেশি সময় বকেয়া	২৫,৩৬৫	৮,৭৭৫
	২,৬০৯,৯১৭	৪,১৭৬,২৯৬

### ২) তারল্য ঝুঁকি

তারল্য ঝুঁকি হচ্ছে সেইসব ঝুঁকি যখন কোম্পানি তার আর্থিক দায় পরিশোধে অসুবিধার মধ্যে পড়ে এবং সেগুলো পরিশোধ করা হয় আর্থিক সম্পদ প্রদানের মাধ্যমে। তারল্য ব্যবস্থাপনায় কোম্পানির মনোভাব হচ্ছে, এটা নিশ্চিত করা যে যতদূর সম্ভব তার কাছে যথেষ্ট পরিমাণে তারল্য থাকবে তার যখন দায় বকেয়া থাকবে তা পরিশোধ করার জন্য যে কোনো স্বাভাবিক ও বিপজ্জনক অবস্থায় কোনো ধরনের অগ্রহণযোগ্য ক্ষতি তৈরি অথবা কোম্পানির সুনামের ক্ষেত্রে কোনো ধরনের প্রভাব না ফেলে। সাধারণভাবে কোম্পানি নিশ্চিত করে যে তার কাছে যথেষ্ট পরিমাণে নগদ ও নগদ সমতুল্য সম্পদ রয়েছে প্রত্যাশিত পরিচালনা ব্যয় নির্বাহের জন্য। এর মধ্যে আছে নগদ প্রবাহ পূর্বাভাস প্রস্তুতির মধ্য দিয়ে ফাইন্যান্সিয়াল অবলিগেশন, টাইম লাইন ভিত্তিতে ফাইন্যান্সিয়াল অবলিগেশন পরিশোধ এবং সে অনুযায়ী পর্যাপ্ত তারল্য বা তহবিলের ব্যবস্থা করা যাতে নির্ধারিত সময়ে প্রত্যাশিত পাওনা পরিশোধ করা যায়। অধিকন্তু, প্রয়োজনীয় পাওনা পরিশোধে নগদের ঘাটতির মতো ঘটনার উত্তর হলে তফসিলি বাণিজ্যিক ব্যাংক থেকে কোম্পানি স্বল্প মেয়াদী ঋণ গ্রহণ করে। তারল্য প্রবাহ প্রাক্কলনের মাধ্যমে আগেই প্রয়োজনসমূহ নির্ধারণ করা হয় এবং সে অনুযায়ী ব্যাংকের সঙ্গে ক্রেডিট লাইন নিয়ে আলোচনা হয়।

আর্থিক দায়ের চুক্তিভিত্তিক মেয়াদপূর্তি হলো:

৩১ ডিসেম্বর ২০১৯	টাকা	চুক্তিভিত্তিক নগদ প্রবাহ						
		চলতি পরিমাণ	মোট	৬ মাস বা কম	৬-১২ মাস	১-২ বছর	২-৫ বছর	৫ বছরের বেশি
		টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
ব্যবসা ও অন্যান্য পাওনা	২০	১২,২৩৭,০৫৩	১২,২৩৭,০৫৩	৮,২৭৭,৬৬৩	১,৫০৭,৬০০	১,৬০৯,৭২১	৮৪২,০৬৯	-
		১২,২৩৭,০৫৩	১২,২৩৭,০৫৩	৮,২৭৭,৬৬৩	১,৫০৭,৬০০	১,৬০৯,৭২১	৮৪২,০৬৯	-

এটা প্রত্যাশিত নয় যে মেয়াদপূর্তি বিশ্লেষণে অন্তর্ভুক্ত নগদ প্রবাহ এর আগে কিংবা ভিন্ন কোনো অ্যামাউন্টে ঘটতে পারে।

৩১ ডিসেম্বর ২০১৮	টাকা	চুক্তিভিত্তিক নগদ প্রবাহ						
		চলতি পরিমাণ	মোট	৬ মাস বা কম	৬-১২ মাস	১-২ বছর	২-৫ বছর	৫ বছরের বেশি
		টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
ব্যবসা ও অন্যান্য পাওনা	২০	১১,৭৫৭,২১৯	১০,৫২০,৬১৭	৭,৯৪২,১১৫	৯১৭,৬২১	১,৬৪৪,১২১	১৬,৭৬০	-
		১১,৭৫৭,২১৯	১০,৫২০,৬১৭	৭,৯৪২,১১৫	৯১৭,৬২১	১,৬৪৪,১২১	১৬,৭৬০	-

এটা প্রত্যাশিত নয় যে মেয়াদপূর্তি বিশ্লেষণে অন্তর্ভুক্ত নগদ প্রবাহ এর আগে কিংবা ভিন্ন কোনো অ্যামাউন্টে ঘটতে পারে।

### ৩) বাজার ঝুঁকি

বাজার মূল্যে কোনো ধরনের পরিবর্তন যেমন, বৈদেশিক মুদ্রার বিনিময় হার এবং সুদ হারে পরিবর্তন যার ফলে কোম্পানির আয় বা ধারণকৃত আর্থিক উপাদানগুলোর ওপর প্রভাব পড়ে তাকে বাজার ঝুঁকি বলে। বাজার ঝুঁকি ব্যবস্থাপনার উদ্দেশ্য হলো মুনাফা বাড়ানোর পাশাপাশি ঝুঁকিকে গ্রহণযোগ্য মাত্রার মধ্যে নিয়ন্ত্রিত রাখা।

### ক) মুদ্রা ঝুঁকি/বৈদেশিক মুদ্রা বিনিময় হার ঝুঁকি

বিভিন্ন বৈদেশিক মুদ্রা যেমন মার্কিন ডলার (ইউএসডি), ইউরো (ইইউআর) এবং ব্রিটিশ পাউন্ড (জিবিপি) থেকেই মূলত কোম্পানি মুদ্রা ঝুঁকিতে পড়ে। স্বীকৃত সম্পদ ও দায়ের ভবিষ্যত বাণিজ্যিক লেনদেন বৈদেশিক মুদ্রার ঝুঁকি তৈরি হয়। ব্যবস্থাপনা কর্তৃপক্ষ কার্যকর মুদ্রার বিপরীতে বৈদেশিক মুদ্রার ঝুঁকি ব্যবস্থাপনা করে ট্রেজারি নীতি মেনে।

## অ. মুদ্রা বৃদ্ধির মুখোমুখি

কোম্পানির মুদ্রা বৃদ্ধির মুখোমুখি হওয়ার বিষয়টি ছিল নিম্নরূপ:

৩১ ডিসেম্বর ২০১৯	ইউএসডি	জিবিপি	ইইউআর
	০০০	০০০	০০০
বৈদেশিক মুদ্রা ডিনমিনেটেড সম্পদ			
ব্যাংকে নগদ	৯,৮৯৪	-	-
ব্যবসা পাওনা	-	-	-
আন্তঃকোম্পানি পাওনা	১,৮৬২	-	-
	১১,৭৫৬	-	-
বৈদেশিক মুদ্রা ডিনমিনেটেড দায়সমূহ			
ব্যবসা পরিশোধযোগ্য	৯,৬২৬	২২,৩৫০	১৯১
আন্তঃকোম্পানি পরিশোধযোগ্য	৫,৫৬৯	-	১২
	১৫,১৯৫	২২,৩৫০	২০৩
নেট এফপাজার	(৩,৪৩৮)	(২২,৩৫০)	(২০৩)
৩১ ডিসেম্বর ২০১৮	ইউএসডি	জিবিপি	ইইউআর
	০০০	০০০	০০০
বৈদেশিক মুদ্রা ডিনমিনেটেড সম্পদসমূহ			
ব্যাংকে নগদ	১৩,৬১১	-	-
ব্যবসা পাওনা	-	-	-
আন্তঃকোম্পানি পাওনা	-	-	-
	১৩,৬১১	-	-
বৈদেশিক মুদ্রা ডিনমিনেটেড দায়সমূহ			
ব্যবসা পরিশোধযোগ্য	১২,৬৩২	১,১৩৭	২৫
আন্তঃকোম্পানি পরিশোধযোগ্য	৮,৮৩৯	২১,৬৪৪	১৫৬
	২১,৪৭১	২২,৭৮১	১৮১
নেট এফপাজার	(৭,৮৬০)	(২২,৭৮১)	(১৮১)

বাংলাদেশি মুদ্রার বিপরীতে নিম্নের গুরুত্বপূর্ণ বিনিময় হার প্রয়োগ করা হয়েছে:

	গড় হার		বছরান্তে স্পট হার	
	২০১৯	২০১৮	২০১৯	২০১৮
ইউএসডি ১	৮৪.৫১	৮৩.৭০	৮৪.৯৫	৮৩.৯৫
জিবিপি ১	১০৯.৯৮	১১৩.৭৫	১১৩.৬৭	১০৮.০৫
ইইউআর ১	৯৬.৮৮	১০১.২৩	৯৭.৩৫	৯৭.৯২

## আ) বৈদেশিক মুদ্রা খরচের ক্ষেত্রে বিনিময় হার সংবেদনশীলতা বিশ্লেষণ

সংবেদনশীলতা বিশ্লেষণ

ইউএস ডলার, ইউরো ও ব্রিটিশ পাউন্ডের বিপরীতে টাকার সম্ভাব্য শক্তিশালী হয়ে ওঠা বা দুর্বল হওয়ার প্রেক্ষিতে রিপোর্টিং তারিখে কোম্পানির ইকুইটি কি পরিমাণ শক্তিশালী (দুর্বল) এবং লাভ বা ক্ষতি হতে পারে নিম্নে তা দেখানো হলো। এই বিশ্লেষণ করা হয়েছে বৈদেশিক মুদ্রার বিনিময় হারের ভিন্নতার ওপর ভিত্তি করে, রিপোর্টিং তারিখে কোম্পানি যাকে যৌক্তিকভাবে সম্ভব বলে মনে করেছে। কোম্পানি মনে করে অন্য সব চলক, বিশেষ করে বিনিময় হার স্থির থাকবে এবং পূর্বাভাসকৃত বিক্রয় ও ক্রয়ের প্রভাবকে অগ্রাহ্য করবে।

২০১৯	শক্তিশালীকরণ মুনাফা বা (ক্ষতি)	দুর্বলকরণ মুনাফা বা (ক্ষতি)
ইউএসডি (৫% মুভমেন্ট)	১৪,৬০৩	(১৪,৬০৩)
জিবিপি (৫% মুভমেন্ট)	১২৭,০২৮	(১২৭,০২৮)
ইইউআর (৫% মুভমেন্ট)	৯৮৯	(৯৮৯)
	১৪২,৬১৯	(১৪২,৬১৯)

২০১৮	শক্তিশালীকরণ মুনাফা বা (ক্ষতি)	দুর্বলকরণ মুনাফা বা (ক্ষতি)
ইউএসডি (৫% মুভমেন্ট)	৩২,৯৯৩	(৩২,৯৯৩)
জিবিপি (৫% মুভমেন্ট)	১২৩,০৭৪	(১২৩,০৭৪)
ইইউআর (৫% মুভমেন্ট)	৮৮৫	(৮৮৫)
	১৫৬,৯৫২	(১৫৬,৯৫২)

খ) সুদ হার ঝুঁকি

ঋণের সুদ হারের পরিবর্তনের ফলে এই ঝুঁকি তৈরি হয়। বর্তমানে কোম্পানির এমন কোনো ঋণ নেয় যা সুদ হার ঝুঁকি তৈরি করতে পারে।

আইএফআরএস ১৬ লিজের অ্যামোর্টাইজড ব্যয় নির্ধারণে ব্যবহৃত সুদ হার:

	২০১৯	২০১৮
ইজারা দায়	১০%	-

৪০

সংশ্লিষ্ট পক্ষের সঙ্গে লেনদেন

ক) গুরুত্বপূর্ণ ব্যবস্থাপনা কর্মকর্তাদের সঙ্গে লেনদেন

গুরুত্বপূর্ণ ব্যবস্থাপনা কর্মকর্তাদের প্রদেয় আর্থিক সুবিধা নিম্নরূপ:

	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)
সভায় হাজিরা ফি	৮৭	৭৭
সভা বাবদ ফি	৫,১৩৩	৪,৫১৪
বেতন	৮৭,৩২৮	৯৮,৮৩৪
অবসর সুবিধা স্কিম	১০,২৮৫	৯,১৫৯
চিকিৎসা ও কল্যাণমূলক ভাতা	৮৬	১৭১
আবাসন	১৮,১২৫	১৬,৫৫০
	১২১,০৪৪	১২৯,৩০৪

খ) অন্যান্য সংশ্লিষ্ট পক্ষের সঙ্গে লেনদেন

কোম্পানি ব্যবসার স্বাভাবিক গতির ভিত্তিতে নিরাপদ দুরত্ব বজায় রেখে সংশ্লিষ্ট পক্ষসমূহের সঙ্গে লেনদেন পরিচালনা করেছে। এসব সংশ্লিষ্ট পক্ষের নাম, লেনদেনের ধরণ এবং সার্বিক মূল্য আইএএস ২৪: রিলেটেড পার্টি ডিসক্লোজারে দেখানো হয়েছে।

	সম্পর্ক	৩১ ডিসেম্বর সমাপ্ত হিসাব বছরে লেনদেনের মূল্য		৩১ ডিসেম্বর পর্যন্ত পুঞ্জিত পাওনা/ (পরিশোধযোগ্য)	
		২০১৯	২০১৮	২০১৯	২০১৮
		টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
<b>আয়</b>					
<b>ক. তামাক পাতা, সিগারেট রফতানি ও পণ্য বিক্রি</b>					
বিএটি (জিএউপি) লিমিটেড	বিএটি গ্রুপ কোম্পানি	১,৫৩৪,৮০১	৭৮৫,৩৬৪	৮৬৩	৮৪৯
পিটিসিএও	বিএটি গ্রুপ কোম্পানি	৩৬৬,৩০৯	৫২৫,৩৩৯	৬১,০৭৭	২৫,৫৫৫
বিএটি (সিঙ্গাপুর) পিটিই লি.	বিএটি গ্রুপ কোম্পানি	৬৬,২৭৫	-	-	-
সেন্ট্রাল ম্যানুফ্যাকচারিং কোম্পানি পিটিই লি.	বিএটি গ্রুপ কোম্পানি	২৩,৪১৭	-	-	-
		১,৯৯০,৮০২	১,৩১০,৭০৩	৬১,৯৪০	২৬,৪০৫
<b>খ. অন্যান্য ফি</b>					
প্রাপ্ত/প্রাপ্য অন্যান্য ফি:					
বিএটি হোল্ডিংস লিমিটেড	হোল্ডিং কোম্পানি	২০,৪৭০	১,১০৫	১০,২৩৫	১,১০৫
বিএএসএস জিএসডি লিমিটেড	বিএটি গ্রুপ কোম্পানি	২,১৬৩	৪,৫৫৭	৩২৪	৪,৫৫৭
বিএটি ইনভেস্টমেন্ট লিমিটেড	হোল্ডিং কোম্পানি	১৩,৬০৬	৬০,৫১৪	১৩,৬০৬	৬০,৫১৪
ব্রিটিশ আমেরিকান টোব্যাকো পোলস্কা এস.এ	বিএটি গ্রুপ কোম্পানি	২,৫৩২	-	১,২৬৬	-
ব্রিটিশ আমেরিকান টোব্যাকো (সিঙ্গাপুর)	বিএটি গ্রুপ কোম্পানি	৯৯৬	-	৯৯৬	-
ভিআইএনএ-বিএটি জেভি এইচসিএমসি ব্রাঞ্চ	বিএটি গ্রুপ কোম্পানি	২,২২৪	-	২,২২৪	-
ব্রিটিশ আমেরিকান টোব্যাকো এশিয়া	বিএটি গ্রুপ কোম্পানি	১,৯৫৩	১৪,৪৫৮	-	৪,৮৩৯
বিএটি কোরিয়া	বিএটি গ্রুপ কোম্পানি	৪,৫১৬	-	-	-
বাণিজ্যিক বিপণনকারী ও পরিবেশক	বিএটি গ্রুপ কোম্পানি	১২,১৮৭	-	০	-
		৬৩,৬৫০	৮০,৬৩৪	২৮,৬৫১	৭১,০১৪



	সম্পর্ক	৩১ ডিসেম্বর সমাপ্ত হিসাব বছরে লেনদেনের মূল্য		৩১ ডিসেম্বর পর্যন্ত পুঞ্জীভূত পাওনা/ (পরিশোধযোগ্য)	
		২০১৯	২০১৮	২০১৯	২০১৮
		টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
<b>সংশ্লিষ্ট পক্ষের সঙ্গে মোট লেনদেন ও ব্যালান্স</b>		<b>২,০৫১,৪৫১</b>	<b>১,৩৯১,৩৩৭</b>	<b>৯০,৫৯১</b>	<b>৯৭,৪১৯</b>
<b>ব্যয়</b>					
<b>গ. সেবা ক্রয়</b>					
তথ্য প্রযুক্তি, পণ্য এবং অন্যান্য সেবা ক্রয়:					
বিএএসএস জিএসডি লিমিটেড	বিএটি গ্রুপ কোম্পানি	১৮৬,৪৭২	২০২,৮৬৫	(৪৪৪,৭৪৮)	(৫৪৯,৮৭২)
ব্রিটিশ আমেরিকান টোব্যাকো অস্ট্রেলিয়া	বিএটি গ্রুপ কোম্পানি	১,৪৩৫	-	(১,৪৩৫)	-
বিএটি জার্মানি জিএমবিএইচ	বিএটি গ্রুপ কোম্পানি	১,৭০৩	-	(১,৭০৩)	-
বিএটি (হামবুর্গ ইন্টারন্যাশনাল) জিএমবিএইচ	বিএটি গ্রুপ কোম্পানি	২,৫৭৮	-	(২,৫৭৮)	-
বিএটি কোরিয়া ম্যানুফ্যাকচারিং লিমিটেড	বিএটি গ্রুপ কোম্পানি	-	-	-	-
বিএটি হোল্ডিংস লিমিটেড	হোল্ডিং কোম্পানি	৪৯৮	-	(৪,৬০৩)	(৪,১০৫)
বিএটি এশিয়া প্যাসিফিক রিজিওন লিমিটেড	বিএটি গ্রুপ কোম্পানি	-	৩২,৫৬২	(৭৯,৫৪২)	(৭৯,৫৪২)
বিএটি অ্যাজপ্যাক সার্ভিস সেন্টার এসডিএন বিএইচডি	বিএটি গ্রুপ কোম্পানি	১৯৯,৯৯৩	৪২,৬৫৩	(৬৭৫,২৬৫)	(৫৮৮,৩৬২)
বিএটি জিএসডি (কেএও) এসডিএন বিএইচডি	বিএটি গ্রুপ কোম্পানি	১,১২০	-	(২,৮২৪)	(১,৭০৪)
বিএটি পিটি. এছপোর্ট লীফ ইন্দোনেশিয়া, মালাং	বিএটি গ্রুপ কোম্পানি	-	১০,৬৭১	(১১,৭৭৫)	(১১,৭৭৫)
ব্রিটিশ আমেরিকান টোব্যাকো টুটন	বিএটি গ্রুপ কোম্পানি	৪৭,০৫৩	-	(৪৭,০৫৩)	-
		<b>৪৪০,৮৫২</b>	<b>২৮৮,৭৫১</b>	<b>(১,২৭১,৫২৬)</b>	<b>(১,২৩৫,৩৬১)</b>
<b>ঘ. তামাক পাতা ও পণ্য ক্রয়</b>					
তামাক পাতা ও মোড়কীকরণ সামগ্রী কেনা হয়েছে যেখান থেকে:					
বিএটি সিঙ্গাপুর (প্রাইভেট) লিমিটেড	বিএটি গ্রুপ কোম্পানি	৪৩,২৬৪	১৩৮,০০৯	৯,০৮২	(৬,০৮১)
বিএটি (জিএওপি) লিমিটেড	বিএটি গ্রুপ কোম্পানি	২২৫,০৩৬	৬৯৮,৩০১	১৫৪,৪৮৮	(১৬,৫৪২)
পিটিসিএও	বিএটি গ্রুপ কোম্পানি	-	২২৮	-	২,৮৪৭
সুজা ক্রুজ এণ্ডটিডিএ	বিএটি গ্রুপ কোম্পানি	-	৩৬,৫২২	-	-
বিএটি পিটি. এছপোর্ট লীফ ইন্দোনেশিয়া, মালাং	বিএটি গ্রুপ কোম্পানি	২৫,৯৯৮	-	(৩,৬২৩)	-
ব্রিটিশ আমেরিকান টোব্যাকো ওয়েস্টার্ন ইউরোপ	বিএটি গ্রুপ কোম্পানি	৪৯,৮৪৮	৩১,৭৪৯	(৯,৮১০)	(১০,৪৯৬)
বিএটি কোরিয়া ম্যানুফ্যাকচারিং লিমিটেড	বিএটি গ্রুপ কোম্পানি	৪,০০৩	২১,৪৭২	(০)	৭৫৮
		<b>৩৪৮,৪৪৯</b>	<b>৯২৬,২৮১</b>	<b>১৫০,১৩৭</b>	<b>(২৯,৫১৫)</b>
<b>ঙ. রয়্যালটি</b>					
পরিশোধিত/পরিশোধ করা হবে যাকে:					
বিএটি হোল্ডিংস লিমিটেড**	হোল্ডিং কোম্পানি	৭৬২,২০৪	৬৬২,৫০৫	(১,৯৫৯,৬২৬)	(১,৬৪১,৮৮০)
		<b>৭৬২,২০৪</b>	<b>৬৬২,৫০৫</b>	<b>(১,৯৫৯,৬২৬)</b>	<b>(১,৬৪১,৮৮০)</b>
<b>চ. কারিগরী ও পরামর্শক ফি</b>					
কারিগরী ও পরামর্শ সহায়ক সেবার জন্য ফি:					
বিএটি ইনভেস্টমেন্ট লিমিটেড**	বিএটি গ্রুপ কোম্পানি	১,০১৪,০০০	৯১৮,৭৫৪	(১,৯৩২,৭৫৫)	(১,৮১৫,৭৬১)
		<b>১,০১৪,০০০</b>	<b>৯১৮,৭৫৪</b>	<b>(১,৯৩২,৭৫৫)</b>	<b>(১,৮১৫,৭৬১)</b>
<b>ছ. যন্ত্রপাতি ক্রয়</b>					
যেখান থেকে ক্রয়:					
বিএটি সিঙ্গাপুর (প্রাইভেট) লিমিটেড	বিএটি গ্রুপ কোম্পানি	১৫,৭৮৫	-	(১৫,৭৮৫)	-
টোব্যাকো ইমপোর্টার্স অ্যান্ড ম্যানুফ্যাকচারার্স এসডিএন. বিএইচডি, মালয়েশিয়া	বিএটি গ্রুপ কোম্পানি	-	৭,৩১৪	-	৫,৯২৮
বিএটি জার্মানি জিএমবিএইচ	বিএটি গ্রুপ কোম্পানি	-	১,০০৭	(২,০১৩)	(২,০১৩)
ব্রিটিশ আমেরিকান টোব্যাকো পোলস্কা এস.এ	বিএটি গ্রুপ কোম্পানি	(৪৪০)	-	-	(৪৪০)
ব্রিটিশ আমেরিকান টোব্যাকো এমই ডিএমসিসি	বিএটি গ্রুপ কোম্পানি	-	৯৬,৫৬০	-	-
ব্রিটিশ আমেরিকান টোব্যাকো চিলি	বিএটি গ্রুপ কোম্পানি	-	৬৯	(৬৯)	(৬৯)
পিটি বেনটোয়েল ইন্টারন্যাশনাল ইনভেস্টমেন্ট	বিএটি গ্রুপ কোম্পানি	১,০৪৪	৩৪১,৫৪৭	-	১৩,৭৯৮
ব্রিটিশ আমেরিকান টোব্যাকো কেনিয়া লিমিটেড	বিএটি গ্রুপ কোম্পানি	৭২	৯০২	(৭২)	-
বিএটি নাইজেরিয়া লিমিটেড	বিএটি গ্রুপ কোম্পানি	৪০৩	১১৩	(৫১৬)	(১১৩)



	সম্পর্ক	৩১ ডিসেম্বর সমাপ্ত হিসাব বছরে লেনদেনের মূল্য		৩১ ডিসেম্বর পর্যন্ত পুঞ্জীভূত পাওনা/ (পরিশোধযোগ্য)	
		২০১৯	২০১৮	২০১৯	২০১৮
		টাকা (০০০)	টাকা (০০০)	টাকা (০০০)	টাকা (০০০)
বিএটি রোমানিয়া ইনভেস্টমেন্ট	বিএটি গ্রুপ কোম্পানি	-	১,০৯৩	(১,০৯৩)	(১,০৯৩)
জেএসসি বিএটি-এসপিবি	বিএটি গ্রুপ কোম্পানি	-	১২৮,১৬২	-	-
ব্রিটিশ আমেরিকান টোব্যাকো টুটুন	বিএটি গ্রুপ কোম্পানি	-	২,৩৬৮	(৯৮৬)	(৯৮৬)
ব্রিটিশ আমেরিকান টোব্যাকো মেথিকা	বিএটি গ্রুপ কোম্পানি	১৮১	-	(১৮১)	-
		১৭,০৪৪	৫৭৯,১৩৬	(২০,৭১৪)	১৫,০১২
<b>সংশ্লিষ্ট পক্ষের সঙ্গে মোট লেনদেন ও আউটস্ট্যান্ডিং ব্যালান্স</b>		<b>২,৫৮২,৫৫০</b>	<b>৩,৩৭৫,৪২৬</b>	<b>(৫,০৩৪,৪৮৪)</b>	<b>(৪,৭০৭,৫০৩)</b>

\*প্রদত্ত অগ্রিম

\*\*২০১৭, ২০১৮ ও ২০১৯ সালের রয়্যালটি এবং ২০১৮ ও ২০১৯ সালের কারিগরী ও পরামর্শ ফিসহ সমাপনী ব্যালান্স।

	টাকা	২০১৯	২০১৮
		টাকা (০০০)	টাকা (০০০)
৪১	অঙ্গীকারসমূহ		
৪১.১	মূলধনী ব্যয়		
	অনুমোদিত কিন্তু অসরবরাহ	১,৬৫৭,৬৬৩	৩,৪৮৭,৫৭৪
৪২	সম্ভাব্য দায়		
	সম্ভাব্য দায়ের মধ্যে আছে ঋণপত্র ইস্যু ও তৃতীয় পক্ষের ব্যাংক গ্যারান্টি, যা নিম্নে দেয়া হলো:		
	<b>ঋণপত্র</b>		
	সিটি ব্যাংক, এনএ	৯৮৯,৫৬৭	৪৫৩,২৬৩
	কমার্শিয়াল ব্যাংক অব সিলোন পিএউসি	২৯৫,৬৩৩	১৭৩,৬১৮
	দি হংকং অ্যান্ড সাংহাই ব্যাংকিং করপোরেশন লিমিটেড	৯৪,২০৪	৪,৫৩৬
	স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	৩৬৮,৫৮৮	১,৫৬৪,৭৬৭
		<b>১,৭৪৭,৯৯২</b>	<b>২,১৯৬,১৮৪</b>
	<b>ব্যাংক গ্যারান্টি</b>		
	স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	৪১,০৪৫	৪১,০৪৫
	কমার্শিয়াল ব্যাংক অব সিলোন পিএউসি	২১,০৬১	২১,০৬১
	ইস্টার্ন ব্যাংক লিমিটেড	১৩,৫১৪	-
	সিটি ব্যাংক, এনএ	২,০০০	-
		<b>৭৭,৬২০</b>	<b>৬২,১০৬</b>

৪২.১

মাএণ্ডা

কোম্পানির বিভিন্ন ধরনের দাবি আছে এবং ব্যবসার সাধারণ নিয়মেই আইনগত পদক্ষেপ নিতে হয়। বিশেষ করে ২০১৩ সালে কম দামি সিগারেট (ব্রিস্টল ও পাইলট) বিক্রির ওপর ভ্যাট ও সম্পূর্ণক শুল্ক আরোপ ও তা দাবি করে জাতীয় রাজস্ব বোর্ড (এনবিআর) একটি ভূতাপেক্ষ নোটিশ পাঠায়। মধ্যমশ্রেণীর পরিবর্তে নিম্ন শ্রেণীর সিগারেট বিক্রির মাধ্যমে কর ফাঁকি দেয়ার অভিযোগ আনা হয় নোটিশে। নোটিশে ১৭,৮০৬ মিলিয়ন টাকা দাবি করা হয় এবং এ দাবির বিপক্ষে কোম্পানি আপিল করে। পরবর্তীতে কোম্পানির আপিল গ্রহণ করে ২০১৮ সালের ২৫ জুলাই সুপ্রিম কোর্ট রায় ও আদেশ দেন। কোম্পানি আদেশের সার্টিফিকেট কপিও হাতে পেয়েছে। এরপর এ সংক্রান্ত আর কোনো অগ্রগতি নেই।

৪৩

অন্যান্য ঘোষণা

৪৩.১

কর্মী সংখ্যা

কোম্পানির যেসব স্থায়ী কর্মী বছরে ৩৬,০০০ টাকা বা তার বেশি বেতন পাচ্ছেন তাদের সংখ্যা নিচে দেয়া হলো:

	৩১ ডিসেম্বর ২০১৯	৩১ ডিসেম্বর ২০১৮
কর্মী সংখ্যা	১,৪২৬	১,৪৫৩

এর বাইরে চাহিদা অনুযায়ী মৌসুমি ও অস্থায়ী কর্মীরা সারাবছর কাজ করেন, যাদের সংখ্যা বিভিন্ন রকম হয়ে থাকে।

৪৩.২

তুলনামূলক ও পুনর্বিদ্যাস

সংখ্যাগত তথ্যের ক্ষেত্রে সব তুলনামূলক তথ্য এ আর্থিক প্রতিবেদনে প্রকাশ করা হয়েছে এবং আখ্যানধর্মী ও বর্ণনামূলক তথ্যের ক্ষেত্রেও যেগুলো প্রাসঙ্গিক এবং বর্তমান আর্থিক প্রতিবেদন বোঝার ক্ষেত্রে জরুরি সেগুলোও প্রকাশ করা হয়েছে। তুলনার স্বার্থে বিগত বছরের কিছু জরুরি প্রাসঙ্গিক ব্যালান্স পুনর্বিদ্যাস ও পুনশ্রেণীবিভাজন করা হয়েছে যখনই এগুলো বর্তমান বছরের উপস্থাপনার ক্ষেত্রে গুরুত্বপূর্ণ বলে মনে হয়েছে।

## ৪৪ প্রতিবেদনকাল পরবর্তী খঁনা

২০২০ সালের ২২শে ফেব্রুয়ারি অনুষ্ঠিত সভায় কোম্পানির পরিচালনা পর্ষদ ৩১ ডিসেম্বর ২০১৯ সমাপ্ত হিসাব বছরে মোট ৪০০% বা শেয়ারপ্রতি ৪০ টাকা নগদ লভ্যাংশ প্রদানের সুপারিশ করেছে। আগামী বার্ষিক সাধারণ সভায় এ লভ্যাংশ ঘোষণায় শেয়ারহোল্ডারদের চূড়ান্ত অনুমোদনের প্রয়োজন হবে। ৩১ ডিসেম্বর ২০১৯ হিসাব বছরের আর্থিক প্রতিবেদনে নগদ লভ্যাংশের প্রভাব অন্তর্ভুক্ত করা হলো না। শেয়ারহোল্ডারদের রাইট টু রিসিভ পেমেন্ট প্রতিষ্ঠার পর এটা বিবেচ্য হবে।

আর্থিক প্রতিবেদনে আর্থিক অবস্থার প্রতিবেদনের তারিখের পর সংঘটিত আর কোনো ঘটনা চিহ্নিত করা হয়নি যার সমন্বয় ও ঘোষণার প্রয়োজন রয়েছে।

## ৪৫ নেট পরিচালন নগদ প্রবাহের সমন্বয়

	৩১ ডিসেম্বর সমাপ্ত হিসাব বছরের ক্ষেত্রে	
	২০১৯	২০১৮
	টাকা (০০০)	টাকা (০০০)
<b>কর পরবর্তী মুনাফা</b>	৯,২৪৬,৩৪৯	১০,০১২,০৩৪
<b>যে জল্য সমন্বয়:</b>		
অবচয় ও অবনমন	১,৯৮৫,৫৯৫	১,৪১১,৫৬৮
সম্পদ বিক্রি থেকে ক্ষতি	১,৫৩৩	(৪০,২০৩)
অন্যান্য সমন্বয়	৮,৬১৫,৯৩১	৯,৫৭২,৫৯৬
	<b>১৯,৮৪৯,৪০৯</b>	<b>২০,৯৫৫,৯৯৫</b>
<b>পরিবর্তন:</b>		
মজুত পণ্যের (বৃদ্ধি)/হ্রাস	২,৮৯১,৩১৭	(১,৯৬০,১১২)
ব্যবসা পাওনার (বৃদ্ধি)/হ্রাস	১,৫৬৪,২০৮	(১,৮৫৮,৬৬৮)
অগ্রিম, আমানত ও পূর্ব পরিশোধের (বৃদ্ধি)/হ্রাস	(২৬৫,৬০৫)	(৮৬,০৭৮)
ব্যবসায় প্রদেয় ও অন্যান্যের বৃদ্ধি/(হ্রাস)	৫১১,১৬৫	৪১৬,৮২৩
নেট ডিফাইন্ড বেনিফিট প্ল্যানের বৃদ্ধি/(হ্রাস)	(২৬,৯২১)	১০৯,৪২৪
সঞ্চিতির বৃদ্ধি/(হ্রাস)	২৯৬,৯২৮	২৩২,৩৭৯
আয়কর ও সুদ পরিশোধ	(৯,২৩১,২৫৯)	(৮,৮৮৪,৫০৪)
<b>পরিচালন কার্যক্রম থেকে উৎপন্ন মোট নগদ অর্থ</b>	<b>১৫,৫৮৯,২৪০</b>	<b>৮,৯২৫,২৫৯</b>



## CORPORATE GOVERNANCE CHECK LIST

SL NO.	Particulars	Page No.	Reference
1	BOARD OF DIRECTORS, CHAIRMAN AND CEO		
1.1	Company's policy on appointment of directors disclosed	67	Policy on appointment of Directors
1.2	Adequate representation of non-executive directors i.e. one third of the board, subject to a minimum of two	67	Composition of Board of Directors in 2019
1.3	At least one independent director on the board and disclosure/affirmation of the board on such director's independence	68	Non-Executive Director's Independence
1.4	Chairman to be independent of CEO	67	Roles and responsibilities of the Chairman
1.5	Responsibilities of the Chairman of the board appropriately defined and disclosed. Disclosure of independence of Non-Executive Directors		Non-Executive Director's Independence
1.6	Existence of a scheme for annual appraisal of the boards performance and disclosure of the same	69	Appraisal of the Board's performance
1.7	Disclosure of policy on annual evaluation of the CEO by the Board	67	Primary Roles and Responsibilities of the Managing Director
1.8	Disclosure of policy on training (including details of the counting training program) of directors and type and nature of training courses organized for directors during the year existence of a scheme for annual appraisal of the boards performance	69	Training and development of the Board
1.9	At least one director having through knowledge and expertise finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting	68	Professional experience of the Board members (Information of a specific member is required)
1.1	Disclosure of number of meetings of the board and participation of each directors (at least 4 meetings are required to be held)	68	Board members and their attendance in meetings
1.11	Directors issue a report on compliance with best practices on corporate governance that is reviewed by external auditors	52	Certificate of Due Diligence by CEO & CFO
2	VISION/MISSION AND STRATEGY		
2.1	Company's vision/mission statements are approved by the board and disclosed in the annual report	8	Vision and Mission
2.2	Identification of business objectives and areas of business focus disclosed	9	OUR ETHOS
2.3	General description of strategies to achieve the company's business objectives	12	OUR BUSINESS FRAMEWORK
3	AUDIT COMMITTEES		
3.1.1	Appointment and Composition	79	Audit Committee Composition
3.1.2	Whether the audit committee chairman is an independent Non-executive Director and Professionally Qualified	79	Audit Committee Composition
3.1.3	Whether it has specific terms of reference and whether it is empowered to investigate/question employees and retain external counsel	80	Responsibility related to External Audit
3.1.4	More than two thirds of the members are to be Non-Executive Directors	79	Audit Committee Composition
3.1.5	All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting	79	Audit Committee Composition
3.1.6	Head of internal audit to have direct access to audit committee	79	Responsibilities and Duties of Audit Committee
3.17	The committee to meet at least 4 times a year and the number of meetings and attendance by individuals members disclosed in the annual report	79	Audit Committee Composition
3.2	OBJECTIVE AND ACTIVITIES		
3.2.1	Statement of Audit Committees review to ensure that internal controls are well conceived properly administrative and satisfactorily monitored	80	Monitoring of Internal Audit
3.2.2	Statement to indicate audit committees role in ensuring compliance with laws, regulations and timely settlements of statutory dues	79	Responsibilities and Duties of Audit Committee
3.2.3	Statement of Audit Committee involvement in the review of external audit function	80	Responsibility related to External Audit
	- Ensure effective coordination of external audit function	80	Responsibility related to External Audit
	Ensure independence of external auditors	80	Responsibility related to External Audit
	To review the external auditors findings in order to be satisfied that appropriate action is being taken	80	Responsibility related to External Audit
	- Review and approve any non audit work assigned to the external auditor and ensure that such work does not compromise the independence of external auditors	80	Responsibility related to External Audit
	- Recommend external auditor for appointment/reappointment	80	Responsibility related to External Audit

SL NO.	Particulars	Page No.	Reference
3.2.4	Statement on Audit committee involvement in selection of appropriate accounting policies that are in line with applicable accounting standards and annual review	49	Management Discussion and Analysis: Accounting policies and estimation for preparation of financial statements
3.2.5	Statement on Audit committee involvement in the review and recommend to the board of directors, annual and interim financial release	80	Reporting of the Audit Committee
3.2.6	Reliability of the management information used for such computation	81	Summary of Activities during the year 2019
4	INTERNAL CONTROL & RISK MANAGEMENT		
4.1	Statement of director's responsibility to establish appropriate system of internal control	73	Awareness
4.2	Narrative description of key features of the internal control system and the manner in which the system is monitored by the board, audit committee or senior management	73	Risk Management Framework: Three Lines of Defense
4.3	Statement that the directors have reviewed the adequacy of the system of internal controls	46	Directors Report (The system of Internal Controls)
4.4	Disclosure of the identification of risk the company is exposed to both internally and externally	74	Four-phase risk management process
4.5	Disclosure of the strategies adopted to manage and mitigate the risks	74, 75	Four-phase risk management process & Business Continuity and Risk Management
5	ETHICS AND COMPLIANCE		
5.1	Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulation etc	70, 86	Standards of the Business Conduct
5.2	Dissemination/communication of the statement of ethics & business practices to all directors and employees and their acknowledgement of the same	86	Ethics and Compliance
5.3	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	81, 86	Report of the Audit Committee (Ethical and Integrity Areas), Standards of the Business Conduct
5.4	Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc	86	Standards of the Business Conduct
6	REMUNERATION COMMITTEE		
6.1	Disclosure of the charter (role and responsibilities) of the committee	83	REPORT OF THE NOMINATION & REMUNERATION COMMITTEE- 2019
6.2	Disclosure of the composition of the committee (majority of the committee should be nonexecutive directors, but should also include some executive directors)	83	REPORT OF THE NOMINATION & REMUNERATION COMMITTEE- 2019
6.3	Disclosure of key policies with regard to remuneration of directors, senior management and employees	83	Terms of Reference & Activity summary of NRC during the year
6.4	Disclosure of number of meetings and work performed	83	Nomination and Remuneration Committee composition
6.5	Disclosure of remuneration of directors, chairman, chief executive and senior executives	83	Nomination and Remuneration Committee composition
7	HUMAN CAPITAL		
7.1	Disclosure of general description of the policies and practices codified and adopted by the company with respect Human Resource Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counseling	144, 145, 146, 147, 148, 149	Human Capital
7.2	Organizational Chart	69	Leadership Team (Executive Committee)
8	COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS		
8.1	Disclosure of the company's policy/strategy to facilitate effective communication with shareholders and other stakeholders	142, 143	Stakeholder Engagement Framework
8.2	Disclosure of company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM	28	Invitation to our shareholders to our 47th AGM
9	ENVIRONMENTAL AND SOCIAL OBLIGATIONS		
9.1	Disclosure of general description of the company's policies and practices relating to social and environmental responsibility of the entity	85, 128, 129, 130, 131	Corporate Social Responsibility
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	132, 133, 134, 135, 136, 137	Alignment with SDG , Environmental, Social and Governance (ESG), Farmer Sustainability

## ANNUAL REPORT 2019 CHECKLIST

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1	Corporate Objectives, Values & Structure	
	Clarity and presentation:	
	Vision and Mission	8
	Overall strategic objectives	12
	Core values and code of conduct/ethical principles	9
	Profile of the Company	11
	Director's profiles and their representation on Board of other companies & Organization Chart	32, 33, 34, 35, 36, 37
	Management Report/ Commentary and analysis including Director's Report / Chairman's Review/CEO's Review etc	21, 22, 23, 24
	A general review of the performance of the company	19
	Description of the performance of the various activities / products / segments of the company and its group companies during the period under review. (Weightage to be given for pictorial / graphical / tabular presentations used for this purpose)	19, 41
	A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	73
	A general review of the future prospects/outlook.	147, 153, 157, 160, 166
	Information on how the company contributed to its responsibilities towards the staff (including health & safety)	133
	Information on company's contribution to the national exchequer & to the economy	89
2	Sustainability Reporting	
	Social Responsibility Initiatives ( CSR)	128, 129, 130, 131
	Social Responsibility Initiatives ( CSR)	128, 129, 130, 131
	Environmental & Social Obligations	132
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3	Appropriateness of Disclosure of Accounting policies and General Disclosure	
	Disclosure of adequate and properly worded accounting policies relevant to assets, liabilities, Income and expenditure in line with best reporting standards	49
	Any Specific accounting policies	49
	Changes in accounting policies/Changes in accounting estimates	49
4	Segment Information	
	Comprehensive segment related information bifurcating Segment revenue, segment results and segment capital employed	19
	Availability of information regarding different segments and units of the entity as well as nonsegmental entities/ units	19
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	Segment Revenue	19
	Segment Results	19
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5	Financial Statements (Including Formats)	
	Disclosures of all contingencies and commitments	196
	Comprehensive related party disclosures	204, 235
	Disclosures of Remuneration & Facilities provided to Directors & CEO	50, 232
	Statement of Financial Position / Balance Sheet and relevant schedules	191
	Income Statement / Profit and Loss Account and relevant schedules	192
	Statement of Changes in Equity / Reserves & Surplus Schedule	193
	Disclosure of Types of Share Capital	191
	Statement of Cash Flow	194
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	Extent of compliance with the core IAS/IFRS or equivalent National Standards	196

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6	Information about Corporate Governance	
	Board Of Directors, Chairman And CEO	21, 22, 32-37, 42
	Audit Committee (Composition, role, meetings, attendance, etc) Internal Control & Risk Management	73, 79
	Ethics And Compliance	70, 86
	Remuneration and other Committees of Board	83
	Human Capital	144
	Communication To Shareholders & Stakeholders	
	- Information available on website	142, 143
	- Other information	142, 143
	Management Review And Responsibility	49
7	Risk Management & Control Environment	
	Description of the Risk Management Framework	73
	Risk Mitigation Methodolog	74
	Disclosure of Risk Reporting	75
8	Stakeholders Information	
	Distribution of shareholding (Number of shares as well as category wise, e.g Promoter group, FII etc)	51
	Shares held by Directors/Executives and relatives of Directors/Executives	51
9	Graphical/ Pictorial Data:	
	Earnings per Share	41
	Stock Performance	41
	Horizontal/Vertical Analysis including following.	92, 93, 94, 95
	Operating Performance (Income Statement) (2.5 Marks)	92, 93, 94, 95
	Total Revenue	92, 93, 94, 95
	Operating profit	92, 93, 94, 95
	Profit Before Tax	92, 93, 94, 95
	Profit after Tax	92, 93, 94, 95
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10	Statement of Financial Position (Balance Sheet)	
	Shareholders Fund	191
	Property Plant & Equipment	191
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11	Profitability/Dividends/ Performance and Liquidity Ratios	
	Gross Profit Ratio	41
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12	Statement of Value Added and Its Distribution	
	Government as Taxes	89
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	Market share information of the Company's product/services	89
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13	Additional Disclosures	
	For Example	
	Human Resource Accounting	148, 49
	Operating Environment Analysis	13, 14, 15
	Value Creation Process	140, 141
	Business Model	16, 17

# INTEGRATED REPORTING CHECKLIST

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1.0	Elements of an Integrated Report		
<b>1.1</b>	<b>Organisational overview and external environment</b>		
	An integrated report should disclose the main activities of the organisation and the environment of which it operates.	Welcome!, Business Model, PESTEL, Notes to the Financial Statements	3, 13, 14, 15, 16, 17, 196
	An integrated report should identify the organisation's mission and vision, and provides essential context by identifying matters such as:		
	<ul style="list-style-type: none"> <li>The organisation's:           <ul style="list-style-type: none"> <li>culture, ethics and values</li> </ul> </li> </ul>	Vision and Mission	8
	<ul style="list-style-type: none"> <li>ownership and operating structure including size of the organisation, location of its operations)</li> </ul>	Pattern of Shareholding	51
	<ul style="list-style-type: none"> <li>principal activities and markets</li> </ul>	Business Model, 2019 Salient Features, Notes to the Financial Statements	10,16, 17, 196
	<ul style="list-style-type: none"> <li>competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry)</li> </ul>	Operating Context	13
	<ul style="list-style-type: none"> <li>position within the Our Value Creation Process</li> </ul>	Our Value Creation Process	140, 141
	<ul style="list-style-type: none"> <li>Key quantitative information</li> </ul>		
	e.g. The number of employees, revenue and number of countries in which the organisation operates highlighting, in particular, significant changes from prior periods	Highlights 2019, Horizontal and Vertical Analysis, BATB's Global Manpower Footprint, Financial Capital,	19, 92, 148, 167
	<ul style="list-style-type: none"> <li>Significant factors affecting the external environment and the organisation's response (include aspects of the legal, commercial, social, environmental and political context that affect the organisation's ability to create value in the short, medium or long term)</li> </ul>	Operating Context, PESTEL & Statement on Risk Management & Internal Control- 2019	13, 14, 15, 73
	Eg:		
	<ul style="list-style-type: none"> <li>The legitimate needs and interests of key stakeholders</li> </ul>	Social and Relationship Capital	158
	<ul style="list-style-type: none"> <li>Macro and micro economic conditions, such as economic stability, globalization, and industry trends</li> </ul>	Chairman's Message, Managing Director's Statement, Operating Context, PESTEL, 2019 Salient Features, Statement on Risk Management & Internal Control- 2019	21, 23, 13,14,15, 10, 73
	<ul style="list-style-type: none"> <li>Market forces, such as the relative strengths and weaknesses of competitors and customer demand</li> </ul>	Operating Context, PESTEL	13, 14, 15
	<ul style="list-style-type: none"> <li>The speed and effect of technological change</li> </ul>	PESTEL- Technological , Strategy and Resource Allocation- Intellectual Capital, Statement on Risk Management & Internal Control- 2019, 2019 Salient Features	15, 154, 73, 10
	<ul style="list-style-type: none"> <li>Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems</li> </ul>	PESTEL- Social	14
	<ul style="list-style-type: none"> <li>Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached</li> </ul>	PESTEL- Environmental	15
	<ul style="list-style-type: none"> <li>The legislative and regulatory environment in which the organisation operates</li> </ul>	PESTEL- Legal	15
	<ul style="list-style-type: none"> <li>The political environment in countries where the organisation operates and other countries that may affect the ability of the organisation to implement its strategy</li> </ul>	PESTEL- Political	14
<b>1.2</b>	<b>Governance</b>		
	An integrated report should show how does the organisation's governance structure support its ability to create value in the short, medium and long term.	Strategy and Resource Allocation- Our ETHOS Coporate Governance Statement	9, 65



Sl. No	Particulars	Content Reference	Page No.
	An integrated report needs to provide an insight about how such matters as the following are linked to its ability to create value:		
	<ul style="list-style-type: none"> <li>The organisation's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure</li> </ul>	Board of Directors Profile 2019, Statement of Corporate Governance	32, 33, 34, 35, 36, 37, 65
	<ul style="list-style-type: none"> <li>Mandatory and voluntary code of corporate governance adopted by the Company</li> </ul>	Director's Report- 2019, Certificate of Due Diligence by CEO & CFO, Corporate Governance Statement, Report of the Audit Committee- 2019, Report of the Nomination & Remuneration Committee - 2019, Report of the CSR Committee- 2019	48, 52, 65, 79, 80, 81, 83, 85
	<ul style="list-style-type: none"> <li>Code of ethical conduct adopted by the Company in relation to ethical business</li> </ul>	Corporate Governance Statement, Standards of Business Conduct	70, 86
	<ul style="list-style-type: none"> <li>Specific processes used to make strategic decisions and to establish and monitor the culture of the organisation, including its attitude to risk and mechanisms for addressing integrity and ethical issues</li> </ul>	Statement on Risk Management and Internal Control 2019	73, 74, 75, 76, 77
	<ul style="list-style-type: none"> <li>Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organisation and its approach to risk management</li> </ul>	Statement on Risk Management and Internal Control 2019, Corporate Governance Statement	73, 65
	<ul style="list-style-type: none"> <li>How the organisation's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders</li> </ul>	Standards of Business Conduct, Integrated Reporting - Stakeholder Engagement Framework	70, 86, 142, 143
	<ul style="list-style-type: none"> <li>Whether the organisation is implementing governance practices that exceed legal requirements/ Key Policies</li> </ul>	Standards of Business Conduct	701, 86
	<ul style="list-style-type: none"> <li>The responsibility those charged with governance take for promoting and enabling innovation</li> </ul>	Corporate Governance- CSR Committee	84, 85
	<ul style="list-style-type: none"> <li>How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organisation's use of and effects on the capitals.</li> </ul>	Report of the Nomination & Remuneration Committee - 2019	82, 83
<b>1.3</b>	<b>Stakeholder Identification/ relationships</b>		
	An integrated report should identify its key stakeholders and provide insight into the nature and quality of the organisation's relationships with its key stakeholders, including how and to what extent the organisation understands, takes into account and responds to their legitimate needs and interest. Stakeholders are the groups or individuals that can reasonably be expected to be significantly affected by an organisation's business activities, outputs or outcomes or whose actions can reasonably be expected to significantly affect the ability of the organisation to create value	Integrated Reporting - Stakeholder Engagement Framework	142, 143
	An entity may disclose the following in their integrated reports in respect of stakeholder relationships:	Integrated Reporting - Stakeholder Engagement Framework	142, 143
	<ul style="list-style-type: none"> <li>How the company has identified its stakeholders</li> </ul>	Integrated Reporting - Stakeholder Engagement Framework	142, 143
	<ul style="list-style-type: none"> <li>Stakeholder engagement methodology</li> </ul>		142, 143
	<ul style="list-style-type: none"> <li>Identification of material matters of stakeholders</li> </ul>		142, 143
	<ul style="list-style-type: none"> <li>How the Company has applied such matters.</li> </ul>		142, 143
	<ul style="list-style-type: none"> <li>How the stakeholders are engaged in assessing impacts, implications and outlook unrespects of Company's business model.</li> </ul>		142, 143
	Capitals		
	An integrated report needs to provide insight about the resources and the relationships used and affected by the organisation, which are referred to collectively as the capitals and how the organisation interacts with the capitals to create value over the short, medium and long term	Our Value Creation Process, 2019 Salient Feature, Integrated Reporting, Strategy and Resource Allocation- Our ETHOS	140, 141, 10, 139, 9
	An integrated report need to identify the various forms of capitals which are essential for the success of its business operations.	Our Value Creation Process, Business Model	140, 141, 15, 16

Sl. No	Particulars	Content Reference	Page No.
	Eg:		
	Financial Capital-The pool of funds that is available to the organisation for use in the production of goods or provision of services	Integrated Reporting-Financial Capital	167
	Manufacturing Capital-Manufactured physical objects that are available to the organisation for use in the production of goods and provision of services	Integrated Reporting-Manufactured Capital	150
	Intellectual Capital-Organisational Knowledge based intangibles	Integrated Reporting-Intellectual Capital	154
	Human Capital-People's competences, capabilities and experience, and their motivations to innovate.	Integrated Reporting- Human Capital	144
	Social and Relationship Capital-The institutions and the relationships within and between communities, groups of stakeholders and other networks and the ability to share information to enhance individual and collective wellbeing	Integrated Reporting- Social and Relationship Capital	158
	Natural Capital-All renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current and future prosperity of the organisation.	Integrated Reporting- Natural Capital	161
	Note: However an entity can do its own classification of capitals based on its business activities. An entity needs to ensure that it does not overlook a capital that it uses or affects		
<b>1.4</b>	<b>Business Model</b>		
	An integrated report should describe the organisation's business mode		
	An integrated report need to describe the business model, including key:	Business Model, PESTEL, Our Value Creation Process	14, 15, 16, 17, 140, 141
	• Inputs	Our Value Creation Process	140, 141
	• Business activities	Our Value Creation Process	140, 141
	• Outputs	Our Value Creation Process	140, 141
	• Outcomes	Our Value Creation Process	140, 141
	Features that can enhance the effectiveness and readability of the description of the business model include:	Our Value Creation Process	140, 141
	• Explicit identification of the key elements of the business model	Our Value Creation Process	140, 141
	• A simple diagram highlighting key elements, supported by a clear explanation of the relevance of those elements to the organisation	Our Value Creation Process	140, 141
	• Narrative flow that is logical given the particular circumstances of the organisation	Our Value Creation Process	140, 141
	• Identification of critical stakeholder and other (e.g., raw material) dependencies and important factors affecting the external environment	Our Value Creation Process, Business Model, PESTEL	140, 141, 14, 15, 16, 17
	•Connection to information covered by other Content Elements, such as strategy, risks and opportunities, and performance (including KPIs and financial considerations, like cost containment and revenues).	Our Value Creation Process, Business Model, Integrated Reporting	140, 141, 16, 17, 139
	Inputs		
	An integrated report shows how key inputs relate to the capitals on which the organisation depends, or that provide a source of differentiation for the organisation, to the extent they are material to understanding the robustness and resilience of the business model.	Strategy and Resource Allocation - Our Value Creation Process	140, 141
	Business activities		
	An integrated report describes key business activities. This can include:		
	• How the organisation differentiates itself in the market place (e.g., through product differentiation, market segmentation, delivery channels and marketing)	Integrated Reporting-Stakeholder Engagement Framework	142, 143
	• How the organisation approaches the need to innovate	Our ETHOS, Initiatives to Go Green, Environment Health & Safety, Battle of Minds (BOM), Environmental, Social and Governance (ESG), Farmers' Sustainability	9, 102, 103, 104, 105, 124, 125, 126, 135, 136, 137
	• How the business model has been designed to adapt to change.	Our Value Creation Process	140, 141
	When material, an integrated report discusses the contribution made to the organisation's long term success by initiatives such as process improvement, employee training and relationships management	Strategy and Resource Allocation- Challenges and Mitigation Techniques of Human, Manufactured, Social & Natural Capital	147, 152, 157, 160, 165

Sl. No	Particulars	Content Reference	Page No.
	Outputs		
	An integrated report identifies an organisation's key products and services. There might be other outputs, such as by-products and waste (including emissions), that need to be discussed within the business model disclosure depending on their materiality.	Business Framework, Environmental Social and Governance (ESG)	12, 133
	Outcomes		
	An integrated report describes key outcomes, including:		
	<ul style="list-style-type: none"> <li>Both internal outcomes (e.g., employee morale, organisational reputation, revenue and cash flows) and external outcomes (e.g., customer satisfaction, tax payments, brand loyalty, and social and environmental effects)</li> </ul>	Our Value Creation Process , Strategy and Resource Allocation- Integrated Reporting	139, 140, 141
	<ul style="list-style-type: none"> <li>Both positive outcomes (i.e., those that result in a net increase in the capitals and thereby create value) and negative outcomes (i.e., those that result in a net decrease in the capitals and thereby diminish value).</li> </ul>	Strategy and Resource Allocation- Challenges and Mitigation Techniques of Human, Manufactured, Social & Natural Capital	147, 152, 157, 160, 165
<b>1.5</b>	<b>Performance</b>		
	An integrated report needs to explain the extent to which the organisation has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?	Managing Director's Overview, Strategy and Resource Allocation - Challenges and Mitigation Techniques of Human, Manufactured, Social & Natural Capitals	23, 147, 152, 157, 160, 165
	An integrated report should contain qualitative and quantitative information about performance that may include matters such as:		
	<ul style="list-style-type: none"> <li>Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them</li> </ul>	Financial Capital, Strategy and Resource Allocation- Integrated Reporting	167, 139
	<ul style="list-style-type: none"> <li>The organisation's effects (both positive and negative) on the capitals, including material effects on capitals up and down the Our Value Creation Process</li> </ul>	Our Value Creation Process, Strategy and Resource Allocation- Challenges and Mitigation Techniques of Human, Manufacturing, Social & Natural Capital	140, 141, 147, 152, 157, 160, 165
	<ul style="list-style-type: none"> <li>The state of key stakeholder relationships and how the organisation has responded to key stakeholders' legitimate needs and interests</li> </ul>	Social and Relationship Capital, Integrated Reporting - Stakeholder Engagement Framework	
	<ul style="list-style-type: none"> <li>The linkages between past and current performance, and between current performance and the organisation's outlook.</li> </ul>	Chairman's Message, Managing Director's Overview, Strategy and Resource Allocation - Outlook of Human, Manufacturing, Social & Natural Capital	21, 23, 147, 153, 157, 160, 166
	KPIs that combine financial measures with other components (e.g., the ratio of greenhouse gas emissions to sales) or narrative that explains the financial implications of significant effects on other capitals and other causal relationships (e.g., expected revenue growth resulting from efforts to enhance human capital) may be used to demonstrate the connectivity of financial performance with performance regarding other capitals. In some cases, this may also include monetizing certain effects on the capitals (e.g., carbon emissions and water use).	Our Value Creation Process , Challenges and Mitigation Techniques of Human, Manufactured, Social & Natural Capital	140, 141, 147, 153, 157, 160, 166
	Include instances where regulations have a significant effect on performance (e.g., a constraint on revenues as a result of regulatory rate setting) or the organisation's non-compliance with laws or regulations may significantly affect its operations.	Operating Context, PESTEL, Committess report under Coporate Governance	13, 14, 15, 78, 82, 84
<b>1.6</b>	<b>Risks, opportunities and internal controls</b>		
	An integrated report should explain what are the specific risks and opportunities that affect the organisation's ability to create value over the short, medium and long term, and how is the organisation dealing with them? and effectiveness of the system of internal controls	Statement on Risk Management and Internal Control 2019, 2019 Salient Features, Strategy and Resource Allocation- Outlook of Human, Manufactured, Intellectual, Social & Natural Capital	73, 10, 147, 153, 157, 160, 166

Sl. No	Particulars	Content Reference	Page No.
	This can include identifying:		
	<ul style="list-style-type: none"> <li>The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two.</li> </ul>	Statement on Risk Management and Internal Control 2019 , 2019 Salient Features, Strategy and Resource Allocation- Outlook of Human, Manufactured, Intellectual, Social & Natural Capital	73, 10, 147, 153, 157, 160, 166
	<ul style="list-style-type: none"> <li>The organisation's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does.</li> </ul>	Statement on Risk Management and Internal Control 2019	73
	<ul style="list-style-type: none"> <li>The specific steps being taken to mitigate or manage key risks (e.g. Risk Management Framework, Risk Management review process and reporting structure) or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs.</li> </ul>	Statement on Risk Management and Internal Control 2019	73
	<ul style="list-style-type: none"> <li>Risk Management Report (Which includes details about risk, root cause, potential impact, response to risk, risk rating)</li> </ul>	Statement on Risk Management and Internal Control 2019	73
	<ul style="list-style-type: none"> <li>Response on the effectiveness of the internal controls and the board's responsibility for the disclosures on internal controls to safeguard stakeholder interest.</li> </ul>	Report of the Audit Committee - 2019	79, 80, 81
<b>1.7</b>	<b>Strategy and Resource Allocation</b>		
	An integrated report should describe its strategic direction (Where does the organisation want to go and how does it intend to get there)	Financial Performance, Financial Capital, Horizontal Vertical Analysis, Our Value Creation Process, Our ETHOS	9, 91, 92, 93, 94, 95, 167, 140, 141,
	An integrated report needs to identify:		
	<ul style="list-style-type: none"> <li>The organisation's short, medium and long term strategic objectives</li> </ul>	Our ETHOS	9
	<ul style="list-style-type: none"> <li>The strategies it has in place, or intends to implement, to achieve those strategic objectives</li> </ul>	Financial Performance, Financial Capital, Horizontal Vertical Analysis, Our Value Creation Process	91, 92, 93, 94, 95, 167, 140, 141
	<ul style="list-style-type: none"> <li>How the entity has positioned in the wider market.</li> </ul>	Our Value Creation Process	140, 141
	<ul style="list-style-type: none"> <li>How the long term strategies relate to current business model.</li> </ul>	Financial Performance, Financial Capital, Value Creation Process, Integrated Reporting- Stakeholder Engagement Framework	91, 167, 140, 141, 142, 143
	<ul style="list-style-type: none"> <li>The resource allocation plans it has to implement its strategy</li> </ul>	Strategy and Resource Allocation- Challenges and Mitigation Techniques of Human, Manufacturing, Social & Natural Capital	147, 152, 157, 160
	<ul style="list-style-type: none"> <li>How it will measure achievements and target outcomes for the short, medium and long term.</li> </ul>	Integrated Reporting	139
	This can include describing:		
	<ul style="list-style-type: none"> <li>The linkage between the organisation's strategy and resource allocation plans, and the information covered by other Content Elements, including how its strategy and resource allocation plans:</li> </ul>	Integrated Reporting	139
	<ul style="list-style-type: none"> <li>relate to the organisation's business model, and what changes to that business model might be necessary to implement chosen strategies to provide an understanding of the organisation's ability to adapt to change</li> </ul>	Our Value Creation Process	140, 141
	<ul style="list-style-type: none"> <li>are influenced by/respond to the external environment and the identified risks and opportunities affect the capitals, and the risk management arrangements related to those capitals</li> </ul>	Strategy and Resource Allocation- Challenges and Mitigation Techniques of Human, Manufacturing, Social & Natural Capital	147, 152, 157, 160, 165
	<ul style="list-style-type: none"> <li>What differentiates the organisation to give it competitive advantage and enable it to create value, such as:</li> </ul>	Strategy and Resource Allocation- Integrated Reporting	139
	<ul style="list-style-type: none"> <li>the role of innovation</li> </ul>	Our ETHOS, Our Business Framework	9, 12

Sl. No	Particulars	Content Reference	Page No.
	<ul style="list-style-type: none"> <li>how the organisation develops and exploits intellectual capital</li> </ul>	Integrated Reporting- Human, Intellectual, Social and Relationship & Natural Capital	144, 145, 146, 147, 148, 149, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166
	<ul style="list-style-type: none"> <li>the extent to which environmental and social considerations have been embedded into the organisation's strategy to give it a competitive advantage</li> </ul>	Initiatives to Go Green, Environment Health & Safety, Battle of Minds (BOM), Environmental, Social and Governance (ESG), Farmers' Sustainability	102, 103, 104, 105, 124, 125, 126, 135, 136, 137
	<ul style="list-style-type: none"> <li>Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans.</li> </ul>	Strategy and Resource Allocation- Challenges and Mitigation Techniques of Human, Manufacturing, Social & Natural Capital	147, 152, 157, 160, 165
<b>1.8</b>	<b>Outlook</b>		
	An integrated report should explain what challenges and uncertainties is the organisation likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?	Message from the Chairman, Managing Director's Overview, Operating Context, PESTEL, Statement on Risk Management and Internal Control 2019, Strategy and Resource Allocation- Outlook of Human, Manufactured, Intellectual, Social & Natural Capital	21, 23, 13, 14, 15, 73, 141, 147, 151, 154, 160
	An integrated report should highlight anticipated changes over time and provides information on:	Strategy and Resource Allocation- Challenges and Mitigation Techniques of Human, Manufacturing, Social & Natural Capital	147, 152, 157, 160, 165
	<ul style="list-style-type: none"> <li>The organisation's expectations about the external environment the organisation is likely to face in the short, medium and long term</li> </ul>	Operating Context, PESTEL, Statement on Risk Management and Internal Control 2019, Strategy and Resource Allocation- Outlook of Human, Manufactured, Intellectual, Social & Natural Capital	13, 14, 15, 73, 147, 153, 157, 160, 166
	<ul style="list-style-type: none"> <li>How that will affect the organisation</li> </ul>	Statement on Risk Management and Internal Control 2019, Strategy and Resource Allocation- Outlook of Human, Manufactured, Intellectual, Social & Natural Capital	73, 147, 153, 157, 160, 166
	<ul style="list-style-type: none"> <li>How the organisation is currently equipped to respond to the critical challenges and uncertainties that are likely to arise.</li> </ul>	Statement on Risk Management and Internal Control 2019, Strategy and Resource Allocation - Challenges and Mitigation Techniques of Human, Manufacturing, Social & Natural Capital	73, 74, 75, 76, 77, 147, 152, 157, 160, 165
	The discussion of the potential implications, including implications for future financial performance may include:		
	<ul style="list-style-type: none"> <li>The external environment, and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives</li> </ul>	PESTEL, Statement on Risk Management and Internal Control 2019	14, 15, 73
	<ul style="list-style-type: none"> <li>The availability, quality and affordability of capitals the organisation uses or affects (e.g., the continued availability of skilled labour or natural resources), including how key relationships are managed and why they are important to the organisation's ability to create value over time.</li> </ul>	Our Value Creation Process Process	140, 141

Sl. No	Particulars	Content Reference	Page No.
	An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources, and sensitivity analyses. If forecasts or projections are included in reporting the organisation's outlook, a summary of related assumptions is useful. Comparisons of actual performance to previously identified targets further enables evaluation of the current outlook.	Directors' Report 2019	42
	Disclosures about an organisation's outlook in an integrated report should consider the legal or regulatory requirements to which the organisation is subject.	Welcome!	3
<b>1.9</b>	<b>Basis of preparation and presentation</b>		
	An integrated report should answer the question: How does the organisation determine what matters to include in the integrated report and how are such matters quantified or evaluated?	Welcome!, Integrated Reporting	3, 139
	An integrated report describes its basis of preparation and presentation, including:		
	• A summary of the organisation's materiality determination process	Integrated Reporting	139
	• Brief description of the process used to identify relevant matters, evaluate their importance and narrow them down to material matters	Value Creation Process	140, 141
	• Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters.	Report of the Audit Committee - 2019, Report of the Nomination & Remuneration Committee- 2019, Report of the CSR Committee- 2019	79, 80, 81, 83, 85
	• A description of the reporting boundary and how it has been determined	Welcome!	3
	Eg: Include process used for identifying the reporting boundary, geographic scope, the entities represented in the report and the nature of the information provided for each entity		
	• A summary of the significant frameworks and methods used to quantify or evaluate material matters	Welcome! , Director's Report 2019, Management Discussion & Analysis	3, 42, 49
	(e.g., the applicable financial reporting standards used for compiling financial information, a company-defined formula for measuring customer satisfaction, or an industry based framework for evaluating risks).	Management Discussion & Analysis, Certificate of Due Diligence by CEO & CFO, Corporate Governance Statement- 2019, Independent Auditor's Report	49, 52, 65, 188
<b>2.0</b>	<b>Responsibility for an integrated report</b>		
	An integrated report should include a statement from those charged with governance that includes:	Certificate of Due Diligence by CEO & CFO, Corporate Governance Statement, Independent Auditor's Report	52, 65, 188
	• An acknowledgement of their responsibility to ensure the integrity of the integrated report	Independent Auditor's Report	188
	• An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report	Independent Auditor's Report	188
	• Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework	Independent Auditor's Report	188



# 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

a) Mr./Mrs.....

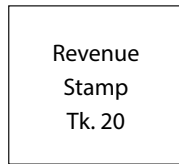
of.....

b) Mr./Mrs.....

of.....

either of them may, in writing, appoint anyone to act as my proxy at the 47<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 22 April 2020 and at any adjournment thereof

As witness my/our hand this ..... day of ..... 2020.



.....  
(Signature of Proxy)

.....  
(Signature of Share Holder)

Folio / BO ID No. -

No. of Shares held: .....

### Notes:

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 20 April 2020.
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 47<sup>th</sup> Annual General Meeting (AGM) of the Company being held on Wednesday, 22 April 2020 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 Share 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 ব্লক ৬০৬৯ বাংলাদেশ

### প্রতিনিধিপত্র

আমি/আমরা .....

ঠিকানা .....

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড- এর সদস্য হিসেবে

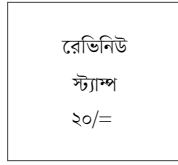
ক. জনাব/বেগম .....

ঠিকানা .....

খ. জনাব/বেগম .....

ঠিকানা .....

কে বা তাদের যেকোনো একজন আমার/আমাদের প্রতিনিধি হিসেবে আমার/আমাদের অনুপস্থিতিতে বুধবার, ২২ এপ্রিল ২০২০ তারিখ অনুষ্ঠিতব্য কোম্পানির ৪৭তম বার্ষিক সাধারণ সভায় এবং তার মূলতবি ঘোষিত সভায় উপস্থিত হওয়া ও ভোটদানের জন্য নিযুক্ত করলাম।



(প্রতিনিধির স্বাক্ষর)

(শেয়ার হোল্ডারের স্বাক্ষর)

ফোলিও/বিও নম্বর :  —

শেয়ার সংখ্যা : .....

#### দ্রষ্টব্য:

- অনিবার্য কারণবশতঃ, কোনো সদস্য তার অনুপস্থিতিতে মনোনীত প্রতিনিধিকে তার পক্ষ থেকে ভোট প্রদানের জন্য পাঠাতে পারবেন
- প্রতিনিধিপত্র সঠিকভাবে পূরণ ও স্ট্যাম্প সংযুক্ত করে কোম্পানির নিবন্ধিত অফিসে ২০ এপ্রিল ২০২০ সকাল ১০:৩০ মিনিটের মধ্যে জমা দিতে হবে
- কোম্পানির নথিভুক্ত নমুনা স্বাক্ষর ও সদস্যের স্বাক্ষর একই হতে হবে।



## ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

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

### উপস্থিতিপত্র

আমি/আমরা আগামী ২২ এপ্রিল ২০২০ রোজ বুধবার সকাল ১০:৩০ মিনিটে সোনারগাঁও হোটেল, ১০৭ কাজী নজরুল ইসলাম এভিনিউ, ঢাকা-১২১৫ এর বলরুম অনুষ্ঠিতব্য কোম্পানির ৪৭তম 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।







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Report 2019.



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