

**Un-audited interim condensed financial statements
as at and for the six month period ended 30 June 2023**



SUSTAINABLE DEVELOPMENT
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British American Tobacco Bangladesh Company Limited

Statement of financial position

<i>In thousands of BDT</i>	<i>Notes</i>	30 June 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	4	36,087,114	35,788,002
Right of use (ROU) assets	5	2,651,913	2,790,767
Total non-current assets		38,739,027	38,578,769
Current assets			
Inventories	6	38,007,759	28,769,599
Trade and other receivables	7	9,962,110	682,195
Advances, deposits and prepayments	8	5,386,407	10,486,985
Cash and cash equivalents	9	1,610,058	4,912,340
Total current assets		54,966,334	44,851,119
Total assets		93,705,361	83,429,888
Equity and liabilities			
Equity			
Share capital	10	5,400,000	5,400,000
Capital reserve	11	64,896	64,896
Retained earnings		39,813,837	35,718,708
Total equity attributable to owners of the Company		45,278,733	41,183,604
Non-current liabilities			
Net defined benefit plans		135,392	95,175
Deferred tax	12	6,669,543	6,699,365
Lease liabilities	5.2	2,650,394	2,714,161
Total non-current liabilities		9,455,329	9,508,701
Current liabilities			
Bank Overdraft		1,612,356	-
Trade and other payables	13	19,321,382	17,656,262
Unclaimed Dividend		4,749,608	2,203,083
Lease liabilities	5.2	488,959	470,207
Current tax liabilities	14	12,310,658	10,391,270
Provisions		488,336	2,016,761
Total current liabilities		38,971,299	32,737,583
Total liabilities		48,426,628	42,246,284
Total equity and liabilities		93,705,361	83,429,888

The notes on pages 6 to 19 are an integral part of these financial statements.

Sd /-
Golam Mainuddin
Chairman

Sd /-
Shehzad Munim
Managing Director

Sd /-
A. K. M. Aftab Ul Islam FCA
Director

Sd /-
Nirala Singh
Finance Director

Sd /-
Md. Azizur Rahman FCS
Company Secretary

British American Tobacco Bangladesh Company Limited

Statement of profit or loss and other comprehensive income

For the six-month period and quarter ended 30 June 2023

<i>In thousands of BDT</i>	Notes	1 January 2023 to 30 June 2023	1 January 2022 to 30 June 2022	1 April 2023 to 30 June 2023	1 April 2022 to 30 June 2022
Gross revenue		212,295,348	186,383,657	113,299,149	98,705,485
Supplementary duty and VAT		(163,092,082)	(145,045,561)	(86,779,939)	(76,897,615)
Net revenue from contracts with customers	15	49,203,266	41,338,096	26,519,210	21,807,870
Cost of sales		(24,240,060)	(18,320,696)	(13,151,074)	(9,349,480)
Gross profit		24,963,206	23,017,400	13,368,135	12,458,390
Operating expenses		(4,824,570)	(3,076,614)	(2,762,649)	(1,449,749)
Operating profit		20,138,636	19,940,786	10,605,486	11,008,641
Net finance income/(expenses)	16	(222,315)	(376,114)	(151,772)	(214,480)
Non-operating income/(expenses)		14,597	6,881	7,937	(60)
Profit before contribution to WPPF		19,930,918	19,571,553	10,461,652	10,794,101
Contribution to WPPF		(996,546)	(978,097)	(523,083)	(539,224)
Profit before tax		18,934,372	18,593,456	9,938,569	10,254,877
Current tax	17	(9,464,303)	(9,365,357)	(5,019,727)	(5,233,794)
Deferred tax	17	27,560	(88,523)	16,258	(50,971)
Income tax expense		(9,436,743)	(9,453,880)	(5,003,468)	(5,284,765)
Profit for the period		9,497,629	9,139,574	4,935,100	4,970,112
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Remeasurement loss on defined benefit plans	18	(4,763)	(1,551)	(4,762)	(1,551)
Deferred tax impact on defined benefit plans	18	2,262	737	2,262	737
Other comprehensive loss for the period, net of tax		(2,500)	(814)	(2,500)	(814)
Total comprehensive income for the period, net of tax		9,495,129	9,138,760	4,932,601	4,969,298
<i>In BDT</i>					
Earnings per share	19	17.59	16.93	9.14	9.20

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Sd /-
Golam Mainuddin
Chairman

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Nirala Singh
Finance Director

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Md. Azizur Rahman FCS
Company Secretary

British American Tobacco Bangladesh Company Limited

Statement of changes in equity

For the six-month period ended 30 June 2023

<i>In thousands of BDT</i>	Attributable to owners of the Company			
	Share capital	Capital reserve	Retained earnings	Total equity
Balance at 1 January 2022	5,400,000	64,896	31,325,878	36,790,774
Profit for the period	-	-	9,139,574	9,139,574
Other comprehensive income for the period	-	-	(814)	(814)
Total comprehensive income for the period	-	-	9,138,760	9,138,760
Transactions with owners of the Company				
Contributions and distributions				
Final cash dividend 2021	-	-	(8,100,000)	(8,100,000)
Total transactions with owners of the Company	-	-	(8,100,000)	(8,100,000)
Balance at 30 June 2022	5,400,000	64,896	32,364,638	37,829,534
Balance at 1 January 2023	5,400,000	64,896	35,718,708	41,183,604
Profit for the period	-	-	9,497,629	9,497,629
Other comprehensive income for the period	-	-	(2,500)	(2,500)
Total comprehensive income for the period	-	-	9,495,129	9,495,129
Transactions with owners of the Company				
Contributions and distributions				
Final cash dividend 2022	-	-	(5,400,000)	(5,400,000)
Total transactions with owners of the Company	-	-	(5,400,000)	(5,400,000)
Balance at 30 June 2023	5,400,000	64,896	39,813,837	45,278,733

The notes on pages 6 to 19 are an integral part of these financial statements.

British American Tobacco Bangladesh Company Limited

Statement of cash flows

<i>In thousands of BDT</i>	For the six-month period ended 30 June	
	2023	2022
Operating activities		
Collection from distributors, leaf export and others	202,960,141	188,299,774
Payment for costs and expenses	(34,705,611)	(30,466,282)
Supplementary duty and VAT paid	(161,300,937)	(141,292,987)
Cash generated from operating activities	6,953,593	16,540,505
Income tax paid	(7,544,915)	(7,247,962)
Interest received/(paid)	(73,928)	(238,664)
Net cash flows from operating activities	(665,250)	9,053,879
Investing activities		
Purchase of property, plant and equipment	(1,433,342)	(1,597,785)
Proceeds from sale of property, plant and equipment	79	2,322
Net cash flows used in investing activities	(1,433,263)	(1,595,463)
Financing activities		
Bank overdraft	1,612,356	758,510
Net proceeds from short term loan	-	200,000
Lease movement	(37,228)	(295,829)
Dividend paid	(2,853,475)	(8,087,778)
Net cash flows used in financing activities	(1,278,347)	(7,425,097)
Net Increase/(decrease) in cash and cash equivalents	(3,376,860)	33,318
Cash and cash equivalents at 1 January	4,912,340	1,406,980
Effect of exchange rate fluctuations on cash held	74,578	50,785
Cash and cash equivalents at 30 June	1,610,058	1,491,083

The notes on pages 6 to 19 are an integral part of these financial statements.

British American Tobacco Bangladesh Company Limited

Notes to the financial statements

1 Corporate information

1.1 Company profile

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

The immediate parent company of BATB is Raleigh Investment Co. Ltd. and the ultimate parent company of BATB is B.A.T plc.

1.2 Nature of business

The Company manufactures tobacco products and market brands including Benson & Hedges, John Player Gold Leaf, Capstan, Star, Royals, Lucky Strike, Derby, Pilot and Hollywood. The Company has its head office in Dhaka and the cigarette factories in Dhaka and Savar, a green leaf threshing plant in Kusthia, 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 2020 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 2020.

The financial statements have been prepared on a historical cost basis, except for financial assets and contingent considerations 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 a going concern basis.

The condensed interim financial statements should be read in conjunction with the British American Tobacco Company Bangladesh Limited's annual statutory financial statements as at 31 December 2022.

2.2 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 23 July 2023 for publication.

3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (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 such rounding off, in some instances the total may not match the sum of individual balances.

4 Property, plant and equipment

In thousands of BDT	Cost						Assets under construction (AUC)	Total			
	Freehold building	Freehold land	Furniture and fixtures	IT equipment	Laboratory equipment	Leasehold building			Office equipment	Plant and machinery	Vehicles
Balance as at 1 January 2022	5,551,744	1,526,496	556,298	492,444	443,968	1,143,921	1,168,129	29,733,605	1,257,792	3,542,977	46,417,376
Additions	31,409	-	19,839	118,702	44,745	35,165	175,096	2,735,523	380,038	5,055,949	8,997,166
Disposals/transfers	(5,669)	-	(15,922)	(71,559)	(1,195)	(4,759)	(23,070)	(109,133)	(140,397)	(2,177,633)	(2,549,337)
Balance as at 31 December 2022	5,577,484	1,526,496	560,215	539,587	487,518	1,174,327	1,320,155	32,359,995	1,498,233	6,421,193	57,465,205
Balance as at 1 January 2023	5,577,484	1,526,496	560,215	539,587	487,518	1,174,327	1,320,155	32,359,995	1,498,233	6,421,193	57,465,205
Additions	270,729	81,160	95,525	48,162	25,296	5,229	101,658	221,326	26,045	1,374,734	2,449,855
Disposals/transfers	-	-	(1,112)	(549)	-	(8,715)	(6,348)	-	-	(812,337)	(829,060)
Balance as at 30 June 2023	5,848,213	1,607,656	654,629	607,190	512,814	1,170,841	1,415,465	32,861,322	1,524,278	6,993,590	52,865,999
Accumulated depreciation											
Balance as at 1 January 2022	413,924	-	317,700	347,170	228,676	282,658	819,907	10,678,074	823,959	-	13,913,067
Depreciation for the year	117,868	-	47,686	82,272	34,118	54,904	145,012	1,432,379	193,872	-	2,107,891
Disposals/transfers	(5,251)	-	(13,461)	(70,080)	(1,195)	(2,916)	(17,949)	(88,495)	(134,389)	-	(343,755)
Balance as at 31 December 2022	526,341	-	361,885	359,362	262,599	334,646	946,970	12,011,958	883,442	-	15,677,203
Balance as at 1 January 2023	526,341	-	361,885	359,362	262,599	334,646	946,970	12,011,958	883,442	-	15,677,203
Depreciation for the period	61,762	-	27,378	50,500	19,044	29,434	76,139	760,097	109,284	-	1,133,637
Disposals/transfers	-	-	(1,112)	(549)	-	(4,996)	(5,298)	-	-	-	(11,995)
Balance as at 30 June 2023	588,103	-	376,151	409,313	281,643	359,083	1,017,810	12,772,055	992,726	-	16,798,885
Net book value											
As at 31 December 2022	5,051,143	1,526,496	208,330	180,225	224,919	839,681	373,185	20,348,037	614,791	6,421,193	35,788,002
As at 30 June 2023	5,260,110	1,607,656	276,477	177,877	231,171	811,758	397,654	19,899,266	531,652	6,993,890	36,087,114

5 Schedule of lease

The Company has leases for warehouse, forklift, office and rented apartment which have been capitalised and accounted for in accordance with IFRS 16: Leases. Information related to right-of-use asset and lease liability are depicted below:

5.1 Right of use (ROU) assets

<i>In thousands of BDT</i>	Rented apartment	Forklift	Office	Warehouse	Total
Cost					
Balance as at 1 January 2022	66,625	284,117	119,475	2,385,799	2,856,017
Additions/modifications	11,235	72,879	73,695	1,207,075	1,364,884
Disposals	-	-	-	(4,974)	(4,974)
Balance as at 31 December 2022	77,860	356,996	193,170	3,587,900	4,215,927
Balance as at 1 January 2023	77,860	356,996	193,170	3,587,900	4,215,927
Additions/modifications	27,814	6,581	12,149	109,630	156,174
Disposals	(8,012)	(0)	(3,918)	(4,759)	(16,689)
Balance as at 30 June 2023	97,662	363,577	201,402	3,692,771	4,355,411
Accumulated depreciation					
Balance as at 1 January 2022	34,033	39,632	47,161	774,908	895,734
Depreciation for the year	22,984	43,073	24,394	443,949	534,400
Disposals/modifications	-	-	-	(4,974)	(4,974)
Balance as at 31 December 2022	57,017	82,705	71,555	1,213,883	1,425,160
Balance as at 1 January 2023	57,017	82,705	71,555	1,213,883	1,425,160
Depreciation for the period	12,873	28,993	12,524	240,638	295,027
Disposals/modifications	(8,012)	-	(3,918)	(4,759)	(16,689)
Balance as at 30 June 2023	61,878	111,698	80,161	1,449,762	1,703,498
Net book value					
As at 31 December 2022	20,843	274,291	121,615	2,374,017	2,790,767
As at 30 June 2023	35,784	251,879	121,241	2,243,009	2,651,913

5.2 Lease liabilities

<i>In thousands of BDT</i>	30 June 2023	31 December 2022
Non-current		
Lease liabilities	3,622,236	3,762,175
Interest liabilities	(971,842)	(1,048,014)
	2,650,394	2,714,161
Current		
Lease liabilities	777,374	763,998
Interest liabilities	(288,415)	(293,791)
	488,959	470,207
Total lease liabilities	3,139,353	3,184,368

6 Inventories

<i>In thousands of BDT</i>	<i>Note</i>	30 June	31 December
		2023	2022
Inventories in hand	6.1	37,668,881	28,009,389
Inventories in transit	6.2	338,878	760,210
		38,007,759	28,769,599

6.1 Inventories in hand

<i>In thousands of BDT</i>	30 June	31 December
	2023	2022
Leaf	18,101,052	9,802,364
Wrapping materials	2,377,443	1,434,336
Work in process	63,316	96,516
Finished goods	15,843,790	16,066,405
Cost of finished goods	2,093,096	3,347,756
VAT, Supplementary Duty and HDSC* on finished goods	13,750,694	12,718,649
Consumable stores	1,283,280	609,768
	37,668,881	28,009,389

*Health development surcharge

6.2 Inventories in transit

<i>In thousands of BDT</i>	30 June	31 December
	2023	2022
Leaf	-	4,539
Wrapping materials	137,356	331,402
Consumable stores	201,522	424,269
	338,878	760,210

7 Trade and other receivables

<i>In thousands of BDT</i>	30 June	31 December
	2023	2022
Trade receivables	9,895,290	551,956
Expected credit loss	(12,239)	(552)
Net trade receivables	9,883,051	551,404
Intercompany receivables	60,698	74,123
Sundry receivables	18,361	56,668
	9,962,110	682,195

8 Advances, deposits and prepayments

<i>In thousands of BDT</i>	30 June	31 December
	2023	2022
Advances	5,324,114	10,351,989
	5,324,114	10,351,989
Security deposit	-	11,700
	-	11,700
Prepayments		
Insurance	62,293	123,296
	62,293	123,296
Advances, deposits and prepayments	5,386,407	10,486,985

9 Cash and cash equivalents

<i>In thousands of BDT</i>	<i>Note</i>	30 June	31 December
		2023	2022
Cash in hand		6	6
		6	6
Cash at bank			
Dividend account	9.1	812,029	2,203,083
Foreign currency accounts		158,093	1,686,912
Current accounts		307,352	(194,345)
Fixed deposit receipt (FDR)		-	-
<i>Local</i>		-	-
<i>Foreign</i>		-	-
Short term deposit (STD)		332,677	1,216,684
		1,610,052	4,912,334
		1,610,059	4,912,340

All the above balances are held with scheduled and nationalized banks. Cash at banks earns interest at floating rates based on daily bank deposit rates.

9.1 Restricted cash balance

Dividend account is used only to pay dividends to the shareholders. The balance of this account moves with dividend transactions only.

9.2 Banking facility arrangements

Short term running funded facilities available with the banks amount to BDT 17,021 million. Facilities are renewable on annual basis.

9.3 Reconciliation of net operating cash flow

<i>In thousands of BDT</i>	For the period ended 30 June	
	2023	2022
Profit after tax	9,497,629	9,139,574
Adjustment for:		
Depreciation and impairment	1,428,664	1,284,286
(Gain)/loss of sale of assets	4,691	10,030
Other adjustments	9,584,477	9,779,209
	20,515,463	20,213,099
Changes in:		
(Increase)/decrease in inventories	(9,238,159)	(4,223,723)
(Increase)/decrease in trade receivables and others	(9,277,869)	1,949,991
(Increase)/decrease in advances, deposits and prepayments	4,777,245	534,728
Increase/(decrease) in trade payables and others	1,665,121	(1,506,316)
Increase/(decrease) in net defined benefit plans	40,216	66,811
Increase/(decrease) in provisions	(1,528,424)	(494,085)
Income tax & interest payments	(7,618,843)	(7,486,626)
Net cash generated from operating activities	(665,250)	9,053,879

10 Share capital

<i>In thousands of BDT</i>	30 June	31 December
	2023	2022
Authorized:		
60,000,000 ordinary shares of BDT 10 each	600,000,000	600,000,000
480,000,000 ordinary shares of BDT 10 each	4,800,000,000	4,800,000,000
	5,400,000,000	5,400,000,000
Issued, subscribed and fully paid up:		
Issued for cash:		
3 ordinary shares of BDT 10 each	30	30
Issued for consideration other than cash:		
59,999,997 ordinary shares of BDT 10 each	599,999,970	599,999,970
120,000,000 bonus shares of BDT 10 each	1,200,000,000	1,200,000,000
360,000,000 bonus shares of BDT 10 each	3,600,000,000	3,600,000,000
	5,400,000,000	5,400,000,000

Notes to the financial statements (continued)

10.1 Shareholding position

Name of shareholder	30 June 2023			31 December 2022		
	No. of shares	Value (BDT)	Percentage	No. of shares	Value (BDT)	Percentage
Raigh Investment Co. Ltd., UK	393,708,222	3,937,082,220	72.91%	393,708,222	3,937,082,220	72.91%
Investment Corporation of Bangladesh	30,491,167	304,911,670	5.65%	30,539,217	305,392,170	5.66%
Sadharan Bima Corporation	15,285,423	152,854,230	2.83%	15,285,423	152,854,230	2.83%
Bangladesh Development Bank Limited	1,807,863	18,078,630	0.33%	1,807,863	18,078,630	0.33%
Government of Bangladesh	3,481,416	34,814,160	0.64%	3,481,416	34,814,160	0.64%
Others	95,225,909	952,259,090	17.63%	95,177,859	951,778,590	17.63%
	540,000,000	5,400,000,000	100%	540,000,000	5,400,000,000	100%

10.2 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	30 June 2023			31 December 2022		
	Number of shareholders	Total number of shares	Percentage of holding	Number of shareholders	Total number of shares	Percentage of holding
Less than 501 shares	73,669	6,959,333	1.29%	73,027	6,901,978	1.28%
501 to 5,000 shares	10,608	15,908,688	2.95%	10,502	15,741,865	2.92%
5,001 to 10,000 shares	753	5,415,917	1.00%	743	5,368,651	0.99%
10,001 to 20,000 shares	336	4,727,252	0.88%	325	4,636,510	0.86%
20,001 to 30,000 shares	101	2,477,701	0.46%	97	2,360,730	0.44%
30,001 to 40,000 shares	48	1,659,645	0.31%	51	1,755,247	0.33%
40,001 to 50,000 shares	45	2,051,662	0.38%	43	1,961,314	0.36%
50,001 to 100,000 shares	86	5,948,770	1.10%	87	6,049,619	1.12%
100,001 to 1,000,000 shares	84	22,091,388	4.09%	82	21,940,227	4.06%
Over 1,000,000 shares	14	472,759,644	87.55%	14	473,283,859	87.65%
	85,744	540,000,000	100%	84,971	540,000,000	100%

11 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.

Notes to the financial statements (continued)

12 Deferred tax

12.1 Deferred tax asset

<i>In thousands of BDT</i>	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
30 June 2023			
Provision for inventories	(61,398)	-	(61,398)
Provision for gratuity	(135,392)	-	(135,392)
Net temporary difference	(196,790)	-	(196,790)
Applicable tax rate			47.5%
Deferred tax asset			(93,475)

<i>In thousands of BDT</i>	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
31 December 2022			
Provision for inventories	(114,847)	-	(114,847)
Provision for gratuity	(95,176)	-	(95,176)
Net temporary difference	(210,023)	-	(210,023)
Applicable tax rate			47.5%
Deferred tax Asset			(99,761)

12.2 Deferred tax liabilities

<i>In thousands of BDT</i>	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
30 June 2023			
Property, plant and equipment excluding land.	27,220,486	12,495,114	14,725,372
Net, right of use assets	(487,439)	-	(487,439)
Net temporary difference	26,733,047	12,495,114	14,237,933
Applicable tax rate			47.5%
Deferred tax liabilities			6,763,018

<i>In thousands of BDT</i>	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
31 December 2022			
Property, plant and equipment excluding land.	27,529,081	12,821,531	14,707,550
Net, right of use assets	(393,601)	-	(393,601)
Net temporary difference	27,135,480	12,821,531	14,313,949
Applicable tax rate			47.5%
Deferred tax liabilities			6,799,126

12.3 Deferred tax liabilities, net

<i>In thousands of BDT</i>	30 June 2023	31 December 2022
Deferred tax asset	(93,475)	(99,761)
Deferred tax liabilities / (asset) (ROU Assets)	(231,534)	(186,960)
Deferred tax liabilities (other than ROU assets)	6,994,552	6,986,086
Net deferred tax liabilities	6,669,543	6,699,365

13 Trade and other payables

	30 June	31 December
<i>In thousands of BDT</i>	2023	2022
Trade payables	4,343,726	4,017,714
Intercompany payables	10,192,238	9,850,420
Workers' Profit Participation Fund (WPPF)	994,500	-
Wages and other benefits	243,224	678,775
Accrued expenses	3,313,871	2,900,278
Sundry payables	233,823	209,075
	19,321,382	17,656,262

14 Current tax liabilities

	30 June	31 December
<i>In thousands of BDT</i>	2023	2022
Opening balance	10,391,270	7,485,580
Provision made during the year	9,464,303	16,431,144
	19,855,573	23,916,724
Advance payment of corporate tax	(7,544,915)	(13,525,453)
Closing balance	12,310,658	10,391,270

15 Revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	For the period ended 30 June	
<i>In thousands of BDT</i>	2023	2022
Quantity in million sticks	39,108	35,392
		-
Gross revenue from domestic sale	210,299,118	185,779,782
Supplementary duty and VAT	(163,092,082)	(145,045,561)
Revenue from domestic sale, net	47,207,037	40,734,221
Quantity in million sticks	-	11.52
Gross revenue from finished goods export	-	10,570
Revenue from export of finished goods, net	-	10,570
Quantity in million kgs	4.97	2.40
Gross revenue from tobacco leaf export	1,996,229	593,305
Revenue from leaf export, net	1,996,229	593,305
Total revenue from contracts with customers, net	49,203,266	41,338,096

16 Net finance income/(expenses)

	For the period ended 30 June	
<i>In thousands of BDT</i>	2023	2022
Finance income	36,389	10,727
Finance costs		
Debt and borrowing	(110,317)	(137,450)
Lease liabilities	(148,387)	(249,391)
	(222,315)	(376,114)

Notes to the financial statements (continued)

17 Income tax expenses

<i>In thousands of BDT</i>	For the period ended 30 June	
	2023	2022
Current income tax:		
Current period income tax charge	9,464,303	9,365,357
Deferred tax:		
Deferred tax (income)/expense relating to origination and reversal of temporary differences	(27,560)	88,523
Income tax expense reported in the statement of profit or loss	9,436,743	9,453,880

17.1 Reconciliation of effective tax rate

<i>In thousands of BDT</i>	For the period ended 30 June			
		2023		2022
Profit before tax		18,934,372		18,593,456
Current tax expense	49.98%	9,464,303	50.37%	9,365,357
Deferred tax expense	-0.15%	(27,560)	0.48%	88,523
Total tax expense	49.84%	9,436,743	50.85%	9,453,880
Expected income tax using applicable tax rate	47.50%	8,993,827	47.50%	8,831,891
Prior year adjustment	0.00%	-	0.00%	-
Tax on non deductible expenses	2.48%	470,476	2.87%	533,465
Effective current tax	49.98%	9,464,303	50.37%	9,365,357
Effective deferred tax	-0.15%	(27,560)	0.48%	88,523
	49.84%	9,436,743	50.85%	9,453,880

18 Other comprehensive income

<i>In thousands of BDT</i>	For the period ended 30 June	
	2023	2022
Actuarial gain/(loss) on defined benefit plans - Gratuity fund	(4,237)	(1,033)
Actuarial gain/(loss) on defined benefit plans - Pension fund	(525)	(518)
	(4,763)	(1,551)
Less: deferred tax on actuarial gain/(loss) on defined benefit plans @ 47.5%	2,262	737
Net actuarial gain/(loss) on defined benefit plans charged to OCI	(2,500)	(814)

19 Earnings per share

19.1 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:

<i>In thousands of BDT</i>	For the period ended 30 June	
	2023	2022
Total profit attributable to shareholders	9,497,629	9,139,574
Weighted average number of shares outstanding	540,000	540,000
Earning per share in BDT	17.59	16.93

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.

19.2 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.

20 Net operating cash flows per share (NOCFPS)

<i>In thousands of BDT</i>	For the period ended 30 June	
	2023	2022
Net cash flow from operating activities	(665,250)	9,053,879
Weighted average number of shares outstanding	540,000	540,000
Net operating cash flows per share in BDT	(1.23)	16.77

21 Net asset value (NAV) per share

<i>In thousands of BDT</i>	30 June	31 December
	2023	2022
Net asset value	45,278,733	41,183,604
Weighted average number of shares outstanding	540,000	540,000
NAV per share in BDT	83.85	76.27

Notes to the financial statements (continued)

22 Related party disclosures

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*.

<i>In thousands of BDT</i>	Relationship	Transaction Values		Balance Outstanding	
		30 June 2023	30 June 2022	30 June 2023	31 December 2022
Income					
a. Leaf, Cigarette export and sale of goods					
BAT (GLP) Limited	BAT Group company	1,589,258	278,394	8,352	(134,378)
PTCL	BAT Group company	-	-	-	38,069
BAT (Singapore) PTE LTD	BAT Group company	-	9,568	15,751	15,751
Ceylon Tobacco Company PLC	BAT Group company	-	1,001	-	474
		1,589,258	288,963	24,103	(80,084)

b. Other fee

Other fee received/to be received from:

BAT (GLP) Limited	BAT Group company	-	12,764	-	-
BAT Holdings Limited	Holding company	15,477	-	-	-
BAT INVESTMENTS LTD	Holding company	21,802	12,445	21,802	0
British-American Tobacco Polska S.A	BAT Group company	-	2,241	-	-
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	13,215	-	-
BAT Japan	BAT Group company	-	11,028	-	(0)
British American Tobacco Exports Ltd	BAT Group company	-	-	-	-
Solomon Islands Tobacco Co. Ltd.	BAT Group company	-	-	-	-
BAT Global Travel Retail Limited	BAT Group company	722	18,660	-	-
BAT DENMARK A/S (HOP A/S)	BAT Group company	-	-	1,480	1,480
British American Tobacco Taiwan	BAT Group company	-	10,792	1,599	1,599
British American Tobacco Asia-	BAT Group company	-	17,294	-	-
British-American Tobacco (Singapore)	BAT Group company	7,735	4,035	-	-
EAA Services	BAT Group company	-	1,879	-	1,879
British American Tobacco (PNG) Ltd	BAT Group company	950	-	7,569	6,619
VINA-BAT JV HCMC Branch	BAT Group company	-	-	-	1,727
BAT Co. (HK) Ltd	BAT Group company	212	2,945	2,266	2,266
BAT AsPac Service Centre Sdn Bhd	BAT Group company	1,554	-	-	-
BAT MARKETING (S) PTE LTD	BAT Group company	-	-	-	-
British American Tobacco ME DMCC	BAT Group company	-	-	-	-
PT Bentoel Intemasional Investama	BAT Group company	6,906	-	-	-
British American Tobacco Kenya Ltd	BAT Group company	354	-	-	-
Nicoventures Trading Limited	BAT Group company	-	2,633	-	-
		55,711	109,932	36,595	15,570
Total related party income and balance		1,644,969	398,896	60,698	(64,514)

In thousands of BDT	Relationship	Transaction Values		Balance Outstanding	
		30 June	30 June	30 June	31 December
		2023	2022	2023	2022
Expenses					
c. Procurement of services					
Procurement of information technology, product and other services:					
BASS GSD limited	BAT Group company	156,892	565,261	(1,173,735)	(1,016,843)
BRITISH AMERICAN TOBACCO AUSTRALIA	BAT Group company	-	5,587	(8,056)	(8,056)
BAT GERMANY GMBH	BAT Group company	-	-	(327)	(327)
BAT Holdings Limited	Holding company	-	-	-	-
BAT AsPac Service Centre Sdn Bhd	BAT Group company	141,547	84,093	(847,341)	(715,277)
BAT GSD (KL) Sdn Bhd	BAT Group company	-	-	(3,151)	(3,151)
BAT Investments LTD	Holding company	-	568,582	(30,527)	(30,527)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	23,894	(10,962)	(10,962)
BAT MARKETING (S) PTE LTD	BAT Group company	-	2,311	-	-
PAKISTAN TOBACCO CO LTD	BAT Group company	-	-	(415)	(415)
British American Tobacco Tutun	BAT Group company	-	-	(47,053)	(47,053)
BAT (GLP) Limited	BAT Group company	-	-	(103)	(103)
British American Tobacco Western Europe	BAT Group company	7,918	-	(9,188)	(1,270)
BAT KOREA MANUFACTURING LTD	BAT Group company	-	-	(10,870)	(10,870)
BAT (Singapore) PTE LTD	BAT Group company	-	-	(1,788)	(1,788)
BAT Peci Dohanygyar KFT	BAT Group company	-	-	-	-
Souza Cruz Ltda.	BAT Group company	-	-	(1,817)	(1,817)
BAT Japan	BAT Group company	-	-	(10,094)	(10,094)
		306,357	1,249,728	(2,155,425)	(1,858,553)
d. Purchase of leaf & goods					
Purchase of leaf and wrapping materials from:					
BAT Singapore (Private) limited	BAT Group company	18,925	2,089	(3,594)	(1,679)
BAT (GLP) Limited	BAT Group company	46,723	361,707	(2,780)	(2,086)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	29,563	29,000	-	-
British American Tobacco Western Europe	BAT Group company	1,112	-	(1,112)	(0)
BAT KOREA MANUFACTURING LTD	BAT Group company	-	-	-	-
British American Tobacco South	BAT Group company	34,512	-	-	-
British American Tobacco Kenya Ltd	BAT Group company	17,596	-	-	-
		148,431	392,796	(7,486)	(3,765)
e. Royalty					
Royalty paid/payable to:					
BAT Holdings Limited	Holding company	512,839	399,736	(3,681,512)	(3,230,845)
		512,839	399,736	(3,681,512)	(3,230,845)
f. Technical and advisory fee					
Payment of fees for technical and advisory support services to:					
BAT Investments Ltd	Holding company	738,936	-	(4,337,447)	(4,612,512)
		738,936	-	(4,337,447)	(4,612,512)
g. Purchase of equipment					
Purchase of equipment from:					
BAT MARKETING (S) PTE LTD	BAT Group company	-	198,906	(0)	4,258
BAT Peci Dohanygyar KFT	BAT Group company	-	19,849	-	-
BRITISH AMERICAN TOBACCO CHILE	BAT Group company	-	-	(69)	(69)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	556,709	(3,332)	(3,332)
British American Tobacco Kenya Ltd	BAT Group company	-	-	(166)	(166)
BAT Nigeria Ltd	BAT Group company	-	-	(516)	(516)
BAT Romania Investment	BAT Group company	-	-	(1,093)	(1,093)
British American Tobacco Tutun	BAT Group company	-	-	(986)	(986)
BAT (Singapore) PTE LTD	BAT Group company	-	4,026	(4,026)	(4,026)
BAT KOREA MANUFACTURING LTD	BAT Group company	-	-	-	-
British American Tobacco Mexico	BAT Group company	-	-	(181)	(181)
		-	779,490	(10,368)	(6,111)
Total related party expenses and outstanding balances		1,706,562	2,821,751	(10,192,238)	(9,711,786)

Notes to the financial statements (continued)**23 Commitments****23.1 Capital expenditure**

	30 June	31 December
<i>In thousands of BDT</i>	2023	2022
Authorised but not provided for	1,678,641	2,730,676

23.2 Letter of credit

	30 June	31 December
<i>In thousands of BDT</i>	2023	2022
Citibank, N.A.	1,091,758	1,049,374
Commercial Bank of Ceylon PLC	126,792	-
The Hongkong and Shanghai Banking Corporation Limited	972,152	729,169
Standard Chartered Bank	1,545,009	1,676,783
	3,735,711	3,455,326

24 Contingencies

Contingent liabilities of the Company that relate to issue of bank guarantee to third parties as listed below:

	30 June	31 December
<i>In thousands of BDT</i>	2023	2022
Bank Guarantee		
Standard Chartered Bank	224,520	202,659
Commercial Bank of Ceylon PLC	10,965	127,965
Eastern Bank Ltd.	29,302	29,302
Citibank, N.A.	2,000	2,000
	266,787	361,926

24.1 Litigation

The Company has various claims and legal actions arising in the ordinary course of business. Management believes that there is a strong defence against such claims and legal actions and is not expected to have a material impact on Company's financial statements. Such claims and legal actions include the following:

In January 2019, a competitor filed a writ petition against Government and NBR by which it initially challenged the failure of Government to implement the closing budget speech of the Hon'ble Finance Minister dated 27 June 2018 and reserving low segment for local brands. Thereafter, the competitor instead challenged the exclusion of protection given to local brands of cigarette manufactured by local manufacturers and sought a direction to continue the protection so granted to the local manufacturers of cigarettes in pursuance of a 2017 Special Order. The competitor further challenged the legality of a 2018 Special Order of NBR through which the said protection was revoked. BATB was initially not a party to the writ petition, subsequently it became a party through an addition of party application. Upon hearing on multiple occasions, the High Court (HC) passed judgment in the matter on 21 September 2020. By holding the prospective portion of the 2018 Special Order legal, the court did not allow the discriminatory regime to continue. However, by holding illegal the retrospective portion of the 2018 Special Order, the Court revived the discriminatory regime for only one year, that is from 01 June 2017 to 06 June 2018 and held that any shortfall of revenue under the 2017 Special Order may be recovered from any party or manufacturer during the period of 01 June 2017 to 06 June 2018.

Subsequently, the LTU-VAT issued a Show Cause Notice dated 24 September 2020 following the High Court judgment claiming unpaid VAT & SD of BDT 24,371 million from 01 June 2017 to 06 June 2018. BATB appealed against the HC Judgment before the Appellate Division and obtained an order of stay. Since High Court judgment is stayed, the LTU proceeding shall also be deemed to have been stayed.

25 Significant deviations

Earnings per share (EPS) increased from same period last year driven by volume growth and higher leaf export. Net operating cash flow per share (NOCFPS) decreased from same period last year due to higher VAT, SD, HDSC and tax payments and reduced receipts from customers due to credit.

26 Events after reporting period

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.



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