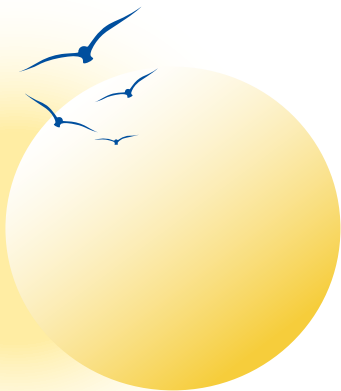


# Un-audited interim condensed financial statements as at and for the nine month period ended 30 September 2024



**TRANSFORMING TOGETHER**  
for a better tomorrow



# British American Tobacco Bangladesh Company Limited

## Statement of financial position

<i>In thousands of BDT</i>	<i>Notes</i>	30 September 2024	31 December 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	36,694,204	36,860,089
Right of use (ROU) assets	5.1	3,247,744	3,251,843
<b>Total non-current assets</b>		<b>39,941,948</b>	<b>40,111,932</b>
<b>Current assets</b>			
Inventories	6	55,801,355	31,810,969
Trade and other receivables	7	1,471,021	11,904,577
Advances, deposits and prepayments	8	5,035,809	7,660,044
Investment asset	9	-	2,937,131
Cash and cash equivalents	10	10,442,583	9,440,371
<b>Total current assets</b>		<b>72,750,768</b>	<b>63,753,092</b>
<b>Total assets</b>		<b>112,692,716</b>	<b>103,865,024</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	11	5,400,000	5,400,000
Capital reserve	12	64,896	64,896
Retained earnings		55,998,488	48,172,592
<b>Total equity attributable to owners of the Company</b>		<b>61,463,384</b>	<b>53,637,488</b>
<b>Non-current liabilities</b>			
Net defined benefit plans		137,681	150,302
Deferred tax	13	6,506,342	6,314,612
Lease liabilities	5.2	3,375,861	3,351,011
<b>Total non-current liabilities</b>		<b>10,019,884</b>	<b>9,815,925</b>
<b>Current liabilities</b>			
Bank Overdraft		44,017	-
Borrowings under supplier financing arrangement		-	3,737,605
Trade and other payables	14	29,342,586	18,470,667
Unclaimed Dividend		88,720	2,820,957
Lease liabilities	5.2	554,051	451,061
Current tax liabilities	15	11,302,296	13,257,905
Provisions		(122,222)	1,673,416
<b>Total current liabilities</b>		<b>41,209,448</b>	<b>40,411,611</b>
<b>Total liabilities</b>		<b>51,229,332</b>	<b>50,227,536</b>
<b>Total equity and liabilities</b>		<b>112,692,716</b>	<b>103,865,024</b>

The notes on pages 5 to 19 are an integral part of these financial statements.

Sd /-  
Wael Sabra  
Chairman

Sd /-  
Monisha Abraham  
Managing Director

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

Sd /-  
Nirala Singh  
Finance Director

Sd /-  
Syed Afzal Hossain  
Company Secretary

# British American Tobacco Bangladesh Company Limited

## Statement of profit or loss and other comprehensive income

### For the nine-month period and quarter ended 30 September 2024

		1 January 2024 to 30 September 2024	1 January 2023 to 30 September 2023	1 July 2024 to 30 September 2024	1 July 2023 to 30 September 2023
<i>In thousands of BDT</i>	<i>Notes</i>				
Gross revenue		308,433,571	293,499,694	85,035,915	81,204,346
Supplementary duty and VAT		(239,060,430)	(225,573,639)	(64,520,049)	(62,481,557)
Net revenue from contracts with customers	16	69,373,141	67,926,055	20,515,866	18,722,789
Cost of sales		(35,631,918)	(33,564,640)	(10,413,893)	(9,324,580)
Gross profit		33,741,223	34,361,415	10,101,973	9,398,209
Operating expenses		(5,629,255)	(6,419,680)	(1,789,305)	(1,585,110)
Operating profit		28,111,968	27,941,735	8,312,668	7,803,099
Net finance income/(expenses)	17	(685,216)	(295,487)	(238,683)	(73,172)
Non-operating income/(expenses)		58,987	22,728	8,762	8,131
Profit before contribution to WPPF		27,485,739	27,668,976	8,082,747	7,738,058
Contribution to WPPF		(1,374,287)	(1,383,449)	(404,137)	(386,903)
Profit before tax		26,111,452	26,285,527	7,678,610	7,351,155
Current tax	18	(12,694,096)	(12,760,526)	(3,641,513)	(3,296,223)
Deferred tax	18	(191,602)	31,782	(65,514)	4,222
Income tax expense		(12,885,698)	(12,728,744)	(3,707,027)	(3,292,001)
Profit for the period		13,225,754	13,556,783	3,971,583	4,059,154
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Remeasurement gain/(loss) on defined benefit plans	19	271	(4,762)	271	-
Deferred tax impact on defined benefit plans	19	(129)	2,262	(129)	-
Other comprehensive loss for the year, net of tax		142	(2,500)	142	-
Total comprehensive income for the year, net of tax		13,225,896	13,554,283	3,971,725	4,059,154
<i>In BDT</i>					
Earnings per share	20	24.49	25.11	7.35	7.52

Sd /-  
Wael Sabra  
Chairman

Sd /-  
Monisha Abraham  
Managing Director

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

Sd /-  
Nirala Singh  
Finance Director

Sd /-  
Syed Afzal Hossain  
Company Secretary

# British American Tobacco Bangladesh Company Limited

## Statement of changes in equity

For the nine-month period ended 30 September 2024

<i>In thousands of BDT</i>	Attributable to owners of the Company			
	Share capital	Capital reserve	Retained earnings	Total equity
<b>Balance at 1 January 2023</b>	5,400,000	64,896	35,718,708	41,183,604
Profit for the period	-	-	13,556,783	13,556,783
Other comprehensive income for the year	-	-	(2,500)	(2,500)
<b>Total comprehensive income for the period</b>	-	-	13,554,283	13,554,283
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Final cash dividend 2022	-	-	(5,400,000)	(5,400,000)
<b>Total transactions with owners of the Company</b>	-	-	(5,400,000)	(5,400,000)
<b>Balance at 30 September 2023</b>	5,400,000	64,896	43,872,991	49,337,887
<b>Balance at 1 January 2024</b>	5,400,000	64,896	48,172,592	53,637,488
Profit for the period	-	-	13,225,754	13,225,754
Other comprehensive income for the year	-	-	142	142
<b>Total comprehensive income for the period</b>	-	-	13,225,896	13,225,896
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Final Cash Dividend 2023	-	-	(5,400,000)	(5,400,000)
<b>Total transactions with owners of the Company</b>	-	-	(5,400,000)	(5,400,000)
<b>Balance at 30 September 2024</b>	5,400,000	64,896	55,998,488	61,463,384

The notes on pages 5 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>	<b>For the nine-month period ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Collection from distributors, leaf export and others	321,543,192	293,007,999
Payment for costs and expenses	(48,950,906)	(43,363,943)
Supplementary duty and VAT paid	(243,431,648)	(232,000,367)
<b>Cash generated from operating activities</b>	<b>29,160,638</b>	<b>17,643,689</b>
Income tax paid	(14,649,705)	(11,466,042)
Interest received/(paid)	(381,251)	(31,535)
<b>Net cash flows from operating activities</b>	<b>14,129,682</b>	<b>6,146,112</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,974,993)	(4,309,525)
Proceeds from sale of property, plant and equipment	34,633	79
<b>Net cash flows used in investing activities</b>	<b>(1,940,360)</b>	<b>(4,309,446)</b>
<b>Financing activities</b>		
Bank overdraft	44,018	-
Borrowings under supplier financing arrangement	(3,737,605)	-
Lease movement	577,775	1,575,344
Dividend paid	(8,132,238)	(3,981,764)
<b>Net cash flows from/(used in) financing activities</b>	<b>(11,248,050)</b>	<b>(2,406,420)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>941,272</b>	<b>(569,754)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>9,440,371</b>	<b>4,912,340</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>60,940</b>	<b>85,795</b>
<b>Cash and cash equivalents at 30 September</b>	<b>10,442,583</b>	<b>4,428,379</b>

The notes on pages 5 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., UK and the ultimate parent company of BATB is B.A.T plc, UK.

#### 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 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 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 2023.

#### 2.2 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 29 October 2024 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.

Notes to the financial statements (continued)

4 Property, plant and equipment

In thousands of EDT	Freehold building	Freehold land	Furniture and fixtures	IT equipment	Laboratory equipment	Leasehold building	Office equipment	Plant and machinery	Vehicles	Assets under construction (AUC)	Total
<b>Cost</b>											
Balance as at 1 January 2023	5,577,484	1,526,496	560,215	539,588	487,518	1,174,327	1,320,156	32,359,995	1,488,233	6,421,193	51,465,205
Additions	286,815	81,160	113,946	113,844	25,296	5,229	189,242	555,485	133,029	3,091,119	4,575,165
Disposals/transfers	-	-	(1,112)	(549)	-	(8,715)	(6,348)	-	-	(1,221,449)	(1,238,173)
Balance as at 31 December 2023	5,864,299	1,607,656	673,049	652,883	512,814	1,170,841	1,483,050	32,915,480	1,631,262	8,290,863	54,802,197
Balance as at 1 January 2024	5,864,299	1,607,656	673,049	652,883	512,814	1,170,841	1,483,050	32,915,480	1,631,262	8,290,863	54,802,197
Additions	1,003,884	238,746	249,675	108,081	34,616	2,339	149,128	4,872,853	131,125	(4,986,364)	1,799,083
Disposals/transfers	-	-	(97)	(76,311)	-	-	(2,327)	(115)	(82,642)	-	(61,482)
Balance as at 30 September 2024	6,868,183	1,841,402	922,627	684,653	547,430	1,173,180	1,629,851	37,788,218	1,679,745	3,304,499	56,439,788
<b>Accumulated depreciation</b>											
Balance as at 1 January 2023	526,341	-	351,885	359,362	282,599	334,646	946,970	12,011,968	883,442	-	15,677,203
Depreciation for the year	125,150	-	60,664	103,857	38,031	58,867	152,469	1,525,357	212,465	-	2,276,860
Disposals/transfers	-	-	(1,112)	(649)	-	(4,996)	(5,288)	-	-	-	(11,955)
Balance as at 31 December 2023	651,491	-	411,437	462,670	300,630	388,517	1,094,141	13,537,315	1,095,907	-	17,942,108
Balance as at 1 January 2024	651,491	-	411,437	462,670	300,630	388,517	1,094,141	13,537,315	1,095,907	-	17,942,108
Depreciation for the year	107,656	-	62,124	84,874	29,225	43,375	121,717	1,384,543	130,873	1,964,188	3,660,089
Disposals/transfers	-	-	(97)	(76,311)	-	-	(2,315)	(110)	(81,879)	-	(160,711)
Balance as at 30 September 2024	759,147	-	473,464	471,233	329,855	431,892	1,213,543	14,921,748	1,444,702	-	19,745,584
<b>Net book value</b>											
As at 31 December 2023	5,212,808	1,607,656	261,612	190,213	212,184	782,324	388,909	19,376,165	535,355	8,290,863	36,860,089
As at 30 September 2024	6,108,036	1,841,402	449,163	213,420	217,575	741,288	416,308	22,866,470	535,043	3,304,499	36,894,204

## 5 Schedule of leases

The Company has leases for warehouse, forklift, office, equipments 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>	<b>Rented apartment</b>	<b>Forklift</b>	<b>Office</b>	<b>Warehouse</b>	<b>Equipments</b>	<b>Total</b>
<b>Cost</b>						
<b>Balance as at 1 January 2023</b>	77,860	356,996	193,170	3,587,901	-	4,215,927
Additions/modifications	37,406	23,032	23,391	968,194	75,936	1,127,959
Disposals	(68,534)	-	(3,918)	(82,753)	-	(155,205)
<b>Balance as at 31 December 2023</b>	46,732	380,028	212,643	4,473,342	75,936	5,188,681
<b>Balance as at 1 January 2024</b>	46,732	380,028	212,643	4,473,342	75,936	5,188,681
Additions/modifications	43,703	1,502	156,112	327,326	-	528,643
Disposals	(4,823)	(56,630)	(8,688)	(474,606)	-	(544,747)
<b>Balance as at 30 September 2024</b>	85,612	324,900	360,067	4,326,062	75,936	5,172,577
<b>Accumulated depreciation</b>						
<b>Balance as at 1 January 2023</b>	57,017	82,705	71,555	1,213,883	-	1,425,160
Depreciation for the year	24,431	59,944	25,998	550,409	6,101	666,883
Disposals/modifications	(68,534)	-	(3,918)	(82,753)	-	(155,205)
<b>Balance as at 31 December 2023</b>	12,914	142,649	93,635	1,681,539	6,101	1,936,838
<b>Balance as at 1 January 2024</b>	12,914	142,649	93,635	1,681,539	6,101	1,936,838
Depreciation for the year	22,868	40,945	31,219	427,620	10,090	532,742
Disposals/modifications	(4,823)	(56,630)	(8,688)	(474,606)	-	(544,747)
<b>Balance as at 30 September 2024</b>	30,959	126,964	116,166	1,634,553	16,191	1,924,833
<b>Net book value</b>						
<b>As at 31 December 2023</b>	33,818	237,379	119,008	2,791,803	69,835	3,251,843
<b>As at 30 September 2024</b>	54,653	197,936	243,901	2,691,509	59,745	3,247,744

## 5.2 Lease liabilities

<i>In thousands of BDT</i>	<b>30 September 2024</b>	<b>31 December 2023</b>
<b>Non-current</b>		
Lease liabilities	4,540,982	4,645,187
Interest liabilities	(1,165,121)	(1,294,176)
	<b>3,375,861</b>	<b>3,351,011</b>
<b>Current</b>		
Lease liabilities	921,402	809,808
Interest liabilities	(367,352)	(358,747)
	<b>554,051</b>	<b>451,061</b>
<b>Total lease liabilities</b>	<b>3,929,911</b>	<b>3,802,072</b>



## 6 Inventories

		30 September 2024	31 December 2023
<i>In thousands of BDT</i>	<i>Note</i>		
Inventories in hand	6.1	55,801,355	30,811,558
Inventories in transit	6.2	-	999,411
		55,801,355	31,810,969

## 6.1 Inventories in hand

		30 September 2024	31 December 2023
<i>In thousands of BDT</i>			
Leaf		30,889,257	12,130,853
Wrapping materials		3,463,514	3,127,406
Work in process		191,839	169,319
Finished goods		19,606,758	13,939,372
Cost of finished goods		4,239,945	3,831,189
VAT, Supplementary Duty and HDS* on finished goods		15,366,813	10,108,183
Consumable stores		1,649,987	1,444,608
		55,801,355	30,811,558

\*Health development surcharge

## 6.2 Inventories in transit

		30 September 2024	31 December 2023
<i>In thousands of BDT</i>			
Leaf		-	46,666
Wrapping materials		-	800,472
Consumable stores		-	152,273
		-	999,411

## 7 Trade and other receivables

		30 September 2024	31 December 2023
<i>In thousands of BDT</i>			
Trade receivables		1,197,253	11,384,901
Expected credit loss		(1,918)	(11,440)
<b>Net trade receivables</b>		<b>1,195,335</b>	<b>11,373,461</b>
Intercompany receivables		339,185	249,896
Sundry receivables		(63,499)	281,220
		1,471,021	11,904,577

## 8 Advances, deposits and prepayments

		30 September	31 December
<i>In thousands of BDT</i>	<i>Note</i>	2024	2023
<b>Advances</b>			
Advance to suppliers		3,119,788	4,798,948
Supplementary duty and VAT		1,794,491	2,681,902
Advance to employees		44,620	33,221
		<b>4,958,899</b>	<b>7,514,071</b>
<b>Prepayments</b>			
Insurance		76,910	145,973
		<b>76,910</b>	<b>145,973</b>
		<b>5,035,809</b>	<b>7,660,044</b>

## 9 Investment asset

		30 September	31 December
<i>In thousands of BDT</i>		2024	2023
91-Day Treasury Bill		-	2,937,131
		-	2,937,131

## 10 Cash and cash equivalents

		30 September	31 December
<i>In thousands of BDT</i>		2024	2023
Cash in hand		6	6
		<b>6</b>	<b>6</b>
Cash at bank			
Dividend account	10.1	88,693	70,359
Foreign currency accounts		1,781,476	536,077
Current accounts		3,808,579	2,195,062
Fixed deposit receipt (FDR) - Local		-	300,000
Short term deposit (STD)		4,763,829	6,338,867
		<b>10,442,577</b>	<b>9,440,365</b>
		<b>10,442,583</b>	<b>9,440,371</b>

All the above balances are held with scheduled and nationalised banks. Interest bearing accounts under cash at bank earns interest at floating rates based on daily bank deposit rates.

### 10.1 Restricted cash balance

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

## 10.2 Banking facility arrangements

Short term running funded facilities available with the banks amount to BDT 17,016 million. Facilities are renewable on annual basis.

## 10.3 Reconciliation of net operating cash flow

<i>In thousands of BDT</i>	<b>For the nine-month period ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
<b>Profit after tax</b>	<b>13,225,754</b>	<b>13,556,783</b>
<b>Adjustment for:</b>		
Depreciation and impairment	2,496,927	2,192,122
(Gain)/loss of sale of assets	(33,869)	4,691
Other adjustments	13,509,974	12,938,434
	<b>29,198,786</b>	<b>28,692,030</b>
<b>Changes in:</b>		
(Increase)/decrease in inventories	(23,990,386)	(14,458,790)
(Increase)/decrease in trade receivables and others	13,145,444	(431,271)
(Increase)/decrease in advances, deposits and prepayments	1,743,134	(775,917)
Increase/(decrease) in trade payables and others	10,871,920	6,206,893
Increase/(decrease) in net defined benefit plans	(12,621)	27,928
Increase/(decrease) in provisions	(1,795,638)	(1,617,283)
Income tax and interest payments	(15,030,956)	(11,497,578)
<b>Net cash generated from operating activities</b>	<b>14,129,682</b>	<b>6,146,112</b>

## 11 Share capital

<i>In thousands of BDT</i>	<b>30 September</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
<b>Authorised:</b>		
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
	<b>5,400,000,000</b>	<b>5,400,000,000</b>
<b>Issued, subscribed and fully paid up:</b>		
<b>Issued for cash:</b>		
3 ordinary shares of BDT 10 each	30	30
<b>Issued for consideration other than cash:</b>		
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
	<b>5,400,000,000</b>	<b>5,400,000,000</b>

## Notes to the financial statements (continued)

### 11.1 Shareholding position

Name of shareholder	30 September 2024			31 December 2023		
	No. of shares	Value (BDT)	Percentage	No. of shares	Value (BDT)	Percentage
Raleigh 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	27,697,243	276,972,430	5.13%	30,552,217	305,522,170	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	1,806,302	18,063,020	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	98,021,394	980,213,940	18.16%	95,164,859	951,648,590	17.63%
	540,000,000	5,400,000,000	100%	540,000,000	5,400,000,000	100%

### 11.2 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 September 2024			31 December 2023		
	Number of shareholders	Total number of shares	Percentage of holding	Number of shareholders	Total number of shares	Percentage of holding
Less than 501 shares	60,576	6,509,753	1.21%	73,988	6,983,195	1.29%
501 to 5,000 shares	11,745	17,713,536	3.28%	10,671	15,895,851	2.94%
5,001 to 10,000 shares	907	6,459,745	1.20%	745	5,338,328	0.99%
10,001 to 20,000 shares	393	5,569,876	1.03%	339	4,781,630	0.89%
20,001 to 30,000 shares	131	3,199,240	0.59%	106	2,591,621	0.48%
30,001 to 40,000 shares	49	1,701,329	0.32%	46	1,575,921	0.29%
40,001 to 50,000 shares	40	1,830,999	0.34%	49	2,218,939	0.41%
50,001 to 100,000 shares	87	6,096,918	1.13%	86	6,031,269	1.12%
100,001 to 1,000,000 shares	96	23,055,969	4.27%	86	22,548,967	4.18%
Over 1,000,000 shares	19	467,862,635	86.63%	14	472,034,279	87.41%
	74,043	540,000,000	100%	86,130	540,000,000	100%

### 12 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)

13 Deferred tax

13.1 Deferred tax asset

<i>In thousands of BDT</i>	Carrying amount at reporting date	Tax base	Taxable/(deductible) temporary difference
<b>30 September 2024</b>			
Provision for inventories	(100,149)	-	(100,149)
Provision for gratuity	(137,682)	-	(137,682)
<b>Net temporary difference</b>	<b>(237,831)</b>	<b>-</b>	<b>(237,831)</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax asset</b>			<b>(112,970)</b>
<b>31 December 2023</b>			
Provision for inventories	(91,444)	-	(91,444)
Provision for gratuity	(150,303)	-	(150,303)
<b>Net temporary difference</b>	<b>(241,747)</b>	<b>-</b>	<b>(241,747)</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax Asset</b>			<b>(114,830)</b>

13.2 Deferred tax liabilities

<i>In thousands of BDT</i>	Carrying amount at reporting date	Tax base	Taxable/(deductible) temporary difference
<b>30 September 2024</b>			
Property, plant and equipment excluding land.	31,251,450	16,633,890	14,617,560
Net, right of use assets	(682,167)	-	(682,167)
<b>Net temporary difference</b>	<b>30,569,283</b>	<b>16,633,890</b>	<b>13,935,393</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax liabilities</b>			<b>6,619,312</b>
<b>31 December 2023</b>			
Property, plant and equipment excluding land.	26,684,601	12,598,705	14,085,896
Net, right of use assets	(550,230)	-	(550,230)
<b>Net temporary difference</b>	<b>26,134,371</b>	<b>12,598,705</b>	<b>13,535,666</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax liabilities</b>			<b>6,429,441</b>

13.3 Deferred tax liabilities, net

<i>In thousands of BDT</i>	30 September 2024	31 December 2023
Deferred tax asset	(112,970)	(114,830)
Deferred tax liabilities / (asset) (ROU Assets)	(324,029)	(261,359)
Deferred tax liabilities (other than ROU assets)	6,943,341	6,690,801
<b>Net deferred tax liabilities</b>	<b>6,506,342</b>	<b>6,314,612</b>

**14 Trade and other payables**

	30 September	31 December
<i>In thousands of BDT</i>	2024	2023
Trade payables	13,467,043	7,287,006
Intercompany payables	8,422,177	9,465,667
Workers' Profit Participation Fund (WPPF)	437,786	54,290
Wages and other benefits	437,397	751,999
Accrued expenses	6,346,511	489,824
Sundry payables	231,672	421,881
	<b>29,342,586</b>	<b>18,470,667</b>

**15 Current tax liabilities**

	30 September	31 December
<i>In thousands of BDT</i>	2024	2023
Opening Balance	13,257,905	10,391,270
Provision made during the year	12,694,096	17,754,032
	<b>25,952,001</b>	<b>28,145,302</b>
Advance payment of corporate tax	(14,649,705)	(14,887,397)
Closing Balance	<b>11,302,296</b>	<b>13,257,905</b>

**16 Revenue from contracts with customers**

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

	For the nine-month period ended 30 September	
<i>In thousands of BDT</i>	2024	2023
Quantity in million sticks	50,305	52,291
Gross revenue from domestic sale	304,799,643	290,509,204
Supplementary duty and VAT	(239,060,430)	(225,573,639)
<b>Revenue from domestic sale, net</b>	<b>65,739,213</b>	<b>64,935,565</b>
Quantity in million sticks	1,355	-
Gross revenue from finished goods export	1,554,729	-
<b>Revenue from export of finished goods, net</b>	<b>1,554,729</b>	<b>-</b>
Quantity in million kgs	4.16	7.76
Gross revenue from tobacco leaf export	2,079,199	2,990,490
<b>Revenue from leaf export, net</b>	<b>2,079,199</b>	<b>2,990,490</b>
<b>Total revenue from contracts with customers, net</b>	<b>69,373,141</b>	<b>67,926,055</b>

**17 Net finance income/(expenses)**

	For the nine-month period ended 30 September	
<i>In thousands of BDT</i>	2024	2023
Finance income	202,292	87,343
Finance costs		
Debt and borrowing	(583,543)	(118,878)
Lease liabilities	(303,965)	(263,952)
	<b>(685,216)</b>	<b>(295,487)</b>

Notes to the financial statements (continued)

18 Income tax expenses

<i>In thousands of BDT</i>	<b>For the nine-month period ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
<b>Current income tax:</b>		
Current income tax charge	12,694,096	12,760,526
<b>Deferred tax:</b>		
Deferred tax (income)/expense relating to origination and reversal of temporary differences	191,602	(31,782)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>12,885,698</b>	<b>12,728,744</b>

18.1 Reconciliation of effective tax rate

<i>In thousands of BDT</i>	<b>For the nine-month period ended 30 September</b>			
		<b>2024</b>		<b>2023</b>
<b>Profit before tax</b>		<b>26,111,452</b>		<b>26,285,527</b>
Current tax expense	48.62%	12,694,096	48.55%	12,760,526
Deferred tax expense	0.73%	191,602	-0.12%	(31,782)
<b>Total tax expense</b>	<b>49.35%</b>	<b>12,885,698</b>	<b>48.42%</b>	<b>12,728,744</b>
Expected income tax using applicable tax rate	47.50%	12,402,940	47.50%	12,485,625
Prior year adjustment	0.00%	-	-0.95%	(249,664)
Tax on non deductible expenses	1.12%	291,156	2.00%	524,565
<b>Effective current tax</b>	<b>48.62%</b>	<b>12,694,096</b>	<b>48.55%</b>	<b>12,760,526</b>
<b>Effective deferred tax</b>	<b>0.73%</b>	<b>191,602</b>	<b>-0.12%</b>	<b>(31,782)</b>
	<b>49.35%</b>	<b>12,885,698</b>	<b>48.42%</b>	<b>12,728,744</b>

19 Other comprehensive income

<i>In thousands of BDT</i>	<b>For the nine-month period ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
Actuarial gain/(loss) on defined benefit plans - Gratuity fund	798	(4,237)
Actuarial gain/(loss) on defined benefit plans - Pension fund	(527)	(525)
	271	(4,762)
Less: deferred tax on actuarial gain/(loss) on defined benefit plans @ 47.5%	(129)	2,262
<b>Net actuarial gain/(loss) on defined benefit plans charged to OCI</b>	<b>142</b>	<b>(2,500)</b>

## 20 Earnings per share

### 20.1 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>	<b>For the nine-month period ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
Total profit attributable to shareholders	13,225,754	13,556,783
Weighted average number of shares outstanding	540,000	540,000
<b>Earning per share in BDT</b>	<b>24.49</b>	<b>25.11</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.

### 20.2 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.

## 21 Net operating cash flows per share (NOCFPS)

<i>In thousands of BDT</i>	<b>For the nine-month period ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
Net cash flow from operating activities	14,129,682	6,146,112
Weighted average number of shares outstanding	540,000	540,000
<b>Net operating cash flows per share in BDT</b>	<b>26.17</b>	<b>11.38</b>

## 22 Net asset value (NAV) per share

<i>In thousands of BDT</i>	<b>30 September</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
Net asset value	61,463,384	53,637,488
Weighted average number of shares outstanding	540,000	540,000
<b>NAV per share in BDT</b>	<b>113.82</b>	<b>99.33</b>



## 23 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*.

In thousands of BDT	Relationship	Transaction values		Balance outstanding	
		30 September	30 September	30 September	31 December
		2024	2023	2024	2023
Income					
a. Leaf, Cigarette export and sale of goods					
BAT (GLP) Limited	BAT Group company	1,168,321	1,763,160	(877,103)	593
BAT (Singapore) PTE LTD	BAT Group company	-	-	-	11,602
British American Tobacco ME DMCC	BAT Group company	1,554,729	-	57,264	-
		2,723,050	1,763,160	(819,839)	12,195
b. Other fee					
Other fee received/to be received from:					
BAT (GLP) Limited	BAT Group company	-	-	-	-
BAT Holdings Limited	BAT Group company	-	15,477	-	9,960
BAT INVESTMENTS LTD	BAT Group company	75,898	21,802	-	9,030
British-American Tobacco Polska S.A	BAT Group company	-	-	-	-
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	-	-	835
BAT Japan	BAT Group company	821	-	821	10,256
British American Tobacco Exports Ltd	BAT Group company	2,499	-	2,499	302
BASS GSD Ltd	BAT Group company	-	1,430	-	1,450
BAT Global Travel Retail Limited	BAT Group company	-	722	-	-
BAT DENMARK A/S (HOP A/S)	BAT Group company	-	-	1,480	1,480
British American Tobacco Taiwan	BAT Group company	-	-	1,599	1,599
British American Tobacco Asia	BAT Group company	-	639	-	-
British-American Tobacco (Singapore)	BAT Group company	5,807	8,757	18,065	38,043
EAA Services	BAT Group company	-	-	-	-
British American Tobacco (PNG) Ltd	BAT Group company	-	950	1,944	1,944
VINA-BAT JV HCMC Branch	BAT Group company	3,838	-	3,838	-
BAT Co. (HK) Ltd	BAT Group company	-	212	2,266	2,266
BAT AsPac Service Centre Sdn Bhd	BAT Group company	-	3,128	-	-
BAT MARKETING (S) PTE LTD	BAT Group company	-	-	-	-
British American Tobacco ME DMCC	BAT Group company	1,941	-	5,180	3,239
Nicoventures Trading Limited	BAT Group company	4,582	-	4,582	2,739
PT Bentoel Internasional Investama	BAT Group company	-	6,906	-	-
British American Tobacco (Malaysia)	BAT Group company	-	2,491	-	-
RAI Services Company	BAT Group company	-	5,143	-	3,923
British American Tobacco Kenya Ltd	BAT Group company	32,588	-	-	1,507
BAT KOREA MANUFACTURING LTD	BAT Group company	15,062	-	15,062	-
PAKISTAN TOBACCO CO LTD	BAT Group company	-	-	2,884	2,884
Ceylon Tobacco Company PLC	BAT Group company	-	-	600	600
		143,036	67,657	60,820	92,057
Total related party income and balance receivables					
		2,866,086	1,830,817	(759,019)	104,252

In thousands of BDT	Relationship	Transaction values		Balance outstanding	
		30 September 2024	30 September 2023	30 September 2024	31 December 2023
<b>Expenses</b>					
<b>c. Procurement of services</b>					
Procurement of information technology, products and other services:					
BASS GSD Limited	BAT Group company	156,854	397,153	(11,782)	(5,037)
BRITISH AMERICAN TOBACCO AUSTRALIA	BAT Group company	-	1,399	(9,455)	(9,455)
BAT Holdings Limited	BAT Group company	22,783	-	-	-
BAT AsPac Service Centre Sdn Bhd*	BAT Group company	138,979	356,891	106,514	106,514
BAT GSD (KL) Sdn Bhd	BAT Group company	-	-	(3,151)	(3,151)
BAT Investments LTD	BAT Group company	10,016	-	305,860	(39,480)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	8,727	-	(19,688)	(10,962)
PAKISTAN TOBACCO CO LTD (PTCL)	BAT Group company	-	-	(415)	(415)
Prerona Foundation	Social Foundation	8,292	-	-	-
Agami Limited	Prerona Controlled Entity	426,652	-	(18,050)	16,530
British American Tobacco Tutun	BAT Group company	-	-	(47,053)	(47,053)
BAT (GLP) Limited	BAT Group company	-	-	(103)	(103)
British American Tobacco Exports Ltd	BAT Group company	-	7,918	(7,918)	(9,188)
Ceylon Tobacco Company PLC	BAT Group company	2,449	-	(2,449)	-
Nicoventures Trading Limited	BAT Group company	440	-	(440)	-
British American Tobacco Western Europe	BAT Group company	-	-	-	-
BAT KOREA MANUFACTURING LTD	BAT Group company	-	-	(10,870)	(10,870)
BAT (Singapore) PTE LTD	BAT Group company	5,421	-	(7,208)	(1,788)
Souza Cruz Ltda.	BAT Group company	-	-	(1,817)	(1,817)
BAT Japan	BAT Group company	-	-	(10,094)	(10,094)
		780,613	763,361	261,881	(26,369)
<b>d. Purchase of leaf &amp; goods</b>					
Purchase of leaf and wrapping materials from:					
BAT Singapore (Private) limited	BAT Group company	-	20,067	1,758	1,758
BAT (GLP) Limited	BAT Group company	147,870	118,677	35,800	19,466
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	67,953	2,619	(61,609)
British American Tobacco Exports Ltd	BAT Group company	124,930	1,112	(97,341)	(1,112)
British American Tobacco ME DMCC	BAT Group company	70,352	-	(70,352)	-
BAT KOREA	BAT Group company	2,286	-	(2,286)	-
British American Tobacco South	BAT Group company	-	34,512	-	-
British American Tobacco Kenya Ltd	BAT Group company	-	17,596	-	-
		345,438	259,917	(129,802)	(41,497)
<b>e. Royalty</b>					
Royalty paid/payable to:					
British American Tobacco Exports Ltd	BAT Group company	-	49,150	-	-
BAT Holdings Limited	BAT Group company	(845,808)	696,082	(3,358,636)	(4,181,661)
		(845,808)	745,232	(3,358,636)	(4,181,661)
<b>f. Technical and assistance fee</b>					
Payment of fees for technical and assistance support services to:					
BAT Investments Ltd	BAT Group company	352,933	1,128,235	(4,181,510)	(4,964,771)
		352,933	1,128,235	(4,181,510)	(4,964,771)
<b>g. Donations</b>					
Charitable contributions made to:					
Prerona Foundation	Social Foundation	61,350	-	53,123	-
		61,350	-	53,123	-
<b>h. Purchase of equipment</b>					
Purchase of equipment from:					
BRITISH AMERICAN TOBACCO CHILE	BAT Group company	-	-	(69)	(69)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	54,644	-	(24,816)	(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	67,295	-	(986)	(986)
BAT (Singapore) PTE LTD	BAT Group company	70,247	55,374	11,704	(99,058)
BAT KOREA MANUFACTURING LTD	BAT Group company	2,126	-	(2,126)	-
British American Tobacco South	BAT Group company	66,294	-	(29,975)	-
BAT SWITZERLAND SA	BAT Group company	30,682	-	(30,682)	-
British American Tobacco Mexico	BAT Group company	-	-	(181)	(181)
BAT GERMANY GMBH	BAT Group company	-	-	(327)	(327)
		291,288	55,374	(79,233)	(105,726)
<b>Total related party expenses and outstanding balances</b>		<b>985,814</b>	<b>2,952,119</b>	<b>(7,434,177)</b>	<b>(9,320,026)</b>

## Notes to the financial statements (continued)

### 24 Commitments

#### 24.1 Capital expenditure

	30 September 2024	31 December 2023
<i>In thousands of BDT</i>		
Authorised but not provided for	2,735,708	3,391,097

#### 24.2 Letter of credit

	30 September 2024	31 December 2023
<i>In thousands of BDT</i>		
Citibank, N.A.	1,448,927	1,482,229
Commercial Bank of Ceylon PLC	1,308,463	123,930
The Hongkong and Shanghai Banking Corporation Limited	35,301	182,206
Eastern Bank Ltd.	656,122	-
Standard Chartered Bank	4,153,335	6,381,911
	7,602,148	8,170,276

### 25 Contingencies

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

	30 September 2024	31 December 2023
<i>In thousands of BDT</i>		
<b>Bank Guarantee</b>		
Standard Chartered Bank	262,621	262,621
Commercial Bank of Ceylon PLC	-	-
Eastern Bank Ltd.	29,303	29,303
Citibank, N.A.	2,000	2,000
	293,924	293,924

#### 25.1 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 each of these 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.

- b) LTU-VAT issued show-cause notice to BATB in March 2020 claiming BDT 2054 crore as unpaid VAT & SD for allegedly producing 18 bn more cigarettes than declared, using an undisclosed purchase of local leaf based on a 2016 Annual Report and VAT – 1 discrepancy. BATB participated in the LTU-VAT hearing and claim was withdrawn post full inquiry on 19 August 2021. However, NBR started re-investigating the matter on 14 August 2023 and informed BATB to attend a hearing post the 2 year time bar. As per the law, NBR does not have the authority to examine the records of any proceedings after expiry of two years from the date of decision or order.

Instead of attending hearing, BATB filed a writ petition challenging re-investigation based on time bar. Rule was issued, which means, the HC found prima facie merit in BATB's position that NBR's decision to call BATB for re-investigation beyond time bar was illegal. Court, however, did not stay NBR proceedings but directed NBR not to call BATB for re-investigation. Thereafter, through a letter dated 21.09.2023, NBR cancelled the Order dated 19.08.2021 passed by LTU-VAT Commissioner (through which the claim was withdrawn) and directed LTU-VAT to recover BDT 2054 crore as unpaid VAT & SD. Challenging the NBR's letter dated 21.09.2023, BATB filed another writ petition. The High Court, having found prima facie merit in our case, was pleased to issue a Rule, that is, a show cause as to why the NBR's letter dated 21.09.2023 shall not be declared to have been issued without lawful authority. Thereafter, LTU made a demand of BDT 2054 crore as unpaid VAT & SD. In response, BATB filed an application before High Court to stay the demand. High Court mentioned that it will consider stay application during final hearing. The matter is currently pending before the High Court for final hearing.

- c) In the last reporting period, BAT Bangladesh received a show cause notice from the National Board of Revenue (NBR) alleging that the company has avoided duty payment amounting to BDT 2,109 million. The notice claimed that this duty avoidance occurred due to the supply of cigarettes stored in BAT Bangladesh's warehouse to its distributors at increased prices. BAT Bangladesh has formally responded to the show cause notice, asserting that it has always acted within the law and hence the basis of the allegation and claim is unfounded. The matter is currently pending hearing at NBR.

## **25 Significant deviations**

Earning per share (EPS) decreased from same period last year driven by lower leaf export. Net operating cash flow per share (NOCFPS) increased due to higher cash collection from sales compared to same period last year.

## **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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BAT Bangladesh Company Limited  
New DOHS Road, Mohakhali  
Dhaka-1206, Bangladesh  
Telephone: (+880) 248811279-83  
[www.batbangladesh.com](http://www.batbangladesh.com)

