

**Un-audited interim condensed financial statement
for the three-month period ended March 31, 2022**



**BUILDING A BETTER
TOMORROW**



British American Tobacco Bangladesh Company Limited

Statement of financial position

<i>In thousands of BDT</i>	<i>Notes</i>	31 March 2022	31 December 2021
Assets			
Non-current assets			
Property, plant and equipment	4	31,850,227	31,504,309
Right of use assets	5.1	2,102,585	1,960,283
Total non-current assets		33,952,812	33,464,592
Current assets			
Inventories	6	37,805,831	34,425,100
Trade and other receivables	7	136,828	2,768,918
Advances, deposits and prepayments	8	6,480,062	5,490,291
Cash and cash equivalents	9	3,341,177	1,406,979
Total current assets		47,763,898	44,091,288
Total assets		81,716,710	77,555,880
Equity and liabilities			
Equity			
Share capital	10	5,400,000	5,400,000
Capital reserve	11	64,896	64,896
Retained earnings		27,395,342	31,325,878
Total equity attributable to owners of the Company		32,860,238	36,790,774
Non-current liabilities			
Net defined benefit plans		188,560	155,931
Deferred tax	12	6,028,234	5,990,682
Lease liabilities	5.2	2,015,013	1,842,192
Total non-current liabilities		8,231,807	7,988,805
Current liabilities			
Short term bank loans		5,300,000	5,600,000
Trade and other payables	13	25,772,235	18,530,880
Unclaimed Dividend		54,909	61,603
Lease liabilities	5.2	374,461	374,383
Current tax liabilities	14	8,559,356	7,485,580
Provisions		563,704	723,855
Total current liabilities		40,624,665	32,776,301
Total liabilities		48,856,472	40,765,106
Total equity and liabilities		81,716,710	77,555,880

The notes on pages 5 to 18 are an integral part of these financial statements.

<i>Sd/-</i> Golam Mainuddin Chairman	<i>Sd/-</i> Shehzad Munim Managing Director	<i>Sd/-</i> A.K.M. Aftab Ul Islam FCA Director
<i>Sd/-</i> Amun Mustafiz Finance Director	<i>Sd/-</i> Md. Azizur Rahman FCS Company Secretary	

British American Tobacco Bangladesh Company Limited

Statement of profit or loss and other comprehensive income

For the period ended 31 March

<i>In thousands of BDT</i>	<i>Notes</i>	2022	2021
Gross revenue		87,678,172	95,540,901
Supplementary duty and VAT		(68,147,946)	(75,120,308)
Net revenue from contracts with customers	15	19,530,225	20,420,593
Cost of sales		(8,971,217)	(9,671,902)
Gross profit		10,559,009	10,748,691
Operating expenses		(1,626,864)	(2,348,491)
Operating profit		8,932,145	8,400,199
Net finance income/(expenses)	16	(161,635)	(24,713)
Non-operating income/(expenses)		6,942	4,117
Profit before contribution to WPPF		8,777,452	8,379,604
Contribution to WPPF		(438,873)	(418,980)
Profit before tax		8,338,579	7,960,623
Current tax	17	(4,131,563)	(4,144,838)
Deferred tax		(37,552)	56,228
Income tax expense		(4,169,115)	(4,088,610)
Profit for the year		4,169,464	3,872,014
Total comprehensive income for the year, net of tax		4,169,464	3,872,014
<i>In BDT</i>			
Earnings per share	18	7.73	7.17

The notes on pages 5 to 18 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/-
Amun Mustafiz
Finance Director

Sd/-
Md. Azizur Rahman FCS
Company Secretary

British American Tobacco Bangladesh Company Limited

Statement of changes in equity

<i>In thousands of BDT</i>	For the period ended 31 March 2022			
	Attributable to owners of the Company			
	Share capital	Capital reserve	Retained earnings	Total equity
Balance at 1 January 2021	1,800,000	64,896	32,134,818	33,999,714
Profit for the year	-	-	3,872,014	3,872,014
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	3,872,014	3,872,014
Transactions with owners of the Company				
FY 2020 final cash and stock dividend (declared but not paid)			(9,000,000)	(9,000,000)
Total transactions with owners of the Company	-	-	(9,000,000)	(9,000,000)
Balance at 31 March 2021	1,800,000	64,896	27,006,832	28,871,728
Balance at 1 January 2022	5,400,000	64,896	31,325,878	36,790,774
Profit for the year	-	-	4,169,464	4,169,464
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	4,169,464	4,169,464
Transactions with owners of the Company				
FY 2021 final cash dividend (declared but not paid)	-	-	(8,100,000)	(8,100,000)
Total transactions with owners of the Company	-	-	(8,100,000)	(8,100,000)
Balance at 31 March 2022	5,400,000	64,896	27,395,342	32,860,238

The notes on pages 5 to 18 are an integral part of these financial statements.

Sd/-	Sd/-	Sd/-
Golam Mainuddin Chairman	Shehzad Munim Managing Director	A.K.M. Aftab Ul Islam FCA Director
Sd/-		Sd/-
Amun Mustafiz Finance Director		Md. Azizur Rahman FCS Company Secretary

British American Tobacco Bangladesh Company Limited

Statement of cash flows

<i>In thousands of BDT</i>	For the period ended 31 March	
	2022	2021
Operating activities		
Collection from distributors, leaf export and others	90,313,877	95,576,436
Payment for costs and expenses	(10,340,466)	(12,356,092)
Supplementary duty and VAT paid	(73,516,224)	(80,103,787)
Cash generated from operating activities	6,457,187	3,116,557
Income tax paid	(3,057,787)	(2,270,876)
Interest received/(paid)	(103,353)	17,903
Net cash flows from operating activities	3,296,047	863,584
Investing activities		
Purchase of property, plant and equipment	(911,733)	(86,276)
Proceeds from sale of property, plant and equipment	923	120
Net cash flows used in investing activities	(910,810)	(86,156)
Financing activities		
Repayment of short term loan	(300,000)	-
Lease movement	(149,317)	(123,542)
Dividend paid	(6,694)	(2,396)
Net cash flows used in financing activities	(456,011)	(125,937)
Net Increase/(decrease) in cash and cash equivalents	1,929,226	651,491
Cash and cash equivalents at 1 January	1,406,980	5,873,085
Effect of exchange rate fluctuations on cash held	4,970	(595)
Cash and cash equivalents at 31 March	3,341,177	6,523,981

The notes on pages 5 to 18 are an integral part of these financial statements.

<p>Sd/-</p> <p>Golam Mainuddin Chairman</p>	<p>Sd/-</p> <p>Shehzad Munim Managing Director</p>	<p>Sd/-</p> <p>A.K.M. Aftab UI Islam FCA Director</p>
<p>Sd/-</p> <p>Amun Mustafiz Finance Director</p>	<p>Sd/-</p> <p>Md. Azizur Rahman FCS Company Secretary</p>	

British American Tobacco Bangladesh Company Limited

Notes to the financial statements (continued)

1 Corporate information

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 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.

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 product 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

These condensed interim financial statements have been prepared in accordance with the International Accounting Standard IAS 34: Interim Financial Reporting, the Companies Act 1994, the Securities and Exchange Rules 2020, Financial Reporting Act 2015, relevant guidelines issued by Bangladesh Securities and Exchange Commission ("BSEC") and other applicable laws and regulations in Bangladesh.

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.

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 2021.

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 balances.

4 Property, plant and equipment

In thousands of BDT	Freehold building	Freehold land	Furniture and fixtures	IT equipment	Laboratory equipment	Leasehold building	Office equipment	Plant and machinery	Assets under construction		Total
									Vehicles	(AUC)	
Cost											
Balance as at 1 January 2021	4,955,327	1,526,496	411,992	391,759	384,937	1,116,041	1,092,754	25,625,501	1,251,911	5,176,707	41,933,426
Additions	596,417	-	158,720	128,586	66,749	37,368	81,452	4,309,863	146,893	3,145,646	8,671,714
Disposals/transfers	-	-	(14,414)	(27,901)	(7,717)	(9,488)	(6,077)	(201,779)	(141,012)	(4,779,376)	(5,187,764)
Balance as at 31 December 2021	5,551,744	1,526,496	556,298	492,444	443,969	1,143,921	1,168,129	29,733,605	1,257,792	3,542,977	45,417,376
Balance as at 1 January 2022	5,551,744	1,526,496	556,298	492,444	443,969	1,143,921	1,168,129	29,733,605	1,257,792	3,542,977	45,417,375
Additions	-	-	6,222	15,114	-	1,603	-	744,490	16,096	78,990	862,515
Disposals/transfers	(5,669)	-	(632)	-	(135)	-	(3,951)	(56,807)	-	-	(67,193)
Balance as at 31 March 2022	5,546,075	1,526,496	561,888	507,558	443,834	1,145,524	1,164,178	30,421,288	1,273,888	3,621,967	46,212,696
Accumulated depreciation											
Balance as at 1 January 2021	304,050	-	283,625	311,207	207,105	230,626	648,841	9,601,380	775,137	-	12,362,173
Depreciation for the year	109,874	-	46,116	63,823	30,288	53,612	176,602	1,222,057	188,597	-	1,890,969
Disposals/transfers	-	-	(12,041)	(27,860)	(7,717)	(1,782)	(5,536)	(145,363)	(139,776)	-	(340,075)
Balance as at 31 December 2021	413,924	-	317,700	347,170	229,676	282,658	819,907	10,678,074	823,958	-	13,913,067
Balance as at 1 January 2022	413,924	-	317,700	347,170	229,676	282,658	819,907	10,678,074	823,958	-	13,913,067
Depreciation for the year	29,365	-	12,475	18,781	8,291	13,533	34,569	351,907	45,508	-	514,029
Disposals/transfers	(5,251)	-	(603)	-	(135)	-	(2,123)	(56,515)	-	-	(64,627)
Balance as at 31 March 2022	438,038	-	329,572	365,951	237,832	296,191	852,353	10,973,066	869,466	-	14,362,469
Net book value											
As at 31 December 2021	5,137,820	1,526,496	238,598	145,274	214,292	861,263	348,222	19,055,531	433,834	3,542,977	31,504,309
As at 31 March 2022	5,108,037	1,526,496	232,316	141,607	206,002	849,333	311,825	19,448,222	404,422	3,621,967	31,850,227

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 ROU assets

<i>In thousands of BDT</i>	Rented apartment	Forklift	Office	Warehouse	Total
Cost					
Balance as at 1 January 2021	69,021	117,725	106,658	1,834,531	2,127,934
Additions/modifications	12,898	169,860	17,969	775,469	976,196
Disposals	(15,293)	(3,467)	(5,152)	(224,200)	(248,113)
Balance as at 31 December 2021	66,625	284,117	119,475	2,385,799	2,856,017
Balance as at 1 January 2022	66,625	284,117	119,475	2,385,799	2,856,017
Additions/modifications	838	-	7,833	255,263	263,934
Disposals	-	-	-	(2,040)	(2,040)
Balance as at 31 March 2022	67,463	284,117	127,308	2,639,022	3,117,911
Accumulated depreciation					
Balance as at 1 January 2021	26,959	19,901	28,897	611,698	687,455
Depreciation for the year	20,851	23,199	23,416	376,301	443,767
Disposals/modifications	(13,777)	(3,467)	(5,152)	(213,091)	(235,487)
Balance as at 31 December 2021	34,033	39,632	47,161	774,908	895,734
Balance as at 1 January 2022	34,033	39,632	47,161	774,908	895,734
Depreciation for the year	5,758	9,699	6,146	100,029	121,632
Disposals/modifications	-	-	-	(2,040)	(2,040)
Balance as at 31 March 2022	39,791	49,331	53,307	872,897	1,015,326
Net book value					
As at 31 December 2021	32,592	244,485	72,315	1,610,891	1,960,283
As at 31 March 2022	27,672	234,786	74,002	1,766,125	2,102,585

5.2 Lease liabilities

<i>In thousands of BDT</i>	31 March 2022	31 December 2021
Non-current		
Lease liabilities	2,739,431	2,479,789
Interest liabilities	(724,418)	(637,597)
	2,015,013	1,842,192
Current		
Lease liabilities	594,048	576,885
Interest liabilities	(219,587)	(202,502)
	374,461	374,383
Total lease liabilities	2,389,474	2,216,575

6 Inventories

<i>In thousands of BDT</i>	Note	31 March	31 December
		2022	2021
Inventories in hand	6.1	37,471,925	34,079,474
Inventories in transit	6.2	333,906	345,626
		37,805,831	34,425,100

6.1 Inventories in hand

<i>In thousands of BDT</i>	31 March	31 December
	2022	2021
Leaf	5,727,028	8,377,904
Wrapping materials	2,071,450	1,340,617
Work in process	75,237	79,612
Finished goods	28,962,283	23,639,126
Cost of finished goods	3,784,678	3,700,337
VAT, Supplementary Duty and *HDSC on finished goods	25,177,605	19,938,789
Consumable stores	635,927	642,215
	37,471,925	34,079,474

*Health development surcharge

6.2 Inventories in transit

<i>In thousands of BDT</i>	31 March	31 December
	2022	2021
Leaf	150,176	66,434
Wrapping materials	116,548	223,772
Consumable stores	67,182	55,420
	333,906	345,626

7 Trade and other receivables

<i>In thousands of BDT</i>	31 March	31 December
	2022	2021
Trade receivables	4,330	2,496,376
Expected credit loss	(4)	(2,497)
Net trade receivables	4,326	2,493,879
Intercompany receivables	132,138	243,006
Sundry receivables	364	32,033
	136,828	2,768,918

8 Advances, deposits and prepayments

<i>In thousands of BDT</i>	31 March	31 December
	2022	2021
Advances	6,351,042	5,365,658
	6,351,042	5,365,658
Security deposit	11,700	11,700
	11,700	11,700
Prepayments		
Insurance	117,321	112,933
	117,321	112,933
Advances, deposits and prepayments	6,480,062	5,490,291

9 Cash and cash equivalents

<i>In thousands of BDT</i>	<i>Note</i>	31 March		31 December	
		2022		2021	
Cash in hand		1,292		781	
		1,292		781	
Cash at bank					
Dividend account	9.1	54,909		61,603	
Foreign currency accounts		632,175		1,153,086	
Current accounts		1,142,178		(250,337)	
Fixed deposit receipt (FDR)					
<i>Foreign</i>		422,475		422,475	
Short term deposit (STD)		1,088,148		19,371	
		3,339,885		1,406,198	
		3,341,177		1,406,979	

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.

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 31 March	
	2022	2021
Profit after tax	4,169,464	3,872,014
Adjustment for:		
Depreciation and impairment	635,661	537,262
(Gain)/loss of sale of assets	1,643	1,549
Other adjustments	(3,767,528)	(4,886,083)
	1,039,240	(475,259)
Changes in:		
(Increase)/decrease in inventories	(3,380,731)	(4,241,338)
(Increase)/decrease in trade receivables and others	2,632,090	29,274
(Increase)/decrease in advances, deposits and prepayments	(940,552)	194,103
Increase/(decrease) in trade payables and others	7,234,661	7,626,770
Increase/(decrease) in net defined benefit plans	32,629	(16,987)
Increase/(decrease) in provisions	(160,150)	(6)
Income tax & interest payments	(3,161,139)	(2,252,973)
Net cash generated from operating activities	3,296,047	863,583

10 Share capital

<i>In BDT</i>	31 March		31 December	
	2022		2021	
Authorised:				
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

10.1 Shareholding position

Name of shareholder	31 March 2022			31 December 2021		
	No. of shares	Value (BDT)	Percentage	No. of shares	Value (BDT)	Percentage
Raveigh 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	30,410,756	304,107,560	5.63%	30,231,537	302,315,370	5.60%
Sadharan Bima Corporation	15,285,423	152,854,230	2.83%	15,285,423	152,854,230	2.83%
Bangladesh Development Bank Limited	1,804,243	18,042,430	0.33%	1,807,502	18,075,020	0.33%
Government of Bangladesh	3,481,416	34,814,160	0.64%	3,481,416	34,814,160	0.64%
Others	95,309,940	953,099,400	17.65%	95,485,900	954,859,000	17.68%
	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	31 March 2022			31 December 2021		
	Number of shareholders	Total number of shares	Percentage of holding	Number of shareholders	Total number of shares	Percentage of holding
Less than 501 shares	57,265	5,182,248	0.96%	54,968	5,064,942	0.94%
501 to 5,000 shares	9,549	14,099,547	2.61%	9,716	14,376,243	2.66%
5,001 to 10,000 shares	646	4,639,587	0.86%	631	4,523,479	0.84%
10,001 to 20,000 shares	317	4,463,984	0.83%	315	4,461,929	0.83%
20,001 to 30,000 shares	90	2,211,178	0.41%	95	2,352,739	0.44%
30,001 to 40,000 shares	42	1,458,553	0.27%	40	1,397,384	0.26%
40,001 to 50,000 shares	39	1,781,962	0.33%	34	1,559,997	0.29%
50,001 to 100,000 shares	77	5,391,470	1.00%	67	4,712,779	0.87%
100,001 to 1,000,000 shares	62	18,178,774	3.37%	63	18,140,843	3.36%
Over 1,000,000 shares	15	482,592,697	89.37%	16	483,409,665	89.52%
	68,102	540,000,000	100%	65,945	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.

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
31 March 2022			
Provision for inventories	(240,870)	-	(240,870)
Provision for gratuity	(188,561)	-	(188,561)
Net temporary difference	(429,431)	-	(429,431)
Applicable tax rate			47.5%
Deferred tax asset			(203,980)

<i>In thousands of BDT</i>	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
31 December 2021			
Provision for inventories	(285,451)	-	(285,451)
Provision for gratuity	(155,932)	-	(155,932)
Net temporary difference	(441,383)	-	(441,383)
Applicable tax rate			47.5%
Deferred tax Asset			(209,657)

12.2 Deferred tax liabilities

<i>In thousands of BDT</i>	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
31 March 2022			
Property, plant and equipment excluding land.	26,531,866	13,124,528	13,407,339
Net, right of use assets	(286,888)	-	(286,888)
Net temporary difference	26,244,979	13,124,528	13,120,451
Applicable tax rate			47.5%
Deferred tax liabilities			6,232,214

<i>In thousands of BDT</i>	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
31 December 2021			
Property, plant and equipment excluding land.	26,252,241	12,942,604	13,309,637
Net, right of use assets	(256,291)	-	(256,291)
Net temporary difference	25,995,950	12,942,604	13,053,346
Applicable tax rate			47.5%
Deferred tax liabilities			6,200,339

12.3 Deferred tax liabilities, net

	31 March	31 December
<i>In thousands of BDT</i>	2022	2021
Deferred tax asset	(203,980)	(209,657)
Deferred tax liabilities / (asset) - ROU Assets	(136,272)	(121,738)
Deferred tax liabilities - other than ROU assets	6,368,486	6,322,078
Net deferred tax liabilities	6,028,234	5,990,682

13 Trade and other payables

	31 March	31 December
<i>In thousands of BDT</i>	2022	2021
Trade payables	3,025,862	3,831,760
Intercompany payables	9,669,377	9,301,730
Workers' Profit Participation Fund (WPPF)	439,873	994,321
Dividend payable	8,100,000	-
Wages and other benefits	459,992	599,015
Accrued expenses	3,527,223	3,493,701
Sundry payables	549,908	310,353
	25,772,235	18,530,880

14 Current tax liabilities

	31 March	31 December
<i>In thousands of BDT</i>	2022	2021
Opening balance	7,485,580	5,384,973
Provision made during the year	4,131,563	14,102,215
	11,617,143	19,487,188
Advance payment of corporate tax	(3,057,787)	(12,001,608)
Closing balance	8,559,356	7,485,580

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 31 March	
<i>In thousands of BDT</i>	2022	2021
Quantity in million sticks	16,201	17,763
Gross revenue from domestic sale	87,204,043	95,213,362
Supplementary duty and VAT	(68,147,946)	(75,120,308)
Revenue from domestic sale, net	19,056,096	20,093,054
Quantity in million sticks	9.52	10.97
Gross revenue from finished goods export	8,647	10,214
Revenue from export of finished goods, net	8,647	10,214
Quantity in million kgs	1.06	0.80
Gross revenue from tobacco leaf export	465,482	317,325
Revenue from leaf export, net	465,482	317,325
Total revenue from contracts with customers, net	19,530,225	20,420,593

16 Net finance income/(expenses)

<i>In thousands of BDT</i>	For the period ended 31 March	
	2022	2021
Finance income	4,597	18,498
Finance costs		
Debt and borrowing	(107,950)	-
Lease liabilities	(58,282)	(43,211)
	(161,635)	(24,713)

17 Income tax expenses

<i>In thousands of BDT</i>	For the period ended 31 March		
	Note	2022	2021
Current income tax:			
Current income tax charge		4,131,563	4,144,838
Deferred tax:			
Deferred tax (income)/expense relating to origination and reversal of temporary differences		37,552	(56,228)
Income tax expense reported in the statement of profit or loss		4,169,115	4,088,610

17.1 Reconciliation of effective tax rate

<i>In thousands of BDT</i>	For the period ended 31 March			
		2022		2021
Profit before tax		8,338,579		7,960,623
Current tax expense	49.55%	4,131,563	52.07%	4,144,838
Deferred tax expense	0.45%	37,552	-0.71%	(56,228)
Total tax expense	50.00%	4,169,115	51.36%	4,088,610
Expected income tax using applicable tax rate	47.50%	3,960,825	47.50%	3,781,296
Prior year adjustment	0.00%	-	0.00%	-
Tax on non deductible expenses	2.05%	170,738	4.57%	363,542
Effective current tax	49.55%	4,131,563	52.07%	4,144,838
Effective deferred tax	0.45%	37,552	-0.71%	(56,228)
	50.00%	4,169,115	51.36%	4,088,610

18 Earnings per share

18.1 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 31 March	
	2022	2021
Total profit attributable to shareholders	4,169,464	3,872,014
Weighted average number of shares outstanding	540,000	540,000
Earning per share in BDT	7.73	7.17

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.

18.2 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.

19 Net operating cash flows per share (NOCFPS)

<i>In thousands of BDT</i>	For the period ended 31 March	
	2022	2021
Net cash flow from operating activities	3,296,047	863,584
Weighted average number of shares outstanding	540,000	540,000
Net operating cash flows per share in BDT	6.11	1.60

20 Net asset value (NAV) per share

<i>In thousands of BDT</i>	31 March	31 December
	2022	2021
Net asset value	32,860,238	36,790,774
Weighted average number of shares outstanding	540,000	540,000
NAV per share in BDT	60.86	68.13

21 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	
		31 March	31 March	31 March	31 December
		2022	2021	2022	2021
Income					
a. Leaf, Cigarette export and sale of goods					
BAT (GLP) Limited	BAT Group company	256,167	40,401	(46,228)	(46,642)
PTCL	BAT Group company	-	96,985	-	144,690
BAT (Singapore) PTE LTD	BAT Group company	7,654	10,214	23,291	11,602
Ceylon Tobacco Company PLC	BAT Group company	993	-	588	-
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	-	-	-
		264,814	147,599	(22,349)	109,650
b. Other fee					
Other fee received/to be received from:					
BAT (GLP) Limited	BAT Group company	-	-	-	3,017
BAT Holdings Limited	Holding company	-	-	19,217	19,217
BAT INVESTMENTS LTD	Holding company	12,445	-	12,445	1,101
British-American Tobacco Polska S.A	BAT Group company	2,241	-	2,241	-
BAT Japan	BAT Group company	-	(105)	-	14,798
British American Tobacco Exports Ltd	BAT Group company	-	-	3,267	4,364
Solomon Islands Tobacco Co. Ltd.	BAT Group company	-	-	-	1,633
BAT MARKETING (S) PTE LTD	BAT Group company	-	-	-	-
BAT DENMARK A/S (HOP A/S)	BAT Group company	-	-	1,480	1,480
British-American Tobacco (Singapore)	BAT Group company	4,035	-	-	-
PT Bentoel Internasional Investama	BAT Group company	-	-	-	-
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	-	-	-
VINA-BAT JV HCMC Branch	BAT Group company	-	17	4,822	4,822
CTBAT International Co. Limited	BAT Group company	-	-	2,266	2,266
BAT AsPac Service Centre Sdn Bhd	BAT Group company	-	-	8,673	8,673
Nicoventures Trading Limited	BAT Group company	-	-	-	27,032
		18,721	(88)	54,411	88,404
Total related party income and balance		283,535	147,511	32,062	198,054

In thousands of BDT	Relationship	Transaction Values		Balance Outstanding	
		31 March	31 March	31 March	31 December
		2022	2021	2022	2021
Expenses					
c. Procurement of services					
Procurement of information technology, product and other services:					
BASS GSD limited	BAT Group company	281,552	220,912	(2,464,541)	(2,182,989)
BRITISH AMERICAN TOBACCO AUSTRALIA	BAT Group company	-	-	(2,469)	(2,469)
BAT GERMANY GMBH	BAT Group company	-	-	-	(327)
BAT Holdings Limited	Holding company	-	-	(27,469)	(27,469)
BAT AsPac Service Centre Sdn Bhd	BAT Group company	43,308	64,083	(616,721)	(573,413)
BAT GSD (KL) Sdn Bhd	BAT Group company	-	-	(3,151)	(3,151)
BAT Investments LTD	Holding company	3,079	-	(30,527)	(27,449)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	23,736	-	-	-
BAT MARKETING (S) PTE LTD	BAT Group company	2,311	-	-	-
BAT KOREA MANUFACTURING LTD	BAT Group company	-	-	-	-
British American Tobacco Tutun	BAT Group company	-	-	(47,053)	(47,053)
BAT Peci Dohanygyar KFT	BAT Group company	-	-	-	(17,436)
PTCL	BAT Group company	-	-	-	-
BAT Japan	BAT Group company	-	-	(10,094)	(10,094)
		353,986	284,995	(3,202,026)	(2,891,850)
d. Purchase of leaf & goods					
Purchase of leaf and wrapping materials from:					
BAT Singapore (Private) limited	BAT Group company	2,089	2,371	-	(1,108)
BAT (GLP) Limited	BAT Group company	82,148	10,236	53,847	1,327
PTCL	BAT Group company	-	-	-	-
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	23,084	18,887	(69,190)	(46,106)
British American Tobacco Western Europe	BAT Group company	-	9,595	-	-
BAT KOREA MANUFACTURING LTD	BAT Group company	-	12,227	(6,385)	(23,290)
		107,321	53,316	(21,728)	(69,177)
e. Royalty					
Royalty paid/payable to:					
BAT Holdings Limited	Holding company	145,684	650,620	(3,059,127)	(2,913,444)
		145,684	650,620	(3,059,127)	(2,913,444)
f. Technical and advisory fee					
Payment of fees for technical and advisory support services to:					
BAT Investments Ltd	BAT Group company	-	-	(3,326,870)	(3,326,870)
		-	-	(3,326,870)	(3,326,870)
g. Purchase of equipment					
Purchase of equipment from:					
BAT MARKETING (S) PTE LTD	BAT Group company	84,925	-	-	-
BAT Peci Dohanygyar KFT	BAT Group company	-	-	-	(80,653)
BAT Germany GMBH	BAT Group company	-	-	(327)	-
BRITISH AMERICAN TOBACCO CHILE	BAT Group company	-	-	(69)	(69)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	533,080	-	43,787	11,321
PTCL	BAT Group company	-	-	-	-
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 KOREA MANUFACTURING LTD	BAT Group company	-	-	-	16,905
British American Tobacco Mexico	BAT Group company	-	-	(181)	(181)
		618,005	-	40,450	(55,437)
Total related party expenses and outstanding balances		1,224,995	988,931	(9,569,301)	(9,256,778)

22 Commitments

22.1 Capital expenditure

<i>In thousands of BDT</i>	31 March 2022	31 Dec 2021
Authorised but not provided for	4,448,183	3,653,775

23 Contingencies

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

<i>In thousands of BDT</i>	31 March 2022	31 Dec 2021
Letter of credit		
Citibank, N.A.	670,707	815,043
Commercial Bank of Ceylon PLC	-	-
The Hongkong and Shanghai Banking Corporation Limited	490,762	1,037,316
Standard Chartered Bank	345,505	1,375,160
	1,506,974	3,227,520

<i>In thousands of BDT</i>	31 March 2022	31 Dec 2021
Bank Guarantee		
Standard Chartered Bank	202,659	94,696
Commercial Bank of Ceylon PLC	117,000	127,965
Eastern Bank Ltd.	13,514	13,514
Citibank, N.A.	2,000	2,000
	335,173	238,174

23.1 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 challenged the failure of Government to implement the closing budget speech of the Hon'ble Finance Minister dated 27th June 2018 and reserving low segment for local brands and further challenged the legality of a 2018 Special Order of NBR. BATB was initially not 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 the judgment in the matter on 21st September 2020. Through its judgment, the HC did not find any merit in the argument of the competitor in relation to reintroducing discriminatory rates and therefore discharged the Rule. However, the Court declared the retrospective application of the Special Order dated 7th June 2018 illegal and held that any shortfall of revenue under a 2017 Special Order may be recovered from any party or manufacturer during the period of 1st June 2017 to 6th June 2018.

Subsequently, following the High Court judgment LTU-VAT issued a Show Cause Notice dated 24th September 2020 claiming unpaid VAT & SD of BDT 24,371 million from 1st June 2017 to 6th 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 proceedings shall also be deemed to have been stayed.

24 Significant deviations

Earnings per share (EPS) increased from same period last year driven by lower operating expenses fully offsetting the decline in net revenue. Net operating cash flow per share (NOCFPS) increased from same period last year due by lower trade receivables.

25 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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