

**Un-audited interim condensed financial statement  
for the six-month period ended June 30, 2022**



**BUILDING A BETTER  
TOMORROW**



# British American Tobacco Bangladesh Company Limited

## Statement of financial position

<i>In thousands of BDT</i>	<i>Notes</i>	<b>30 June 2022</b>	<b>31 December 2021</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	<b>32,451,966</b>	31,504,309
Right of use assets (ROU)	6	<b>2,858,691</b>	1,960,283
<b>Total non-current assets</b>		<b>35,310,657</b>	33,464,592
<b>Current assets</b>			
Inventories	7	<b>38,648,823</b>	34,425,100
Trade and other receivables	8	<b>818,927</b>	2,768,918
Advances, deposits and prepayments	9	<b>4,561,839</b>	5,490,291
Cash and cash equivalents	10	<b>1,491,083</b>	1,406,979
<b>Total current assets</b>		<b>45,520,672</b>	44,091,288
<b>Total assets</b>		<b>80,831,329</b>	77,555,880
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	11	<b>5,400,000</b>	5,400,000
Capital reserve	12	<b>64,896</b>	64,896
Retained earnings		<b>32,364,638</b>	31,325,878
<b>Total equity attributable to owners of the Company</b>		<b>37,829,534</b>	36,790,774
<b>Non-current liabilities</b>			
Net defined benefit plans		<b>222,742</b>	155,931
Deferred tax	13	<b>6,078,469</b>	5,990,682
Lease liabilities	6.2	<b>2,736,752</b>	1,842,192
<b>Total non-current liabilities</b>		<b>9,037,963</b>	7,988,805
<b>Current liabilities</b>			
Bank Overdraft		<b>758,510</b>	-
Short term bank loans		<b>5,800,000</b>	5,600,000
Trade and other payables	14	<b>17,024,564</b>	18,530,880
Unclaimed Dividend		<b>73,825</b>	61,603
Lease liabilities	6.2	<b>474,188</b>	374,383
Current tax liabilities	15	<b>9,602,975</b>	7,485,580
Provisions		<b>229,770</b>	723,855
<b>Total current liabilities</b>		<b>33,963,832</b>	32,776,301
<b>Total liabilities</b>		<b>43,001,795</b>	40,765,106
<b>Total equity and liabilities</b>		<b>80,831,329</b>	77,555,880

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

<p style="text-align: center;"><i>Sd/-</i></p> <p style="text-align: center;"><b>Golam Mainuddin</b> Chairman</p>	<p style="text-align: center;"><i>Sd/-</i></p> <p style="text-align: center;"><b>Shehzad Munim</b> Managing Director</p>	<p style="text-align: center;"><i>Sd/-</i></p> <p style="text-align: center;"><b>A.K.M. Aftab Ul Islam FCA</b> Director</p>
<p style="text-align: center;"><i>Sd/-</i></p> <p style="text-align: center;"><b>Amun Mustafiz</b> Finance Director</p>	<p style="text-align: center;"><i>Sd/-</i></p> <p style="text-align: center;"><b>Md. Azizur Rahman FCS</b> Company Secretary</p>	

# British American Tobacco Bangladesh Company Limited

## Statement of profit or loss and other comprehensive income

For the period ended

<i>In thousands of BDT</i>	Notes	1 January 2022 to 30 June 2022	1 January 2021 to 30 June 2021	1 April 2022 to 30 June 2022	1 April 2021 to 30 June 2021
Gross revenue		186,383,657	180,840,776	98,705,485	85,299,875
Supplementary duty and VAT		(145,045,561)	(142,429,001)	(76,897,615)	(67,308,693)
<b>Net revenue from contracts with customers</b>	17	<b>41,338,096</b>	<b>38,411,775</b>	<b>21,807,870</b>	<b>17,991,182</b>
Cost of Sales		(18,320,696)	(16,770,977)	(9,349,480)	(7,099,075)
<b>Gross profit</b>		<b>23,017,400</b>	<b>21,640,798</b>	<b>12,458,390</b>	<b>10,892,107</b>
Operating expenses		(3,076,614)	(3,315,044)	(1,449,749)	(966,553)
<b>Operating profit</b>		<b>19,940,786</b>	<b>18,325,754</b>	<b>11,008,641</b>	<b>9,925,554</b>
Net finance income/(expenses)	18	(376,114)	(129,203)	(214,480)	(104,490)
Non-operating income/(expenses)		6,881	11,660	(60)	7,543
<b>Profit before contribution to WPPF</b>		<b>19,571,553</b>	<b>18,208,211</b>	<b>10,794,101</b>	<b>9,828,607</b>
Contribution to WPPF		(978,097)	(910,411)	(539,224)	(491,430)
<b>Profit before tax</b>		<b>18,593,456</b>	<b>17,297,800</b>	<b>10,254,877</b>	<b>9,337,177</b>
Current tax	19	(9,365,357)	(8,796,791)	(5,233,794)	(4,651,953)
Deferred tax		(88,523)	118,994	(50,971)	62,766
<b>Income tax expense</b>		<b>(9,453,880)</b>	<b>(8,677,797)</b>	<b>(5,284,765)</b>	<b>(4,589,186)</b>
<b>Profit for the year</b>		<b>9,139,574</b>	<b>8,620,003</b>	<b>4,970,112</b>	<b>4,747,991</b>

### 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		(1,551)	-	(1,551)	-
Deferred tax impact on defined benefit plans	20	737	-	737	-
<b>Other comprehensive loss for the year, net of tax</b>		<b>(814)</b>	<b>-</b>	<b>(814)</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>9,138,760</b>	<b>8,620,003</b>	<b>4,969,298</b>	<b>4,747,991</b>

*In BDT*

<b>Earnings per share</b>	21	<b>16.93</b>	15.96	9.20	8.79
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*Sd/-*  
**Golam Mainuddin**  
Chairman

*Sd/-*  
**Shehzad Munim**  
Managing Director

*Sd/-*  
**A.K.M. Aftab UI 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

For the period ended 30 June 2022

<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 2022</b>	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)
<b>Total comprehensive income for the year</b>	-	-	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)
<b>Total transactions with owners of the Company</b>	-	-	(8,100,000)	(8,100,000)
<b>Balance at 30 June 2022</b>	<b>5,400,000</b>	<b>64,896</b>	<b>32,364,638</b>	<b>37,829,534</b>

<b>Balance at 1 January 2021</b>	1,800,000	64,896	32,134,818	<b>33,999,714</b>
Profit for the period	-	-	8,620,003	<b>8,620,003</b>
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>8,620,003</b>	<b>8,620,003</b>

### Transactions with owners of the Company

#### Contributions and distributions

Final stock dividend 2020	3,600,000	-	(3,600,000)	-
Final cash dividend 2020	-	-	(5,400,000)	<b>(5,400,000)</b>
<b>Total transactions with owners of the Company</b>	<b>3,600,000</b>	-	<b>(9,000,000)</b>	<b>(5,400,000)</b>

<b>Balance at 30 June 2021</b>	5,400,000	64,896	31,754,822	37,219,718
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Sd/- <b>Golam Mainuddin</b> Chairman	Sd/- <b>Shehzad Munim</b> Managing Director	Sd/- <b>A.K.M. Aftab UI Islam FCA</b> Director
Sd/- <b>Amun Mustafiz</b> Finance Director	Sd/- <b>Md. Azizur Rahman FCS</b> Company Secretary	

# British American Tobacco Bangladesh Company Limited

## Statement of cash flows

For the period ended 30 June 2022

<i>In thousands of BDT</i>	<b>2022</b>	<b>2021</b>
<b>Operating activities</b>		
Collection from distributors, leaf export and others	188,299,774	180,735,677
Payment for costs and expenses	(30,466,282)	(27,031,980)
Supplementary duty and VAT paid	(141,292,987)	(149,246,654)
<b>Cash generated from operating activities</b>	<b>16,540,505</b>	<b>4,457,043</b>
Income tax paid	(7,247,962)	(6,736,557)
Interest received/(paid)	(238,664)	(39,047)
<b>Net cash flows from operating activities</b>	<b>9,053,879</b>	<b>(2,318,560)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,597,785)	(1,518,210)
Proceeds from sale of property, plant and equipment	2,322	769
<b>Net cash flows used in investing activities</b>	<b>(1,595,463)</b>	<b>(1,517,441)</b>
<b>Financing activities</b>		
Bank overdraft	758,510	-
Net proceeds from short term loan	200,000	5,000,000
Lease movement	(295,829)	(239,089)
Dividend paid	(8,087,778)	(5,390,728)
<b>Net cash flows used in financing activities</b>	<b>(7,425,097)</b>	<b>(629,817)</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>33,318</b>	<b>(4,465,818)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>1,406,980</b>	<b>5,873,085</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>50,785</b>	<b>(69)</b>
<b>Cash and cash equivalents at 30 June</b>	<b>1,491,083</b>	<b>1,407,198</b>

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

# British American Tobacco Bangladesh Company Limited

## Notes to the financial statements (continued)

### 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 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, Flag 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."

#### 2.2 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 28 July 2022 for publication.

### 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 Significant accounting policies

The same accounting policies and methods of computation have been followed in these interim condensed financial statements as were applied in the preparation of the financial statements of British American Tobacco Company Bangladesh Limited. as at and for the year ended 31 December 2021.

## 5 Property, plant and equipment

In thousands of BDT	Freehold building	Freehold land	Furniture and fixtures		Laboratory equipment	Leasehold building	Office equipment	Plant and machinery	Assets under construction		Total
			IT equipment						Vehicles	(AUC)	
<b>Cost</b>											
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	4,309,893	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)
<b>Balance as at 31 December 2021</b>	<b>5,551,744</b>	<b>1,526,496</b>	<b>556,298</b>	<b>492,444</b>	<b>443,969</b>	<b>1,143,921</b>	<b>1,168,129</b>	<b>29,733,605</b>	<b>1,257,792</b>	<b>3,542,977</b>	<b>45,417,376</b>
Balance as at 1 January 2022	5,551,744	1,526,496	556,298	492,444	443,968	1,143,921	1,168,130	29,733,605	1,257,792	3,542,977	45,417,376
Additions	6,150	-	6,644	48,398	1,418	1,603	17,199	921,313	107,141	880,092	1,989,958
Disposals/transfers	(5,669)	-	(822)	-	(135)	-	(5,509)	(100,177)	-	-	(112,311)
<b>Balance as at 30 June 2022</b>	<b>5,552,226</b>	<b>1,526,496</b>	<b>562,120</b>	<b>540,842</b>	<b>445,251</b>	<b>1,145,524</b>	<b>1,179,820</b>	<b>30,554,741</b>	<b>1,364,933</b>	<b>4,423,069</b>	<b>47,295,022</b>
<b>Accumulated depreciation</b>											
Balance as at 1 January 2021	304,050	-	283,625	311,207	207,105	230,828	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)
<b>Balance as at 31 December 2021</b>	<b>413,924</b>	<b>-</b>	<b>317,700</b>	<b>347,170</b>	<b>229,676</b>	<b>282,658</b>	<b>819,907</b>	<b>10,678,074</b>	<b>823,958</b>	<b>-</b>	<b>13,913,067</b>
Balance as at 1 January 2022	413,924	-	317,700	347,170	229,675	282,658	819,907	10,678,074	823,959	-	13,913,067
Depreciation for the period	58,744	-	24,246	38,829	21,940	27,159	69,658	697,367	92,007	-	1,029,949
Disposals/transfers	(5,251)	-	(793)	-	(135)	-	(3,681)	(90,100)	-	-	(99,960)
<b>Balance as at 30 June 2022</b>	<b>467,417</b>	<b>-</b>	<b>341,153</b>	<b>385,999</b>	<b>251,480</b>	<b>309,817</b>	<b>885,883</b>	<b>11,285,341</b>	<b>915,965</b>	<b>-</b>	<b>14,843,056</b>
<b>Net book value</b>											
As at 31 December 2021	5,137,820	1,526,496	238,598	145,274	214,293	861,263	348,222	19,055,531	433,834	3,542,977	31,504,309
As at 30 June 2022	5,084,809	1,526,496	220,967	154,843	193,771	835,707	293,936	19,269,400	448,967	4,423,069	32,451,966

## 6 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:

### 6.1 ROU assets

<i>In thousands of BDT</i>	Rented apartment	Forklift	Office	Warehouse	Total
<b>Cost</b>					
<b>Balance as at 1 January 2021</b>	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)
<b>Balance as at 31 December 2021</b>	<b>66,625</b>	<b>284,117</b>	<b>119,475</b>	<b>2,385,799</b>	<b>2,856,017</b>
<b>Balance as at 1 January 2022</b>	66,625	284,117	119,475	2,385,799	<b>2,856,017</b>
Additions/modifications	838	5,418	8,518	1,137,971	<b>1,152,745</b>
Disposals	-	-	-	(4,974)	<b>(4,974)</b>
<b>Balance as at 30 June 2022</b>	<b>67,464</b>	<b>289,535</b>	<b>127,993</b>	<b>3,518,796</b>	<b>4,003,788</b>
<b>Accumulated depreciation</b>					
<b>Balance as at 1 January 2021</b>	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)
<b>Balance as at 31 December 2021</b>	<b>34,033</b>	<b>39,632</b>	<b>47,161</b>	<b>774,908</b>	<b>895,734</b>
<b>Balance as at 1 January 2022</b>	<b>34,033</b>	<b>39,632</b>	<b>47,161</b>	<b>774,908</b>	<b>895,734</b>
Depreciation for the period	11,560	19,623	12,476	210,678	<b>254,337</b>
Impairment	-	-	-	-	-
Disposals/modifications	-	-	-	(4,974)	<b>(4,974)</b>
<b>Balance as at 30 June 2022</b>	<b>45,593</b>	<b>59,256</b>	<b>59,636</b>	<b>980,612</b>	<b>1,145,097</b>
<b>Net book value</b>					
<b>As at 31 December 2021</b>	<b>32,592</b>	<b>244,485</b>	<b>72,315</b>	<b>1,610,891</b>	<b>1,960,283</b>
<b>As at 30 June 2022</b>	<b>21,871</b>	<b>230,279</b>	<b>68,357</b>	<b>2,538,184</b>	<b>2,858,691</b>

### 6.2 Lease liabilities

<i>In thousands of BDT</i>	30 June 2022	31 December 2021
<b>Non-current</b>		
Lease liabilities	3,851,173	2,479,789
Interest liabilities	(1,114,421)	(637,597)
	<b>2,736,752</b>	<b>1,842,192</b>
<b>Current</b>		
Lease liabilities	769,771	576,885
Interest liabilities	(295,583)	(202,502)
	<b>474,188</b>	<b>374,383</b>
<b>Total lease liabilities</b>	<b>3,210,940</b>	<b>2,216,575</b>



## 7 Inventories

<i>In thousands of BDT</i>	<i>Note</i>	<b>30 June 2022</b>	<b>31 December 2021</b>
Inventories in hand	7.1	<b>38,356,494</b>	34,079,474
Inventories in transit	7.2	<b>292,329</b>	345,626
		<b>38,648,823</b>	34,425,100

### 7.1 Inventories in hand

<i>In thousands of BDT</i>		<b>30 June 2022</b>	<b>31 December 2021</b>
Leaf		<b>17,513,148.7</b>	8,377,904
Wrapping materials		<b>1,476,199.9</b>	1,340,617
Work in process		<b>53,313.1</b>	79,612
Finished goods		<b>18,668,110</b>	<b>23,639,126</b>
<i>Cost of finished goods</i>		<b>2,138,044</b>	3,700,337
<i>VAT, Supplementary Duty and *HDSC on finished goods</i>		<b>16,530,067</b>	19,938,789
Consumable stores		<b>645,723</b>	642,215
		<b>38,356,494</b>	34,079,474

\*Health development surcharge

### 7.2 Inventories in transit

<i>In thousands of BDT</i>		<b>30 June 2022</b>	<b>31 December 2021</b>
Leaf		<b>18,363</b>	66,434
Wrapping materials		<b>133,911</b>	223,772
Consumable stores		<b>140,054</b>	55,420
		<b>292,329</b>	345,626

## 8 Trade and other receivables

<i>In thousands of BDT</i>		<b>30 June 2022</b>	<b>31 December 2021</b>
Trade receivables		711,790	2,496,376
Expected credit loss		(744)	(2,497)
<b>Net trade receivables</b>		<b>711,046</b>	2,493,879
Intercompany receivables		109,531	243,006
Sundry receivables		(1,650)	32,033
		<b>818,927</b>	2,768,918

## 9 Advances, deposits and prepayments

	30 June	31 December
<i>In thousands of BDT</i>	2022	2021
Advances	4,489,248	5,365,658
Security deposit	11,700	11,700
Prepayments	60,891	112,933
	<b>4,561,839</b>	<b>5,490,291</b>

## 10 Cash and cash equivalents

		30 June	31 December
<i>In thousands of BDT</i>	<i>Note</i>	2022	2021
Cash in hand		2,586	781
		<b>2,586</b>	<b>781</b>
Cash at bank			
Dividend account	10.1	73,825	61,603
Foreign currency accounts		815,823	1,153,086
Current accounts		584,238	(250,337)
Fixed deposit receipt (FDR)			
<i>Local</i>		-	-
<i>Foreign</i>		-	422,475
Short term deposit (STD)		14,611	19,371
		<b>1,488,497</b>	<b>1,406,198</b>
		<b>1,491,083</b>	<b>1,406,979</b>

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

### 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 17,021 million. Facilities are renewable on annual basis.

### 10.3 Reconciliation of net operating cash flow

<i>In thousands of BDT</i>	<b>For the period ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
<b>Profit after tax</b>	<b>9,139,574</b>	8,620,003
<b>Adjustment for:</b>		
Depreciation and impairment	1,284,286	1,095,284
(Gain)/loss of sale of assets	10,030	928
Other adjustments	9,779,209	8,807,068
	<b>20,213,099</b>	<b>18,523,284</b>
<b>Changes in:</b>		
(Increase)/decrease in inventories	<b>(4,223,723)</b>	(12,222,324)
(Increase)/decrease in trade receivables and others	<b>1,949,991</b>	(117,756)
(Increase)/decrease in advances, deposits and prepayments	<b>534,728</b>	(1,043,363)
Increase/(decrease) in trade payables and others	<b>(1,506,316)</b>	(822,963)
Increase/(decrease) in net defined benefit plans	<b>66,811</b>	43,864
Increase/(decrease) in provisions	<b>(494,085)</b>	96,301
Income tax & interest payments	<b>(7,486,626)</b>	(6,775,604)
<b>Net cash generated from operating activities</b>	<b>9,053,879</b>	<b>(2,318,560)</b>

### 11 Share capital

<i>In thousands of BDT</i>	<b>30 June</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
<b>Authorised:</b>		
60,000,000 ordinary shares of BDT 10 each	<b>600,000,000</b>	600,000,000
480,000,000 ordinary shares of BDT 10 each	<b>4,800,000,000</b>	4,800,000,000
	<b>5,400,000,000</b>	<b>5,400,000,000</b>
<b>Issued, subscribed and fully paid up:</b>		
Issued for cash:		
3 ordinary shares of BDT 10 each	<b>30</b>	30
Issued for consideration other than cash:		
59,999,997 ordinary shares of BDT 10 each	<b>599,999,970</b>	599,999,970
120,000,000 bonus shares of BDT 10 each	<b>1,200,000,000</b>	1,200,000,000
360,000,000 bonus shares of BDT 10 each	<b>3,600,000,000</b>	3,600,000,000
	<b>5,400,000,000</b>	<b>5,400,000,000</b>

## 11.1 Shareholding position

Name of shareholder	30 June 2022			31 December 2021		
	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	30,544,786	305,447,860	5.66%	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	95,175,910	951,759,100	17.63%	95,485,900	954,859,000	17.68%
	<b>540,000,000</b>	<b>5,400,000,000</b>	<b>100%</b>	<b>540,000,000</b>	<b>5,400,000,000</b>	<b>100%</b>

## 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 June 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	60,082	5,449,701	1.01%	54,968	5,064,942	0.94%
501 to 5,000 shares	9,675	14,292,454	2.65%	9,716	14,376,243	2.66%
5,001 to 10,000 shares	670	4,802,262	0.89%	631	4,523,479	0.84%
10,001 to 20,000 shares	303	4,276,203	0.79%	315	4,461,929	0.83%
20,001 to 30,000 shares	104	2,543,526	0.47%	95	2,352,739	0.44%
30,001 to 40,000 shares	42	1,446,542	0.27%	40	1,397,384	0.26%
40,001 to 50,000 shares	34	1,520,563	0.28%	34	1,559,997	0.29%
50,001 to 100,000 shares	83	5,697,281	1.06%	67	4,712,779	0.87%
100,001 to 1,000,000 shares	67	18,970,167	3.51%	63	18,140,843	3.36%
Over 1,000,000 shares	15	481,001,301	89.07%	16	483,409,665	89.52%
	<b>71,075</b>	<b>540,000,000</b>	<b>100%</b>	<b>65,945</b>	<b>540,000,000</b>	<b>100%</b>

## 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.

13 Deferred tax

13.1 Deferred tax asset

	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
<i>In thousands of BDT</i>			
<b>30 June 2022</b>			
Provision for inventories	(221,190)	-	(221,190)
Provision for gratuity	(176,888)	-	(176,888)
<b>Net temporary difference</b>	<b>(398,078)</b>	<b>-</b>	<b>(398,078)</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax asset</b>			<b>(189,087)</b>
<i>In thousands of BDT</i>			
<b>31 December 2021</b>			
Provision for inventories	(285,451)	-	(285,451)
Provision for gratuity	(155,932)	-	(155,932)
<b>Net temporary difference</b>	<b>(441,383)</b>	<b>-</b>	<b>(441,383)</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax Asset</b>			<b>(209,657)</b>

13.2 Deferred tax liabilities

	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
<i>In thousands of BDT</i>			
<b>30 June 2022</b>			
Property, plant and equipment excluding land.	26,298,337	12,751,343	13,546,994
Net, right of use assets	(352,139)	-	(352,139)
<b>Net temporary difference</b>	<b>25,946,198</b>	<b>12,751,343</b>	<b>13,194,855</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax liabilities</b>			<b>6,267,556</b>
<i>In thousands of BDT</i>			
<b>31 December 2021</b>			
Property, plant and equipment excluding land.	26,252,241	12,942,604	13,309,637
Net, right of use assets	(256,291)	-	(256,291)
<b>Net temporary difference</b>	<b>25,995,950</b>	<b>12,942,604</b>	<b>13,053,346</b>
<b>Applicable tax rate</b>			<b>47.5%</b>
<b>Deferred tax liabilities</b>			<b>6,200,339</b>

13.3 Deferred tax liabilities, net

	30 June 2022	31 December 2021
<i>In thousands of BDT</i>		
Deferred tax asset	(189,087)	(209,657)
Deferred tax liabilities / (asset) (ROU Assets)	(167,266)	(121,738)
Deferred tax liabilities (other than ROU assets)	<b>6,434,822</b>	<b>6,322,078</b>
<b>Net deferred tax liabilities</b>	<b>6,078,469</b>	<b>5,990,682</b>

**14 Trade and other payables**

	<b>30 June</b>	<b>31 December</b>
<i>In thousands of BDT</i>	<b>2022</b>	<b>2021</b>
Trade payables	3,155,928	3,831,760
Intercompany payables	10,270,205	9,301,730
Workers' Profit Participation Fund (WPPF)	978,097	994,321
Wages and other benefits	222,786	599,015
Accrued expenses	2,198,193	3,493,701
Sundry payables	199,354	310,353
	<b>17,024,564</b>	<b>18,530,880</b>

**15 Current tax liabilities**

	<b>30 June</b>	<b>31 December</b>
<i>In thousands of BDT</i>	<b>2022</b>	<b>2021</b>
<b>Balance at 1 January</b>	<b>7,485,580</b>	<b>5,384,973</b>
Provision made during the year	9,365,357	14,102,215
	<b>16,850,937</b>	<b>19,487,188</b>
Advance payment of corporate tax	<b>(7,247,962)</b>	<b>(12,001,608)</b>
<b>Balance at 31 December</b>	<b>9,602,975</b>	<b>7,485,580</b>

**17 Revenue from contracts with customers**

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

	<b>For the period ended 30 June</b>	
<i>In thousands of BDT</i>	<b>2022</b>	<b>2021</b>
Quantity in million sticks	35,392	34,500
	-	
Gross revenue from domestic sale	185,779,782	180,398,454
Supplementary duty and VAT	(145,045,561)	(142,429,001)
<b>Revenue from domestic sale, net</b>	<b>40,734,221</b>	<b>37,969,452</b>
Quantity in million sticks	<b>11.52</b>	10.97
Gross revenue from finished goods export	10,570	30,491
<b>Revenue from export of finished goods, net</b>	<b>10,570</b>	<b>30,491</b>
Quantity in million kgs	<b>2.40</b>	1.66
Gross revenue from tobacco leaf export	593,305	411,832
<b>Revenue from leaf export, net</b>	<b>593,305</b>	<b>411,832</b>
<b>Total revenue from contracts with customers, net</b>	<b>41,338,096</b>	<b>38,411,774</b>

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

	<b>For the period ended 30 June</b>	
<i>In thousands of BDT</i>	<b>2022</b>	<b>2021</b>
<b>Finance income</b>	<b>10,727</b>	<b>25,545</b>
<b>Finance costs</b>		
Debt and borrowing	(137,450)	(64,592)
Lease liabilities	(249,391)	(90,157)
	<b>(376,114)</b>	<b>(129,203)</b>

## 19 Income tax expenses

<i>In thousands of BDT</i>	For the period ended 30 June		
	Note	2022	2021
<b>Current income tax:</b>			
Current income tax charge		9,365,357	8,796,791
<b>Deferred tax:</b>			
Deferred tax (income)/expense relating to origination and reversal of temporary differences		88,523	(118,994)
<b>Income tax expense reported in the statement of profit or loss</b>		<b>9,453,880</b>	<b>8,677,797</b>

### 19.1 Reconciliation of effective tax rate

<i>In thousands of BDT</i>	For the period ended 30 June			
		2022		2021
<b>Profit before tax</b>		<b>18,593,456</b>		<b>17,297,800</b>
Current tax expense	50.37%	9,365,357	50.85%	8,796,791
Deferred tax expense	0.48%	88,523	-0.69%	(118,994)
<b>Total tax expense</b>	<b>50.85%</b>	<b>9,453,880</b>	<b>50.17%</b>	<b>8,677,796</b>
Expected income tax using applicable tax rate	47.50%	8,831,891	47.50%	8,216,455
Prior year adjustment	0.00%	-	-1.07%	-
Tax on non deductible expenses	2.87%	533,465	-2.79%	580,336
<b>Effective current tax</b>	<b>50.37%</b>	<b>9,365,357</b>	<b>50.85%</b>	<b>8,796,791</b>
<b>Effective deferred tax</b>	<b>0.48%</b>	<b>88,523</b>	<b>-0.69%</b>	<b>(118,994)</b>
	<b>50.85%</b>	<b>9,453,880</b>	<b>50.17%</b>	<b>8,677,796</b>

## 20 Other comprehensive income

<i>In thousands of BDT</i>	For the period ended 30 June	
	2022	2021
Actuarial gain/(loss) on defined benefit plans - Gratuity fund	(1,033)	-
Actuarial gain/(loss) on defined benefit plans - Pension fund	(518)	-
	(1,551)	-
Less: deferred tax on actuarial gain/(loss) on defined benefit plans @ 47.5%	737	-
<b>Net actuarial gain/(loss) on defined benefit plans charged to OCI</b>	<b>(814)</b>	<b>-</b>

\*An estimate review has been performed and reflected during period closing of 30 June 2022

## 21 Earnings per share

### 21.1 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	
	2022	2021
Total profit attributable to shareholders	9,139,574	8,620,003
Weighted average number of shares outstanding	540,000	540,000
<b>Earning per share in BDT</b>	<b>16.93</b>	<b>15.96</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.

## 21.2 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.

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

<i>In thousands of BDT</i>	<b>For the period ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
Net cash flow from operating activities	<b>9,053,879</b>	(2,318,560)
Weighted average number of shares outstanding	<b>540,000</b>	540,000
<b>Net operating cash flows per share in BDT</b>	<b>16.77</b>	(4.29)

## 23 Net asset value (NAV) per share

<i>In thousands of BDT</i>	<b>30 June</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
Net asset value	<b>37,829,534</b>	36,790,774
Weighted average number of shares outstanding	<b>540,000</b>	540,000
<b>NAV per share in BDT</b>	<b>70.06</b>	68.13

## 24 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>	<b>Relationship</b>	<b>Transaction values for the period ended 30 June</b>		<b>Balance outstanding as at</b>	
		<b>2022</b>	<b>2021</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
<b>Income</b>					
<b>a. Leaf, Cigarette export and sale of goods</b>					
BAT (GLP) Limited	BAT Group company	278,394	85,799	(39,037)	(46,642)
PTCL	BAT Group company	-	96,985	-	144,690
BAT (Singapore) PTE LTD	BAT Group company	9,568	21,815	11,602	11,602
Ceylon Tobacco Company PLC	BAT Group company	1,001	-	(2)	-
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	8,675	-	-
		<b>288,963</b>	<b>213,274</b>	<b>(27,437)</b>	<b>109,650</b>
<b>b. Other fee</b>					
Other fee received/to be received from:					
BAT (GLP) Limited	BAT Group company	12,764	1,046	-	3,017
BAT Holdings Limited	Holding company	-	-	-	19,217
BAT Investments Ltd	BAT Group company	12,445	-	-	1,101
British-American Tobacco Polska S.A	BAT Group company	2,241	-	2,241	-
BAT Japan	BAT Group company	11,028	8,822	11,028	14,798
British American Tobacco Exports Ltd	BAT Group company	-	-	-	4,364
Solomon Islands Tobacco Co. Ltd.	BAT Group company	-	-	-	1,633
BAT Global Travel Retail Limited	BAT Group company	18,660	-	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	-	10,792	-
British American Tobacco Asia	BAT Group company	17,294	-	17,294	-
British-American Tobacco (Singapore)	BAT Group company	4,035	-	-	-
EAA Services	BAT Group company	1,879	-	1,879	-
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	13,215	-	13,215	-
VINA-BAT JV HCMC Branch	BAT Group company	-	1,459	4,822	4,822
BAT Co. (HK) Ltd	BAT Group company	2,945	-	5,211	-
BAT AsPac Service Centre Sdn Bhd	BAT Group company	-	-	8,673	8,673
Nicoventures Trading Limited	BAT Group company	2,633	-	2,633	27,032
		<b>109,932</b>	<b>11,327</b>	<b>97,929</b>	<b>86,137</b>
<b>Total related party income and balance</b>		<b>398,896</b>	<b>224,602</b>	<b>70,492</b>	<b>195,788</b>



<i>In thousands of BDT</i>	Relationship	Transaction values for the		Balance outstanding as at	
		period ended 30 June 2022	2021	30 June 2022	31 December 2021
<b>Expenses</b>					
<b>c. Procurement of services</b>					
Procurement of information technology, product and other services:					
BASS GSD limited	BAT Group company	565,261	425,916	(2,747,032)	(2,182,989)
BRITISH AMERICAN TOBACCO AUSTRALIA	BAT Group company	5,587	-	(8,056)	(2,469)
BAT GERMANY GMBH	BAT Group company	-	-	(327)	(327)
BAT Holdings Limited	Holding company	-	-	(27,469)	(27,469)
BAT AsPac Service Centre Sdn Bhd	BAT Group company	84,093	119,858	(655,953)	(573,413)
BAT GSD (KL) Sdn Bhd	BAT Group company	-	-	(3,151)	(3,151)
BAT Investments Ltd	BAT Group company	568,582	-	(596,031)	(27,449)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	23,894	186,705	(9,211)	-
BAT MARKETING (S) PTE LTD	BAT Group company	2,311	-	-	-
British American Tobacco Tutun	BAT Group company	-	-	(47,053)	(47,053)
BAT Peci Dohanygyar KFT	BAT Group company	-	-	-	(17,436)
BAT Japan	BAT Group company	-	-	(10,094)	(10,094)
		<b>1,249,728</b>	<b>732,480</b>	<b>(4,104,377)</b>	<b>(2,891,850)</b>
<b>d. Purchase of leaf &amp; goods</b>					
Purchase of leaf and wrapping materials from:					
BAT Singapore (Private) limited	BAT Group company	2,089	6,856	-	(1,108)
BAT (GLP) Limited	BAT Group company	361,707	218,242	(1,992)	1,327
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	29,000	22,720	-	(46,106)
British American Tobacco Western Europe	BAT Group company	-	30,647	-	-
BAT KOREA MANUFACTURING LTD	BAT Group company	-	218,153	(6,385)	(23,290)
		<b>392,796</b>	<b>496,618</b>	<b>(6,377)</b>	<b>(69,177)</b>
<b>e. Royalty</b>					
Royalty paid/payable to:					
BAT Holdings Limited	Holding company	399,736	374,358	(2,650,676)	(2,913,444)
		<b>399,736</b>	<b>374,358</b>	<b>(2,650,676)</b>	<b>(2,913,444)</b>
<b>f. Technical and advisory fee</b>					
Payment of fees for technical and advisory support services to:					
BAT Investments Ltd	BAT Group company	-	-	(3,326,870)	(3,326,870)
		-	-	<b>(3,326,870)</b>	<b>(3,326,870)</b>
<b>g. Purchase of equipment</b>					
Purchase of equipment from:					
BAT MARKETING (S) PTE LTD	BAT Group company	198,906	-	(113,981)	-
BAT Peci Dohanygyar KFT	BAT Group company	19,849	-	(19,849)	(80,653)
BRITISH AMERICAN TOBACCO CHILE	BAT Group company	-	-	(69)	(69)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	556,709	-	-	11,321
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)	-
BAT KOREA MANUFACTURING LTD	BAT Group company	-	-	-	16,905
British American Tobacco Mexico	BAT Group company	-	-	(181)	(181)
		<b>779,490</b>	<b>-</b>	<b>(140,866)</b>	<b>(55,437)</b>
<b>Total related party expenses and outstanding balances</b>		<b>2,821,751</b>	<b>1,603,456</b>	<b>(10,231,166)</b>	<b>(9,256,778)</b>

## 25 Commitments

### 25.1 Capital expenditure

<i>In thousands of BDT</i>	30 June 2022	31 December 2021
Authorised but not provided for	4,488,687	3,653,775

## 26 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>	30 June 2022	31 December 2021
<b>Letter of credit</b>		
Citibank, N.A.	547,272	815,043
Commercial Bank of Ceylon PLC	-	-
The Hongkong and Shanghai Banking Corporation Limited	168,758	1,037,316
Standard Chartered Bank	892,239	1,375,160
	<b>1,608,269</b>	<b>3,227,520</b>

### *In thousands of BDT*

#### **Bank Guarantee**

Standard Chartered Bank	202,659	94,696
Commercial Bank of Ceylon PLC	127,965	127,965
Eastern Bank Ltd.	-	13,514
Citibank, N.A.	2,000	2,000
	<b>332,624</b>	<b>238,174</b>

### 26.1 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 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.

## 27 Significant deviations

During 30 June 2022, the earning per share (EPS) increased due to higher profit after tax driven by growth in volume as compared to 30 June 2021. Net operating cash flow per share (NOCFPS) increased due to higher collection from revenue compared to 30 June 2021.

## 28 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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