



TOGETHER FOR FUTURE BANGLADESH

ANNUAL REPORT 2016



BRITISH AMERICAN
TOBACCO
BANGLADESH

TOGETHER FOR SDG

In order to participate with the Government's Vision 2020, British American Tobacco (BAT) Bangladesh has been working on improving the lives of people across the nation. Apart from the business objectives, the Company's initiatives have been set forth to bring about a positive change across the communities it works with through various initiatives directed towards poverty alleviation, gender equality, human development and well-being, partnership in green cultivation practices, facilitation of pure drinking water, forest preservation, and extending sustainable modern energy in off-grid areas.

This annual report serves as a memento of the contributions made by BAT Bangladesh for a more sustainable future in terms of economic development, social progress and human welfare to transform the lives and livelihoods of people across all social spheres.

TOGETHER FOR SDGs

Sustainable Development Goals



Scan the QR code for digital version



ABOUT US

The presence of British American Tobacco in this part of the world can be traced back to 1910. Beginning the journey as Imperial Tobacco 106 years ago, the Company set up its first sales depot at Armanitola in Dhaka.

After the partition of India in 1947, Pakistan Tobacco Company was established in 1949. The first factory in Bangladesh (the then East Pakistan) was set up in 1949 in Fauzdarhat, Chittagong. In 1965, the second factory of Pakistan Tobacco Company went into production in Mohakhali, Dhaka. It became Bangladesh Tobacco Company Limited in 1972 immediately after Bangladesh's independence. In 1998, the Company changed its name and identity to British American Tobacco Bangladesh (BAT Bangladesh or BATB) aligning the corporate identity with other operating companies in the British American Tobacco Group.

BAT Bangladesh is a part of BAT plc, world's leading tobacco group, with brands sold in 200 markets around the world. We make high quality tobacco products for the diverse preferences of consumers, spanning the business 'from crop to consumer', and we are committed to embedding the principles of corporate social responsibility through our responsible business operation.

Our Shareholders

We were among the first companies to be listed on the Dhaka and Chittagong Stock Exchanges and currently rank 3rd in terms of market capitalisation. British American Tobacco Group holds 72.91% of the shares; 7.05% is owned by Investment Corporation of Bangladesh; Shadharan Bima Corporation, Bangladesh Development Bank Limited and the Government of the People's Republic of Bangladesh while a further 20.04 % is owned by other shareholders.

Our Contributions

We continue to contribute approximately two-thirds of the revenue derived from the cigarette industry. In 2016 calendar year, BAT Bangladesh contributed over BDT 13,631 crore as taxes to the National Exchequer, which makes us the highest taxpayers to the Government. The Company will continue to support Government proposals that establish a sustainable level of tax contribution to the National Exchequer while ensuring sustainability for the industry.

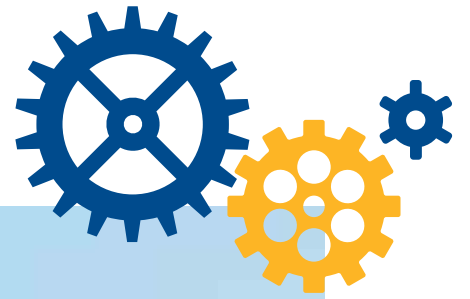
Our Beliefs

At BAT Bangladesh, we strive to be a responsible Company wherever we operate - be it to our shareholders, employees, business partners or any other relevant internal and external stakeholder. To us, responsibility is a way of life and that is why we believe success and responsibility go together.

Our People – Our Strength

Employing around 1,500 people directly and approximately 50,000 people indirectly as farmers, distributors and local suppliers, we take great pride in saying that BAT Bangladesh is one of the most preferred employers in the country. It is the people who bring their differences every day that make BAT Bangladesh a great place to work.





The graphic features a large blue gear with the text 'CORPORATE INFORMATION' inside it. Below and to the left are several other gears in white, grey, and orange. The background is a photograph of a modern building with a glass facade and a staircase.

CORPORATE INFORMATION

Board of Directors

Mr. Golam Mainuddin	- Chairman
Mr. Shehzad Munim	- Managing Director
Mr. Md. Mosharraf Hossain Bhuiyan ^{ndc}	- Independent Director
Mr. Mohammad Moinuddin Abdullah	- Independent Director
Mr. Mikail Shipar	- Independent Director
Mr. Jalal Ahmed	- Non-Executive Director
Mr. Md. Iftikhar-uz-zaman	- Non-Executive Director
Mr. K. H. Masud Siddiqui	- Non-Executive Director
Mr. William Francis Pegel	- Finance Director

Company Secretary

Mr. Md. Azizur Rahman FCS

Audit Committee

Mr. Md. Mosharraf Hossain Bhuiyan ^{ndc}	- Chairman
Mr. Md. Iftikhar-uz-Zaman	- Member
Mr. K. H. Masud Siddiqui	- Member
Mr. Golam Mainuddin	- Member
Mr. Md. Azizur Rahman FCS	- Secretary

Board Compensation Committee

Mr. Golam Mainuddin	- Chairman
Mr. Shehzad Munim	- Member
Mr. William Francis Pegel	- Member
Ms. Rumana Rahman	- Secretary

Board CSR Committee

Mr. Mohammad Moinuddin Abdullah	- Chairman
Mr. Mikail Shipar	- Member
Mr. Jalal Ahmed	- Member
Mr. Shehzad Munim	- Member
Mr. Md. Azizur Rahman FCS	- Secretary



Executive Committee

Mr. Shehzad Munim	- Managing Director
Mr. William Francis Pegel	- Finance Director
Mr. Ozsan Ozbas	- Head of Operations
Ms. Mubina Asaf	- Head of Legal & External Affairs
Ms. Rumana Rahman	- Head of Human Resources
Mr. Rezaul Islam	- Head of Marketing
Mr. Shahed Zubair	- Head of Business Development

Internal Audit Manager

Mr. Adnan Sharif Khan

Statutory Auditors

Rahman Rahman Huq & Co., Chartered Accountants

Governance Compliance Auditor

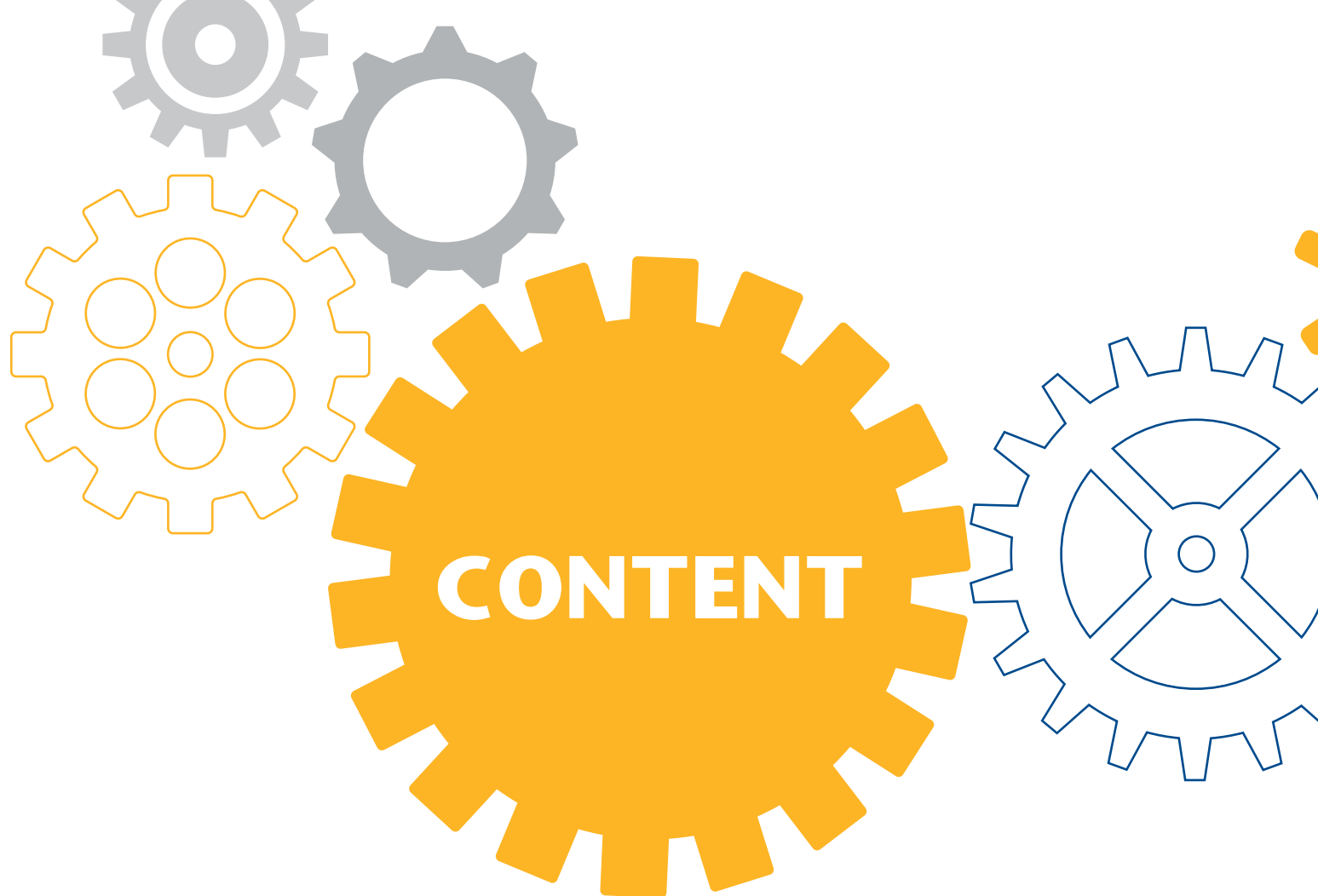
Al-Muqtadir Associates, Chartered Secretaries

Bankers

Standard Chartered Bank
Hongkong and Shanghai Banking Corporation
Citibank N.A.
Commercial Bank of Ceylon
Sonal Bank
Pubali Bank
Eastern Bank Ltd

Registered Office

British American Tobacco Bangladesh Company Limited
New DOHS Road, Mohakhali, Dhaka 1206
T: +880 2 9842791-5
F: +880 2 9842786
email: md_azizur_rahman@bat.com
www.batbangladesh.com



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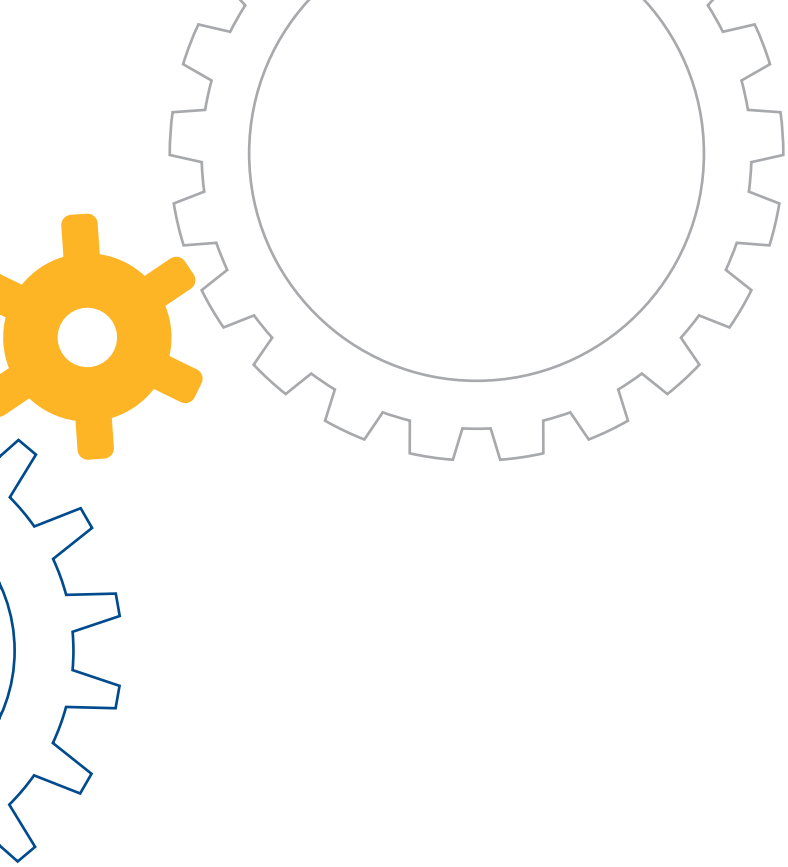
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WINNING ORGANISATION

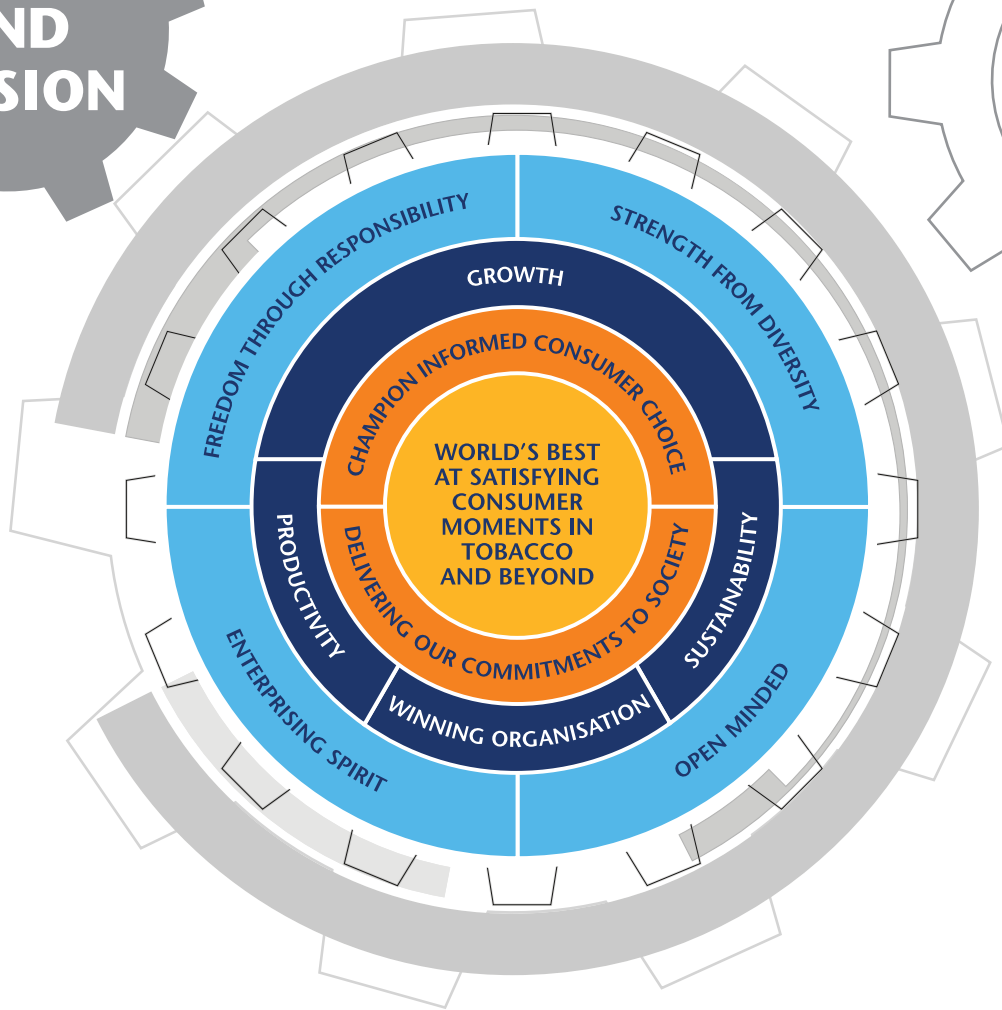
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OUR VISION

World's best at satisfying consumer moments in tobacco and beyond.

Satisfying Consumer Moments

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

Tobacco and Beyond

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

OUR MISSION

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

Champion Informed Consumer Choice

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

Deliver Our Commitments to Society

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

STRATEGIC FOCUS AREAS

The foundations upon which our strategy is built have been in place for many years, but we continue to refocus our activities in all four areas and constantly review our ways of working.

Growth

Developing brands, innovations and new products to meet consumers' evolving needs.

Productivity

Effectively deploying resources to increase profits and generate funds for investment.

Winning Organisation

Ensuring we have great people, great teams and a great place to work.

Sustainability

Ensuring a sustainable business that meets stakeholders' expectations.

(BAT Bangladesh's vision, mission and strategic focus are in line with the BAT group)

GUIDING PRINCIPLES

Our Guiding Principles provide clarity about what we stand for. They form the core of our culture and guide how we deliver our strategy.



ENTERPRISING SPIRIT

We value enterprise from all of our employees across the world, giving us a great breadth of ideas and viewpoints to enhance the way we do business. We have the confidence to passionately pursue growth and new opportunities while accepting the considered entrepreneurial risk that comes with it. We are bold and strive to overcome challenges. This is the cornerstone of our success.



OPEN MINDED

Our corporate culture is a great strength of the business and one of the reasons we have been, and will continue to be, successful. We are forward-looking and anticipate consumer needs, winning with innovative, high-quality products. We listen to, and genuinely consider, other perspectives and changing social expectations. We are open to new ways of doing things.



FREEDOM THROUGH RESPONSIBILITY

We give our people the freedom to operate in their local environment, providing them with the benefits of our scale but the ability to succeed. We always strive to do the right thing, exercising our responsibility to society and other stakeholders. We use our freedom to take decisions and act in the best interest of consumers.



STRENGTH FROM DIVERSITY

We respect and celebrate each other's differences and enjoy working together. We harness diversity – of our people, cultures, viewpoints, brands, markets and ideas – to strengthen our business. We value what makes each of us unique.

OUR BUSINESS MODEL

WHAT WE DO

Essentially, we make and sell cigarettes, but there is definitely a lot more to it than that. Our sustainable approach to sourcing, production and distribution helps us to create value for a wide range of stakeholders. They include farmers and their communities, suppliers, retail and wholesale trade partners, NGOs, governments, regulators and the society at large.



Our People & Relationships

We employ around 1,500 people directly and approximately 50,000 people indirectly as farmers, distributors, local suppliers and over 1.3 million retailers. We take great pride in saying that BAT Bangladesh is one of the most preferred employers in the country. It is the people who bring their difference every day that make BAT Bangladesh a great place to work in. BAT Bangladesh keeps harmony with all of its valuable stakeholders. In the last year, we once again ensured that our contribution to the Government is very significant by paying BDT 13,631 crores to Government exchequer. We encourage a culture of personal ownership and value our employees' talents. Their diverse perspectives help us to succeed and we recognise their critical role in achieving the goals we set for our business. We value what makes each of us unique.

Source

What We Do

We don't own tobacco farms, but we provide agronomy support through our extensive services. The Company's Leaf function starts with the hard work of around 33,000 registered farmers within the village community.

What Makes Us Different

- We have implemented the policy on Sustainable Tobacco Programme with an aim to apply the best local and international practices in the areas of Agronomy, Leaf Depot Operations, Leaf Processing Operations, Environmental Management, Human Rights, Occupational Health and Safety Standards encompassing its Leaf Operations.

Market

What We Do

We produce a range of products including: Benson & Hedges, John Player Gold Leaf, Pall Mall, Capstan, Star, Derby, Pilot and Hollywood. Our range of products covers all segments, from low to premium.

What Makes Us Different

We have a successful brand strategy based on sound consumer insights.

Our portfolio of a good number of international as well as local brands is designed to meet a broad array of consumer preferences around the country, with the idea of delivering today and investing for tomorrow.

Produce

What We Do

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



What Makes Us Different

- Our production facilities are designed to meet the needs of an agile and flexible supply chain, providing a world-class operational base that is fit for the future.
- Ensuring leaf and products in right place at the right time at the right quantity is a formidable logistical exercise for which BATB is highly committed.
- The nature of our business allows us to pool resources on a global scale and maximise efficiency.

Distribute

What We Do

Our well-developed distribution channels are critical enablers of our growth strategy, allowing us to roll out innovations on a big scale.

What Makes Us Different

- We continuously review our route to market, including our relationships with wholesalers, distributors and logistics providers.
- A good volume is sold by retailers supplied by our exclusive distributors.
- We encourage to embed best practices at the distributor end as well, to ensure regulatory compliance of the cigarette industry as a whole.

Consumers

We place consumers at the heart of our business. We invest in world-class research to understand changing consumer needs and buying behaviour. This drives our supply chain, product development, innovations, brands and trade activities. We aim to satisfy consumers while addressing stakeholder expectations about how we should sell our products. We are developing innovative solutions to evolve our brand portfolio and create more differentiated products. This supports our aim to champion consumer choice and provide a range of products.



Innovation

We make significant investments in research and development to deliver innovations that satisfy or anticipate diverse preferences of consumers and generate growth for the business. We also research, develop and test new products to meet changing consumer needs. Specific targeted investments in new ventures, R&D projects, equipments and services all play a role in our short-term success and in the long-term development of our organisation. They support our strategic ambitions of achieving sustainable growth and working more productively by opening up new ways of working, helping to define new product areas and providing new opportunities for our people. We have research programme and our own laboratory plays a useful role in regular quality control and new innovations. Our work with scientists and public health professionals aims to secure widespread support for tobacco harm reduction, including the regulatory changes needed to bring reduced-risk products to market.

CHAIRMAN'S STATEMENT

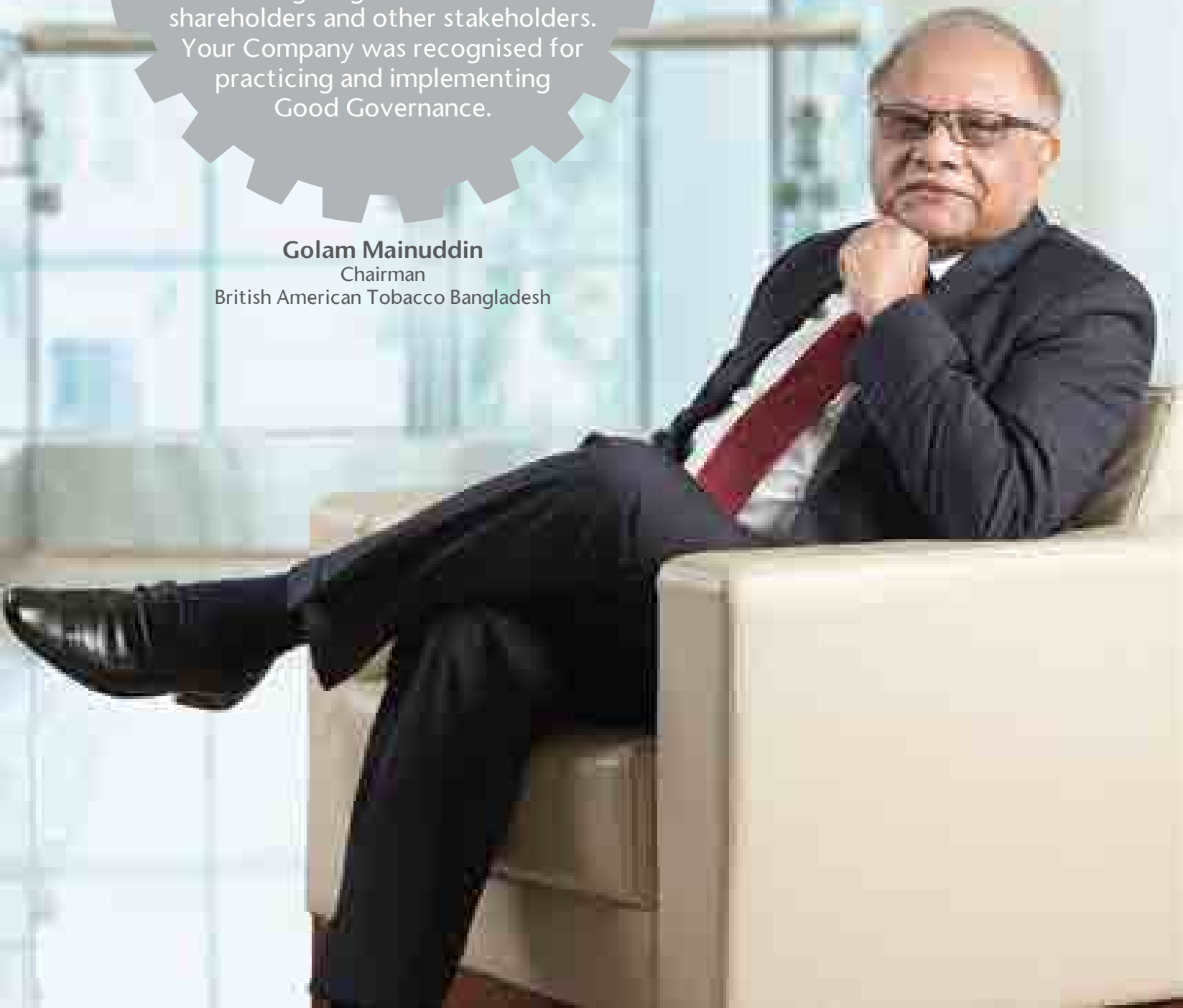
Dear Shareholders,

Your company continued to deliver excellent performance in this year despite challenging conditions. Your Board and the Management ensured sustainable growth in business and committed to delivering long term value to the shareholders and other stakeholders. Your Company was recognised for practicing and implementing Good Governance.

Golam Mainuddin

Chairman

British American Tobacco Bangladesh





Dear Shareholders,

Your Company continued to deliver excellent underlying performance in this year, despite challenging conditions. The Board of Directors and Management ensured the sustainable growth in business and committed to delivering long term value to the shareholders and other stakeholders. Your company was recognised locally by the Institute of Cost & Management Accountants of Bangladesh and Institute of Chartered Secretaries of Bangladesh for practicing and implementing Good Governance. Apart from that, we are also recognised by the National Board of Revenue as the Highest Tax payer in the country.

Sustainable Growth

For us, sustainability is not a choice or something that is nice to have, it is crucial to securing the future of our business by creating shared value for consumers, our customers and our shareholders.

That is why, in addition to our continued investment in our traditional brands, our high growth markets, our systems and our people, we developed our sustainability agenda, sustainable agriculture and farmer livelihoods, and corporate behaviour. This ensures we have an ongoing focus on the matters which have the most relevance for our stakeholders and consequently the future health of our business.

The overall Company performance in 2016 was driven by revenue growth, increased market shares, effective cost management and productivity initiatives across the Company. This result was achieved due to hard work of our People, guidance of our Board of Directors, dedication of our Executive Committee members and leadership of our Managing Director who led the business to deliver the results. We would like to assure you that we are giving the top most priority, in respect to the retrospective claim of VAT and Supplementary duty by Large Tax Unit of National Board of Revenue (NBR), on our brands Pilot and Bristol and the matter is currently pending in the honorable Appellate Division of the Supreme Court.

Business Performance

The Company has achieved expected growth in all aspects. Volume growth was achieved through a focused business strategy that was supported by our dedicated people across all

business functions. Our brand portfolio was strengthened through consumer relevant initiatives and excellent retail level executions.

Sales volume increased with higher growth in the low segment, offsetting the decline in the upper two segments. This trend continues to be a matter of concern, as it negatively impacts not only BATB but also Government's revenue earning capacity from the cigarette industry. Therefore, we continue to engage with the policymakers of NBR to ensure that balanced price and taxation policies are implemented and that down trading is reduced for the sustainability of the industry and the government revenue growth.

Strategic Investments

In order to meet the commitment of delivering long-term value to our shareholders, the Company invested in the capacity enhancement of our production, safety of our people, and machineries as per the need of the business which will facilitate sustainable future growth.

Sustainable Government's Revenue Growth

The Company recognizes Government's revenue growth targets and the industry has been working with the NBR over the years to ensure sustainable revenue growth from the cigarette industry. Your Company contributed 70% of the total taxes collected from the Cigarette industry. In 2016, the Company contributed BDT 13,631 crores as taxes to the national exchequer. This represents an increase of BDT 2,580 crores. The Company will continue to support Government's proposals that help to establish a sustainable level of tax contribution to the National Exchequer while ensuring a sustainable growth for the industry

and promoting a level playing field among market players. Since this is a mature industry, it must not be stretched too far without considering the market dynamics and its ability to absorb price increases and encourage smuggling of cigarettes.

Tobacco Taxation Policies & Its Challenges

Tobacco pricing policies of the Government is very much challenging compared to other industries. Meanwhile, the Company explained before the NBR about the revenue impact of indexing gap between the low segment and the upper segments. The wider indexing gap is a matter of concern as it negatively impacts not only BATB, but also on Government revenue earning capacity from the cigarette industry.

The listed companies of all other industries enjoy a beneficial corporate tax rate, the same privilege has been withdrawn by the Government for listed cigarette companies. The Company strongly feels that by targeting the corporate tax structure of a listed cigarette manufacturer, it significantly impacts the shareholders' return and also takes away the incentives for other cigarette manufacturers to get listed in the stock exchanges. The Company believes that the Government will reinstate investment-friendly corporate tax rate structures while considering the upcoming National Budget. Cigarettes are already highly taxed (in the form of Supplementary Duty and VAT) and there is no example of discriminated corporate tax anywhere in the world for tobacco companies. Therefore, we continue to engage with policymakers to correct the position in the next national budget to ensure that balanced taxation policies are implemented for the sustainability of the industry.

Board of Directors

The Board of Directors of the Company consists of nine Directors. Out of the nine members in the Board, seven are Non-Executive Directors including three Independent Directors and most of whom are also Senior Secretary/Secretaries of the Bangladesh Government. Throughout different Board meetings during the year, your Board has considered and approved different important business proposals to ensure sustainable business growth and played a catalytic role in protecting your interests. The Board

assessment of the key risks and uncertainty, facing the Company broadly remains unchanged particularly regarding tax rate increase, anti-tobacco activities leading to illicit trade and regulatory drives. I sincerely thank all of our Board Members for their support and contributions which enabled the Management to achieve sustainable results during 2016.

Audit and Governance Compliance

KPMG Rahman Rahman Huq, Chartered Accountants, have been reappointed by the shareholders in the last AGM for the year 2016. Apart from that Al-Muqtadir Associates, Chartered Secretaries, carried out the Corporate Governance Compliance Audit to certify the fulfilment of the requirements of Bangladesh Securities and Exchange Commission (BSEC) Guidelines.

Guiding Principles

Our Guiding Principles have long been at the core of our culture. They guide our behaviour and describe how they align with our vision. The Principles also underpin our approach to good Corporate Governance, as it is set out in the governance section of the Directors' Report. The Standards of Business Conduct guides us in our day to day workplace behaviour and work.

The Right Strategy for a Sustainable Future

Reflecting on the success of 2016, let me express my thanks and appreciation to you all, our valued Customers, Suppliers, Distributors, Members of Board, Members of Executive Committee, Employees of the Company and other relevant authorities of the Government of the People's Republic of Bangladesh for their support and cooperation. I wish the Company every success and a sustainable future. Looking to the future, I am confident that we have the right strategic focus, people and resources to deliver continued growth in the years ahead.

sd/-

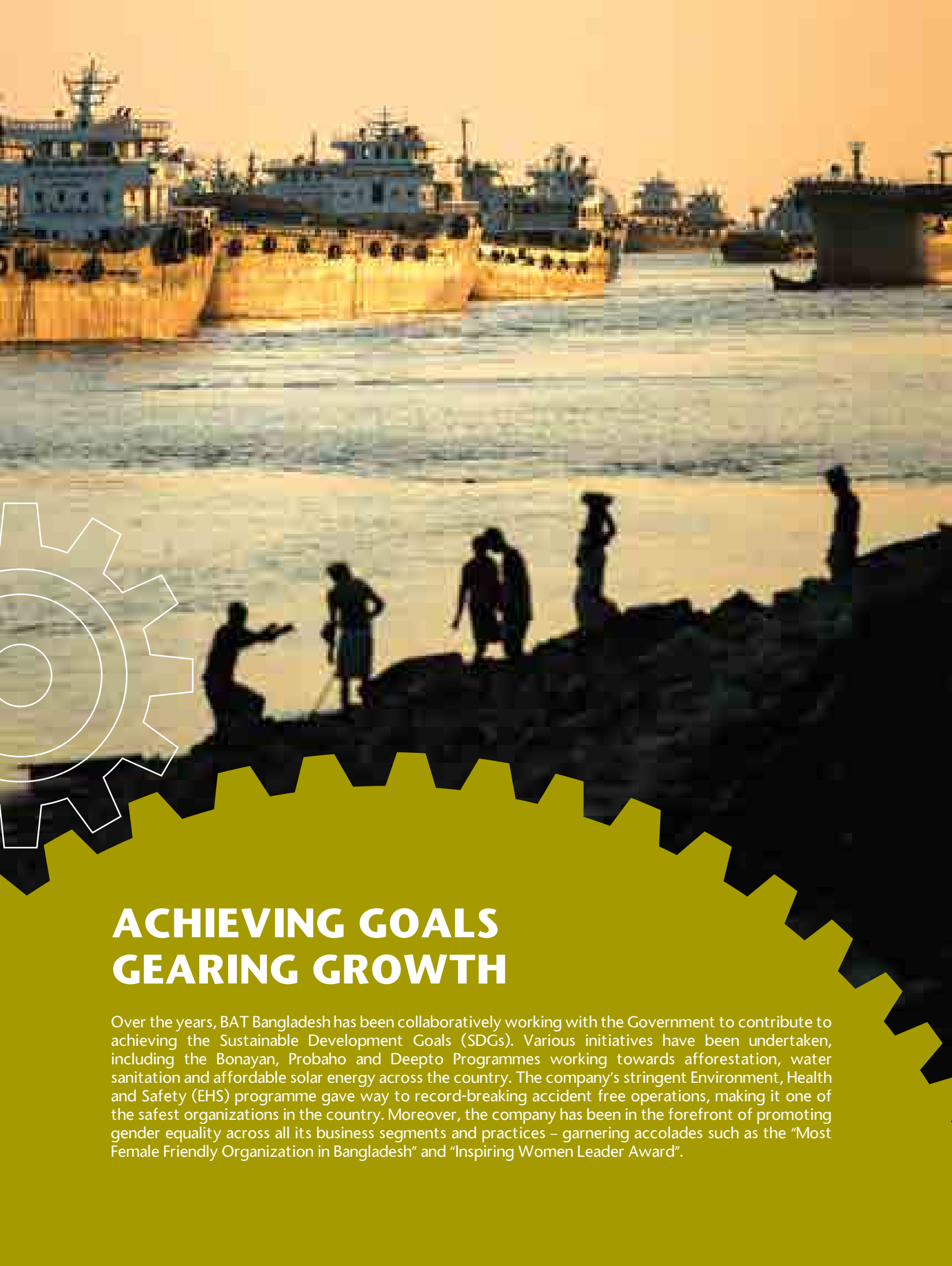
Golam Mainuddin

Chairman

British American Tobacco Bangladesh

27 February, 2017





ACHIEVING GOALS GEARING GROWTH

Over the years, BAT Bangladesh has been collaboratively working with the Government to contribute to achieving the Sustainable Development Goals (SDGs). Various initiatives have been undertaken, including the Bonayan, Probaho and Deepto Programmes working towards afforestation, water sanitation and affordable solar energy across the country. The company's stringent Environment, Health and Safety (EHS) programme gave way to record-breaking accident free operations, making it one of the safest organizations in the country. Moreover, the company has been in the forefront of promoting gender equality across all its business segments and practices – garnering accolades such as the “Most Female Friendly Organization in Bangladesh” and “Inspiring Women Leader Award”.

MANAGING DIRECTOR'S OVERVIEW



"We continue to deliver value to the shareholders today while investing in our capacity, our brands, our people and the community where we work, to ensure a sustainable future for our business as well as the Country's economic development to transform the lives and livelihoods of people across all social spheres".

Shehzad Munim
Managing Director
British American Tobacco Bangladesh





A VINTAGE YEAR

CONTRIBUTION TO THE SHAREHOLDERS

Net Profit **758 crore**, + **29%**
increase

CONTRIBUTION TO THE GOVT.

Paid BDT **13,631 crore**, + **23%**
increase

Dear Shareholders,

The Company Management is pleased to report another outstanding year of revenue, profit and earnings growth, driven by a successful strategy and winning culture despite very challenging external environment in 2016. This success is reflected in an increased net profit after tax at BDT 758 crores, an increase of 29% growth in earning per share. On the other hand, the Company contributed BDT 13,631 crores to the Government Exchequer, an increase of 23% over last year which sustains our position as the largest taxpayer in the country. In last five years, the Company contributed over BDT 49,000 crores in taxes. BATB is very proud to lead the tax compliance journey of the cigarette industry and play its due role in the economic development journey of the country, and at the same time deliver sustainable shareholder return.

Business Outlook for 2016

The gross turnover of the Company (BATB) for the year 2016 was BDT 16,563 crores, up by BDT 2,192 crores from the previous year. This increase was driven by volume growth, smart pricing in upper end of the portfolio and government led increase at the bottom of the market. This volume growth was achieved through a focused business strategy that was supported and implemented by our employees across all business functions. This reflects resilient market position, coupled with cost savings and productivity initiatives driven across the Company. The smoking tobacco industry in the Country is on a long term decline as consumers move from biri to cigarettes. This change is driven by the strong economic development of the country. This change in consumer behaviour has increased the value of the industry, which has resulted in strong revenue growth for the government and also shareholder return. Apart from sustainable business performance, we are proud of the external recognition for versatile excellences on Corporate Governance and Corporate Social Responsibilities.

Our People – Our Strength

Employing around 1,500 people directly and approximately 50,000 people indirectly as farmers, distributors and local suppliers, we take great pride in saying that BAT Bangladesh is one of the most preferred employers in the country. It is the people who bring their differences every day that make the Company a great place to work.

Products and Services

The Company's business is primarily focused on the production and sale of cigarettes. However, the Company also exports unmanufactured tobacco to various countries. Our portfolio of leading brands includes Benson & Hedges, John Player Gold Leaf, Pall Mall, Capstan, Star, Derby, Pilot and Hollywood.

Our Approach to Sustainability

Our strategy is to ensure sustainable growth. We have increased our share in the cigarette market. In 2017, we expect the trading environment to remain challenging, but our

resilient business model has shown that the Company is well placed to face future challenges. As such, I am confident that we have the right brands, people and focus on efficiency to enable the continued delivery of value to the shareholders.

Compliance of Regulations

We have always been clear that we support and abide by all the laws and regulations of the country. The Company is carrying out all of its activities by following the amended Smoking and Tobacco Products Usage (Control) Act, 2013. All of the sales activities are governed by the Smoking and Tobacco Usage (Control) Act, 2005 and Amendment Act, 2013 and their subsequent rules along with the Company policies. We have successfully complied with the local regulations regarding the Graphical Health Warning on our cigarette packets. The Graphical Health Warning must be implemented on all tobacco products to ensure level playing field. However, we always believe that the regulations with respect to Graphical Health Warnings should not be disproportionate, otherwise it will not deliver the intended results and will significantly erode our Intellectual Property Rights.

Our Concern

Tobacco Taxation Policy

The Industry share in low segment has increased further in 2016. Currently, it is around 80% especially due to the disproportionate price compared to other segments. The wider indexing gap between the low segment and the upper segments is a matter of concern, as it negatively impacts not only BATB but also on the Government's revenue earning. Therefore, the Government should move away from fixing price of cigarettes as this has resulted in value erosion over the years. In order to increase the government revenue from the cigarette industry, the pricing strategy is required to be worked out in the next national budget, which will facilitate the sustainability of revenue growth and profitability of the manufacturers.

The tobacco Industry include combustible cigarettes and bidi. Currently, bidi industry occupies around 30% of total tobacco industry whereas Government is getting less than 3% of the industry revenue. The size of total tobacco industry is shrinking but the market share of cigarettes is increasing as the consumers are moving from bidi to cigarette. However, the cigarette industry is highly taxed compared to

the bidi industry where Government should pay more attention to ensure level playing field.

Being the highest taxpayer of the country, BATB always supports the Government's initiatives to increase Government's revenue earning. However, NBR should ensure manufacturers' right to price and also simplify the tobacco taxation structure, for a sustainable revenue from the tobacco industry in the years to come.

Corporate Tax Rate

The tobacco sector is already heavily taxed in the form of Supplementary Duty, VAT and Health Development Surcharge. 45% arbitrary corporate tax in this sector is unjustified from the shareholders, point of view. Such sector specific high tax is very rare and not conducive from free and fair investment climate point of view. BATB being the only tobacco company listed in the stock market should not be deprived of the benefits of any stock market listed company. The Company believes that the Government will reinstate investment-friendly and balanced taxation policies in the upcoming national budget for the sustainability of the industry, considering its contribution towards economic development of the country.

Tax Stamp

Through introduction of tax stamp in 2001, Bangladesh became one of the most compliant countries in terms of tax payment from cigarette industry. We support current use of tax stamp as it ensures the security of the Government revenue. The current practice and security features are effective and should be continued.

Anti-Illicit Trade

The illicit trade is a significant threat to the Government revenue growth. Through advocacy from the tobacco industry and the initiatives of the Government on enforcement, the situation of illicit trade is not grave yet. However, we see all the signs of growth of illicit trade in tobacco industry unless proper policy intervention and effective enforcement is not in place.

Our Leadership

We worked together to fight the odds and could overcome all kinds of challenges. Apart from the support of our respected Board members, Shareholders and Stakeholders, our continued success would not have been



possible without our talented people and great leaders, who worked efficiently and effectively in delivering remarkable results. This makes us one of the most preferred employers in the country.

Our Responsible Business Operation

The organisation is committed to ensure regulatory compliance and environment friendly responsible operations for its seed to smoke in the business. BATB's ongoing practice towards ensuring Environment, Health & Safety for its employees, business partners and other stakeholders has been a symbol of good governance over the years. In the last year, the Green Leaf Threshing Plant at Kushtia completed a commendable record of 5 years' accident-free operations, earning the organisation the prestigious Safety Award within the BAT Group.

Our Commitment

The Company passionately believes that success and responsibility go together. We are committed to the social and economic development of Bangladesh. As the leading Multinational Company in the country and the highest taxpayer, we are proud to play our part in shaping the future of corporate best practices in Bangladesh with the idea of delivering value for shareholders today while investing for tomorrow.

Our Future Prospect

We are working for continuous improvement in our business that will release funds to invest in our brands, helping us to grow our business and deliver higher returns for shareholders. With the economic growth in progress, we have shown a consistent ability to improve shareholders' return and to increase our market share. However, we see challenges in 2017 and we are confident to overcome the challenges

through our strong brand portfolio, market-leading innovations and an outstanding range of high-quality products. Regardless of the uncertainties that lay ahead, as a Company, we will continue to focus on meeting consumer expectations through our strengthened brand portfolio. We are also committed to our communities where we operate and enhancing their livelihoods through the afforestation programme, safe drinking water project and solar home systems for off-grid locations. All our efforts are complementing Government's continuous journey towards newly assigned Sustainable Development Goals. Combined with the resilient support of our employees, business partners and relevant stakeholders, we will navigate the business towards excellence and will present another successful year for our shareholders.

Our Gratitude

I express my sincere thanks to all the stakeholders of the Company for their confidence in us and valuable contribution to the Company throughout 2016. The guidance from our Board of Directors has always been instrumental in shaping the success of the Company. We are grateful to millions of our consumers who have been with us, along with their smart choice and dedication towards us and our brands. We believe passionately in building value for our consumers and shareholders.

sd/-

Shehzad Munim

Managing Director
British American Tobacco Bangladesh

27 February, 2017



AGM
INVITATION
for our Shareholders

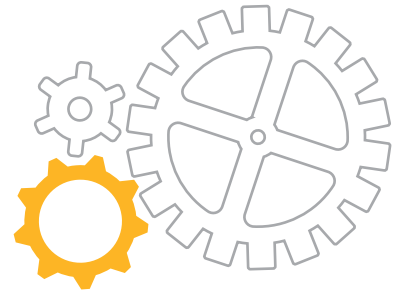
44th
ANNUAL
GENERAL MEETING
OF
BRITISH AMERICAN TOBACCO BANGLADESH

will be held at
Pan Pacific Sonargaon
107 Kazi Nazrul Islam Avenue
Dhaka 1215, Bangladesh
on Wednesday, 19 April 2017
at 10:30 AM



AGM Helpline

Md. Atiqur Rahman
Dewan Rahat Islam
Tel: +880 2 9842791-5 Ext-394 & 635
Fax: +88 2 8714819
E-mail: shareoffice@bat.com



NOTICE OF THE 44th ANNUAL GENERAL MEETING

Notice is hereby given that 44th Annual General Meeting (AGM) of British American Tobacco Bangladesh Company Limited will be held on Wednesday, 19th April 2017, at 10:30 am at the Ballroom of Pan Pacific Sonargaon Hotel, 107 Kazi Nazrul Islam Avenue, Dhaka 1215, for transaction of the following businesses:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31 December 2016, and the Reports of the Directors and the Auditors thereon.
2. To approve cash dividend for the year ended 31 December 2016.
3. To elect Directors.
4. To appoint the Statutory Auditors for the year 2017 and to fix their remuneration.

By order of the Board

sd/-

29th March 2017

Md. Azizur Rahman FCS
Company Secretary

Notes:

- The Shareholders whose names appear on the Members/Depository Register on the Record Date i.e. 21 March 2017 shall be eligible to attend the AGM of the Company and to receive the Dividend.
- A Shareholder wishing to appoint a Proxy must deposit the Proxy Form, duly stamped (BDT 20), at the Company's Registered Office by 10:30 am of 16 April 2017.
- Only the Shareholders or their validly appointed proxies shall be allowed to have access to the registration process to attend the meeting.
- Admission into the auditorium will be allowed strictly on submission of the attendance slip sent with the Notice.
- In case of non-receipt of Annual Report 2016 of the Company sent through courier, members may collect the same from the Company's share Office within April 16, 2017. Annual Report is available in investor Relations section of the Company's website : batbangladesh.com
- No children will be allowed at the AGM.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/ কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।



BOARD OF DIRECTORS

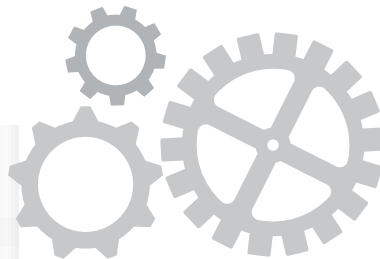


Sitting Left to Right: Mr. Md. Mosharraf Hossain Bhuiyan ^{ndc}, Independent Director; Senior Secretary, Ministry of Industries | Mr. Shehzad Munim, Managing Director | Mr. Golam Mainuddin, Chairman | Mr. William Francis Pegel, Finance Director | Mr. Mohammad Moinuddin Abdullah, Independent Director; Secretary, Ministry of Agriculture

Standing Left to Right: Mr. Jalal Ahmed, Non-Executive Director; Additional Secretary, Ministry of Finance | Mr. Md. Iftikhar-uz-Zaman, Non-Executive Director; Managing Director, ICB | Mr. Mikail Shipar, Independent Director; Secretary, Ministry of Labor and Employment | Mr. K. H. Masud Siddiqui, Non-Executive Director; Former Secretary of the Government | Mr. Md. Azizur Rahman FCS, Company Secretary

Mr. Golam Mainuddin Chairman

Mr. Golam Mainuddin has been the Chairman of British American Tobacco Bangladesh since August 2008. After obtaining his Master of Science degree from Dhaka University, Mr. Mainuddin pursued the first 28 years of his career in the agro-based industry followed by corporate management over the last 20 years. He was a Tea Garden Manager at Duncan Brothers from 1969 to 1982, and then joined BAT Bangladesh to soon become the Head of Leaf in 1985. He was appointed to the Board of Directors in 1986, and was given the responsibility of Deputy Managing Director in 1997. Over the 34 years in BAT Bangladesh and holding different responsibility, he was instrumental in achieving self sufficiency in tobacco production with strong focus on quality improvements to meet the international standards required for domestic use and export purposes while driving wider introduction of Bangladeshi Tobacco in the world market. He played a key role in popularizing the tree plantation program of BAT Bangladesh, which was greatly recognized throughout the country. He is the Vice-chairman of Bangladesh Cigarette Manufacturer's Association and played a pivotal role in creating a level playing field for all the Cigarette Manufacturers in the country. Mr. Mainuddin is serving as an Independent Director of Apex Footwear Limited and the Chairman of the Audit Committee. He is also the Director of Advanced Chemical Industries (ACI) Bangladesh and IIFC (Infrastructure Investment Facilitation Company), Ministry of Finance, Govt. of Bangladesh. He is the Vice-President of Bangladesh Employers' Federation and also the Vice-President of Metropolitan Chambers of Commerce and Industries (MCCI). He has been selected as a CIP (Commercially Important Person) by the Government of Bangladesh since 2010.



Mr. Shehzad Munim Managing Director

Mr. Shehzad Munim joined BAT Bangladesh as Territory Officer in 1997 after graduating from the Institute of Business Administration (IBA) of the University of Dhaka. He worked in various marketing roles within BAT Bangladesh before taking up assignments in BAT New Zealand as Group Brand Manager in 2003. There he subsequently took over the role of Head of Brand Marketing in 2005. In 2006, he took the challenge of developing the innovations process in BAT Australia as Product and Packaging Innovations Manager. Mr. Munim returned to BAT Bangladesh in 2007 as Head of Brand Marketing. In 2008, he assumed the role of Head of Marketing Bangladesh and delivered very strong business results. After completing a very successful tenure as Head of Marketing in Bangladesh, he took over the challenging role of Area Head of Marketing for South Asia. Mr. Munim was appointed as one of the Non-Executive Directors of BAT Bangladesh in October 2010. He was appointed as the Managing Director of BAT Bangladesh in 2013, and is the first Bangladeshi to become the Managing Director of BAT Bangladesh.

Mr. Md. Mosharraf Hossain Bhuiyan ndc Independent Director

Mr. Md. Mosharraf Hossain Bhuiyan ndc is the Senior Secretary of Ministry of Industries, Government of Bangladesh. He joined the Ministry of Industries as the Secretary on October 2014. He was appointed as the Independent Director of the Company in November 2014. Mr. Bhuiyan started his career in 1981 under the Audit and Accounts Cadre of Bangladesh Civil Service. During the early stages of his service life, Mr. Bhuiyan worked in different offices under the Comptroller and Auditor General (C&AG) of Bangladesh. In 1999, Mr. Bhuiyan was appointed as the Additional Director General (Member, Finance) of Bangladesh Water Development Board. Since then he held the position of Deputy Secretary, Joint Secretary and Additional Secretary of different ministries including the Ministries of Commerce, Education and Finance. He was incumbent to the position of Secretary in-Charge of Bridges Division under the Ministry of Communications on February 2010 and promoted as a Secretary in the same Division on July 2010. In November 2011, he was appointed as the Executive Chairman of Bangladesh Economic Zones Authority under the Prime Minister's Office (PMO). He also served as a member of the Privatization Commission under PMO from January 2014 to October 2014. He is the Chairman of Karnaphuli Fertilizer Company (KAFCO) and has been holding the position for about two and a half years. Mr. Bhuiyan obtained his Honours and Master's degrees in Economics with distinction from the University of Dhaka. He also obtained an MA degree in Development Economics from Williams College, USA in 1992. In addition, he took part in several significant training courses, including 'Asia-Pacific Course on Security Studies' in Hawaii, USA, 'Managing At The Top (MATT)' in Dhaka and Singapore and NDC course in National Defense College, Dhaka. Alongside his professional responsibilities, Mr. Bhuiyan is closely involved with social development activities. He is the President of Narsingdi Thana Jonokollyan Somity, President of Benuka Institute of Fine Arts, Life Member of Bangladesh Economic Association and Bangla Academy. He is also the Secretary General of BCS'81 Forum. Mr. Bhuiyan had the opportunity to travel to many countries across the world such as India, Pakistan, Nepal, Myanmar, Thailand, Malaysia, Indonesia, Singapore, Sri Lanka, Iran, Turkey, UAE, Qatar, Saudi Arabia, Japan, China, Hong Kong, United Kingdom, Belgium, Netherlands, Denmark, Switzerland, Egypt, USA, Canada, Australia, South Africa, Tanzania, and Ghana.



Mr. Mohammad Moinuddin Abdullah Independent Director

Mr. Mohammad Moinuddin Abdullah was appointed as Independent Director in the Board of Directors of BAT Bangladesh in October 2012. He was appointed to the Ministry of Agriculture in March 2016. Mr. Abdullah joined the Administration Cadre of Bangladesh Civil Service in 1983. He was appointed as the Secretary of the Ministry of Housing & Public Works in 2014, Secretary of the Ministry of Industries in 2012, Divisional Commissioner of Dhaka in 2010, Director General of Prime Minister's Office as Additional Secretary in 2009, and Joint Secretary of Cabinet Division in 2008. He served as the Chairman of KAFCO representing the Government, a shareholder of KAFCO, on the board for more than 2 years, during his tenure as Secretary of Ministry of Industries. Apart from holding those positions, he was also 'Syndicate Member' of Jahangirnagar University; Jatiya Kabi Kazi Nazrul Islam University; Dhaka University of Engineering and Technology and 'Regent Board Member' of Bangabandhu Sheikh Mujibur Rahman Science & Technology University while he was serving as Divisional Commissioner of Dhaka. Mr. Abdullah obtained his Honours and Master's Degree in Soil Science from the University of Dhaka. In 1994, he received the international training on 'Planning & Appraisal of Rural Development Project' from the UK. He is involved with social and educational organizations for the development of the country.

Mr. K. H. Masud Siddiqui
Non-Executive Director

Mr. K H Masud Siddiqui joined the Bangladesh Civil Service in 1982 after completion of his Masters from the University of Dhaka. He has also earned MA degree in Economics from the University of Manchester, England. He further received a Post Graduate Diploma in Development Administration and Management from the UK. He was appointed as Secretary of the Ministry of Industries on September 2010 and then appointed as Secretary of Ministry of Liberation War Affairs in 2012. Before this, Mr. Siddiqui led Bangladesh Chemical Industries Corporation as its Chairman. During his successful career in the civil service for almost 33 years, he held several important positions at both field administration level and at different Ministries. He also worked in the Prime Minister's Office in the capacity of Director. Mr. Siddiqui joined the Board of Directors of BAT Bangladesh as Independent Director in October 2010 representing the government, a shareholder of the Company, on the board. After moving to the Ministry of Liberation War Affairs, Mr. Siddiqui was re-appointed as the Independent Director of the Company as well as a member of its Audit Committee. Mr. Siddiqui is also a writer. He has five publications to his credit including 'Lok Shadhonar Sangskriti,' 'Tasauf and Other Contexts,' 'Malgoody Days' and 'Behongo Abolokon'.

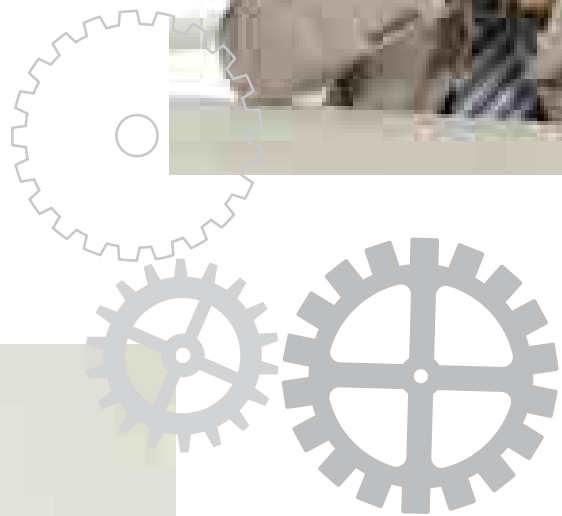


Mr. Mikail Shipar
Independent Director

Mr. Mikail Shipar has been working as the Secretary of the Ministry of Labour and Employment, Government of the People's Republic of Bangladesh since February, 2012. He joined the Bangladesh Civil Service, Administration cadre in 1983. He possesses vast experience in administrative duties including Magistracy, Field Administration and also held the post of Director General (Administration) in the Prime Minister's Office. Moreover, he has experience in diplomatic arena as the First Secretary in the Bangladesh Deputy High Commission in Kolkata, India. He is also serving as Independent Director of British American Tobacco Bangladesh since March 2016. He was awarded his MS degree in Agricultural Extension from Institute of Post Graduate Studies in Agriculture, Gazipur, Dhaka. He graduated from Bangladesh Agricultural University, Mymensing in 1981. He also received training in Agricultural Research Management from Hyderabad, India and Women in Development from AIT, Bangkok. He was the National Commissioner of Bangladesh Scouts and also was also held the position of Chairman of Governing body Dhaka Women's College, Uttara, Dhaka. Mr. Shipar is held from Kulura Moulvibazer District. In personal life he is married and blessed by two daughters and one son.

Mr. Jalal Ahmed
Non-Executive Director

Mr. Jalal Ahmed, born in 1961, has obtained his Honours and Masters degree in Public Administration from the University of Dhaka in 1981-1982. He has been in Bangladesh Civil Service (Administration Cadre) in the year 1983 as a member of BCS 82 regular batch. He was the Vice Chairman of Export Promotion Bureau from August 2010 to October 2011. During that period, the Country attained highest export growth in the history. He was the Chairman of Bangladesh Oil, Gas and Minerals Corporation (Petrobangla) and Chief Metropolitan Magistrate, Dhaka, earlier. He served as Deputy Commissioner in two Districts Thakurgaon and Faridpur. Mr. Jalal Ahmed joined Ministry of Finance as Additional Secretary in September 2012. He represents IFIC Bank Ltd, Bangladesh Submarine Cable Company, Bangladesh Telecommunication Company and Bangladesh Services Limited as a Director. Currently he is Chairman of the Board of Directors of a joint venture Bank, Nepal Bangladesh Bank Ltd. (NBBL) in Kathmandu, Nepal. He joined the Board of Directors of BAT Bangladesh in October 2012 and then has been appointed as a member of Board CSR Committee. Besides, he is an ardent nature lover and a bird-photographer.



Mr. William Francis Pegel
Finance Director

Mr. William Pegel joined British American Tobacco Bangladesh as Finance Director in 2014. William has over 19 years of experience in various BAT companies and successfully performed the role of Finance Director in various end markets including New Zealand, Papua New Guinea and Ghana and has held senior finance roles within BAT Australia and BAT South Africa since 1996. Prior to joining BAT Bangladesh, William was an integral member of the Australasian Finance Leadership Team and Supply Chain Leadership Team, displaying strong leadership and business acumen. William is a Certified Chartered Accountant from the South African Institute of Chartered Accountancy.

Mr. Md. Iftikhar-uz-Zaman Non-Executive Director

Mr. Md. Iftikhar-uz-Zaman was appointed as the Managing Director of Investment Corporation of Bangladesh (ICB) effective from 4 February 2016. Prior to this appointment, he served as the Deputy Managing Director of Janata Bank Ltd. and ICB. Before that he was the General Manager of ICB. Since joining ICB in 1983 as a Senior Officer, he gained expertise in development and investment banking with supervisory and managerial capability during his long tenure in senior management positions. He is a seasoned professional and has strong knowledge on Capital Market. He has remarkable public relations skill and has been sharing his professional expertise as the Chairman of ICB Capital Management Ltd. As the Managing Director of ICB, he also serves as a Director in the Boards of Linde Bangladesh Limited, GlaxoSmithKline Bangladesh Ltd. (GSK), Renata Limited, Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Agency of Bangladesh Ltd. (CRAB), Credit Rating Information and Services Ltd. (CRISL), Standard Bank Limited, National Tea Company Limited, Apex Tannery Limited, Central Depository Bangladesh Ltd. (CDBL) and CAPM Venture Capital & Finance Ltd. (CVCFL). Mr. Zaman was appointed as Non-Executive Director of the Company in February 2016.



Md. Azizur Rahman FCS Company Secretary

Mr. Md. Azizur Rahman is a fellow (FCS) and Council Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). Recently he has been selected as the Chairman of Audit Committee and Seminar and Conference Committee of ICSB. After obtaining his Master's degree in Accounting from the University of Dhaka, he completed Chartered Accountancy course at ICAB. Mr. Rahman joined BAT Bangladesh in March 2002 in Company Secretarial function. In his 25 years of career span, he took the challenges of cross functional assignments which developed his expertise in various areas like corporate affairs, finance, audit, legal, intellectual property rights, land management, corporate banking and records management. Apart from his diverse role as Company Secretary, he is also Secretary of the Audit Committee, Board CSR Committee and Trust Funds of the Company. Mr. Rahman performs as a visiting lecturer on corporate affairs in different private universities and professional institutes. As a resource person, he has been conducting various professional management courses for the professionals. In his capacity as the Director General of Intellectual Property Association of Bangladesh (IPAB) and Vice-Chairman of IP Committee of FBCCI, he performs with different national and international organisations for addressing IPR issues in Bangladesh.



EXECUTIVE COMMITTEE



Sitting Left to Right: Mr. William Francis Pegel, Finance Director | Mr. Shahed Zubair, Head of Business Development |
Mr. Shehzad Munim, Managing Director | Ms. Mubina Asaf, Head of Legal & External Affairs |

Standing Left to Right: Mr. Rezaul Islam, Head of Marketing | Ms. Rumana Rahman, Head of Human Resources |
Mr. Ozsan Ozbas, Head of Operations



Mr. Shehzad Munim Managing Director

Mr. Shehzad Munim joined BAT Bangladesh as Territory Officer in 1997 after graduating from the Institute of Business Administration (IBA) of the University of Dhaka. He worked in various marketing roles within BAT Bangladesh before taking up assignments in BAT New Zealand as Group Brand Manager in 2003. There he subsequently took over the role of Head of Brand Marketing in 2005. In 2006 he took the challenge of developing the innovations process in BAT Australasia as Product and Packaging Innovations Manager. Mr. Munim returned to BAT Bangladesh in 2007 as Head of Brand Marketing. In 2008 he assumed the role of Head of Marketing Bangladesh and delivered very strong business results. After completing a very successful tenure as Head of Marketing in Bangladesh, he took over the challenging role of Area Head of Marketing for South Asia. Mr. Munim was appointed as one of the Non-Executive Directors of BAT Bangladesh in October 2010. He was appointed as the Managing Director of BAT Bangladesh in 2013 and is the first Bangladeshi to become the Managing Director of BAT Bangladesh.



Mr. William Francis Pegel Finance Director



Mr. William Pegel joined British American Tobacco Bangladesh as Finance Director in 2014. Mr. Pegel has over 19 years of experience in various BAT companies and successfully performed the role of Finance Director in various end markets, including New Zealand, Papua New Guinea and Ghana and has held senior finance roles within BAT Australia and BAT South Africa since 1996. Prior to joining BAT Bangladesh, Mr. Pegel was an integral member of the Australasian Finance Leadership Team and Supply Chain Leadership Team, displaying strong leadership and business acumen. Mr. Pegel is a Certified Chartered Accountant from the South African Institute of Chartered Accountancy.



Mr. Huseyin Ozsan Ozbas Head of Operations

Mr. Huseyin Ozsan Ozbas was born in 1971 in Turkey. He is a supply chain professional with a Bachelor's degree in Mechanical Engineering from the University of Dokuz Eylul University Izmir, Turkey in 1995 and has detailed knowledge of manufacturing excellence. He has over 20 years of hands-on experience in supply chain function. He is analytical, strategic, result-oriented and ambitious and has versatile experience. After successfully serving for over 15 years in various BAT Companies including BAT Turkey, BAT Australia, BAT Egypt, and BAT North Africa, Mr. Ozbas was appointed as the Head of Operations of BAT Bangladesh in 2016.



Ms. Rumana Rahman Head of Human Resources



Ms. Rumana Rahman joined BAT Bangladesh in 2001 as a Management Trainee and has performed in various roles covering specialized areas such as reward, talent and generalist streams of business partnering including the area of Supply Chain HR. Before taking over the Head of HR role, she was posted in the Asia Pacific Regional Office in Hong Kong as the Regional HR Planning & Reporting Manager. Ms. Rumana Rahman is the first Bangladeshi female Top Team member of BAT Bangladesh. Ms. Rumana was recognised as the Most Inspiring Women Leader by Brand Forum in 2016.



Ms. Mubina Asaf Head of Legal & External Affairs

Ms. Mubina Asaf has over 19 years of experience in the legal profession. Before joining BAT Bangladesh, she was one of the senior partners of a law firm named Maxima Legal. Prior to that, she worked for the Attorney General's Office of the Government of Bangladesh as an Assistant Attorney General, and then as a Deputy Attorney General of Bangladesh for more than 7 years. Before that, she was an associate of Rokanuddin Mahmud and Associates, where she independently rendered legal advice and provided assistance to clients from time to time on commercial and company matters. Ms. Mubina completed her LL.B. (Honours) and LL.M. from the University of Dhaka. She also did a Diploma in Maritime Law from an Australian University Program. She is enrolled as an Advocate of the Dhaka District Court, High Court Division and Appellate Division of the Supreme Court of Bangladesh.





Mr. Rezaul Islam Head of Marketing

Mr. Rezaul Islam joined BAT Bangladesh as a Territory Officer in 2000 after completing his Master's degree from the Institute of Business Administration (IBA), University of Dhaka. Mr. Islam worked in different roles within BAT Bangladesh Marketing department before being seconded to BAT Iran as Brand Manager-VFM in 2006 and subsequently took over the role of Group Brand Manager in BAT Iran in 2007, leading the brand team in the most difficult period of its business in Iran. In 2008, he took the challenge as Area Brand Manager in PTC. In 2010, he became the Head of Business Development in BAT Japan, leading ATSM adaptation there. In 2013, he assumed the role of Head of Trade Marketing and Distribution in BAT Japan, delivering strong business results. Having played various roles in Marketing (Brand and Trade) at an end market/area level, Mr. Islam was appointed as the Head of Marketing of BAT Bangladesh in 2014.



Mr. Shahed Zubair Head of Business Development



Mr. Shahed Zubair completed his Bachelor's in Electrical and Electronics Engineering from Bangladesh University of Engineering and Technology (BUET), Dhaka and Master of Business Administration from the Institute of Business Administration (IBA), University of Dhaka. He joined BAT Bangladesh in 2007 as Corporate Communications Manager. Before joining BAT, he served in Nestle, Unilever and Banglalink, gaining diverse knowledge and experience. He moved to the role of Regulatory Affairs Manager in 2007 and was then transferred to BAT Australia to work as Area Internal Communications Manager as well as Strategy and Planning Manager in Corporate and Regulatory Affairs (CORA) function. He has over 19 years of experience in global FMCG and Telecommunications sectors. Mr. Zubair rejoined BAT Bangladesh as Head of Corporate and Regulatory Affairs in 2012. In 2016, he took over the role of Head of Business Development.



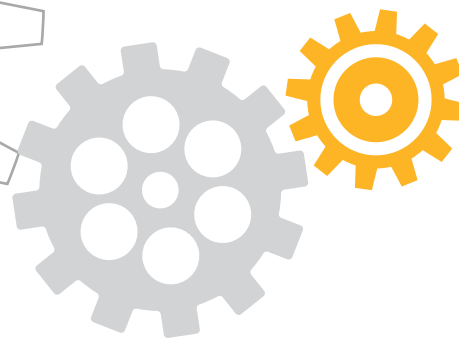
STEERING GROUP



Sitting left to right (Front): Ms. Farah Zabeen | Mr. Kazi Mushfiqur Rahman | Ms. Amun Mustafiz |
Sitting left to right (Behind): Mr. Jahangir Alam | Mr. Syed Mahbub Ali | Mr. Zahurul Haque Sarker | Mr. Tanvir Siddiqui |
Mr. Zakir Hossain |

Standing left to right: Mr. Mehedi Arif Mozammel | Mr. Sheikh Shabab Ahmed | Mr. Muhammad Ibrahim |
Mr. Mokhlesuzzaman | Mr. Nayeem Akhtar | Mr. Numayer Alam |

CORPORATE GOVERNANCE STATEMENT - 2016



BATB, being a cognisant company, believes that its strategic ambitions and the country's social aspirations are mutually inclusive and, accordingly, pursues a governing policy that recognises social responsibility over its commercial interest.

The Board of Directors of BAT Bangladesh is aware that enriched corporate governance ultimately helps win stakeholders' confidence. With that maxim, it also acknowledges that responsibility, compliance, transparency, and finally accountability are the essence of good corporate governance and which are to be established by means of an effective corporate governance regime. And with that aim the Board ensures the integrity and commitment of its employees, supported by a comprehensive framework of policies, guidelines and internal controls. In this Statement of Corporate Governance, we, therefore, wish to provide insights to the shareholders, investors and other stakeholders on the corporate governance initiatives in the Company.

The Governing Board

The Board of Directors of British American Tobacco Bangladesh, being the supreme authority in the Company, believes in ensuring the highest standards of Corporate Governance (CG) as it will serve to strengthen the Company's sustainability, organisational effectiveness and foster a high-performance culture within the organisation. And that is why the BATB Board is constituted by a galaxy of very resourceful persons, and includes core competencies considered relevant in the context of the Company. To further ensure a balanced representation, the Board also includes Independent Directors, who are

enlightened members of the society. Further details about the Board are appended at the appropriate part of this report.

In pursuing its corporate objectives, the Board in BATB believes that good business is good development and vice versa. With that spirit, the Board of Directors of the Company remains committed to high standards of governance in cultivating a responsible organisation, that adopts and practices in accordance with the principles and recommendations of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) and the Company's own governing Principles. The Board recognizes that maintaining good corporate ethics is critical to business integrity and performance, and key to delivering shareholders' value.

Corporate Governance is a term that refers broadly to the rules, procedures and laws by which businesses are operated, regulated, and controlled in order to ensure the interest of the stakeholders of a corporate body. This is central to the continued strong performance of business in a manner which is sustainable in the long term and gains the continued confidence of investors. At BATB, we recognise that governance is a three-way traffic - it involves stronger attention to business, all operations being transparent and invites larger involvement of the stakeholders. And then, as we move on, we focus on it further by accepting that governance

mechanisms are established not only to ensure a satisfactory return on investment for shareholders, but also to contribute positively to the society at large.

The Company is dedicated and committed to managing its business responsibly amidst a challenging environment for the tobacco industry and the awards and achievements that the Company has received are testimony of such dedication and commitment. In 2016, the Company was awarded for Corporate Governance, Best Corporate amongst multinational Companies and Most Female Friendly Organisation, National Productivity and Quality Excellence. For details of these awards and achievements, please refer to pages 120 to 130 of this Annual Report.

Corporate Governance Framework

BAT Bangladesh's Corporate Governance framework has been developed and enhanced based on the basic principles and best practices outlined in the following:

- Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance;
- The Companies Act 1994 and other applicable regulations of Bangladesh; Dhaka and Chittagong Stock Exchanges Listing Regulations;
- Laws of the land;
- Standards of Business Conduct, Policies and Guidelines of the Company;
- Statement of Risk Management Internal Control of the Company;
- Statement of Delegated Authorities of the Company; and
- Local and global best practices.

The Board also continuously reviews its corporate governance frameworks to ensure its relevance, effectiveness and sustainability in addressing future business challenges.

The conducts of all employees of the Company, including the Board of Directors, are governed by the Company's policies, guidelines and Standards of Business Conduct. Each and every employee, including Directors, is expected to live up to the Standards of Business Conduct and required to confirm their

commitment and compliance by executing a declaration of compliance annually.

The Standards of Business Conduct are constantly reviewed by the Board from time to time, as part of efforts to enhance application of the highest standards of governance in line with best global practices. The 'Standards of Business Conduct' was last updated and revised by the Board in November 2014. In addition to the Standards of Business Conduct, the Company is also guided by the Company's Statement of Business Principles. The Business Principles cover key matters that underpin Corporate Responsibility (CR) for a multinational business and more particularly, the unique characteristics of a tobacco business. The three Business Principles are Mutual Benefit, Responsible Product Stewardship and Good Corporate Conduct, each of which is supported by fundamental principles of business behaviours. Apart from the Company's Standards of Business Conduct and Business Principles, the Company also has in place the Statement of Delegated Authorities which outlines respective roles and authorities of the management officials. This helps governance and control of investment management. In the Company's Statement of Delegated Authorities, the Board has specifically reserved matters such as establishment of new businesses or factories, annual strategic plan, approval of major capital expenditure, acquisition and disposal of businesses or equity, borrowings and any corporate restructuring, for its own decision. Additionally, the Company also has in place the required internal policies, guidelines and codes to ensure good governance and control.


The Company had always been fully adherent with the above mentioned corporate governance principles and best practices. This Statement on Corporate Governance, together with the Statement on Risk Management and Internal Control, sets out the manner by which the Company has applied the governance principles and best practices.

The corporate governance framework of BAT Bangladesh is directed towards achieving the Company's business objectives in a responsible manner. Therefore, in order to comply with the



laws, rules, regulations, corporate governance codes, articles of association, policies and procedures, the Company constantly exercises good Board practices, effective control processes, transparent disclosures, well-defined shareholders' rights and Board commitments. The manners of adherence to these principles and practices are outlined as follows:

Corporate Compliance



One of the fundamentals of good governance is corporate compliance to the various laws, rules and regulations. Compliance helps build trust among the Board Members, Shareholders, Customers and other stakeholders including the regulators. As leaders of a compliant company, the Management Team of BATB adopted strategies that assure compliance with all relevant legal and regulatory requirements. This ensures that good governance cascades right throughout the company. BATB is subject to close monitoring process of regulatory bodies that focus on transparency and require that BATB provides accurate and periodic reporting of issues/events and certification where necessary. In this context, the Company regularly provides a complete set of financial statements and relevant documents to the Bangladesh Securities and Exchange Commission (BSEC), Stock Exchanges, National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC) and all other relevant bodies and authorities. The Company also takes various initiatives to conduct awareness sessions on existing and proposed laws to ensure compliance throughout the company. Overall, BATB has always strived to remain a fully compliant company accommodating every possible way and strategy to ensure the same.

Board Practices

The Board is responsible to the shareholders for overall success of the Company for its strategic directions, its values and its governance. It provides the leadership necessary for the Company to meet its business objectives within the framework of its internal controls, while also discharging the Company's obligations to its shareholders.

The composition of the Board complies with the requirements outlined in the BSEC Guidelines on Corporate Governance, the Listing Regulations and those of the generally applied codes of best practices. The Board comprises an admixture of Executive and Non-Executive Directors from diverse professional backgrounds with wealth of experience, skills and expertise.

Policy on Appointment of Directors

BAT Bangladesh does not have its own and separate policy on appointment of Directors, except for the very first Board. The Company always complies with the regulations of the regulatory authorities regarding appointment of directors. BSEC notifications, and Companies Act are strictly followed in this regard. As per the Companies Act, 1994, Directors are subject to retirement. At least one-third of the Directors shall retire by rotation in every AGM. As per the Companies Act 1994, a Director may be appointed for a period of three years and the term may be prolonged for another three years. The term of an Independent Director is three years and may be lengthened by another three years. With regards to nomination, removal and casual vacancy of the directors, the Company follows all relevant rules and regulations of the respective regulatory bodies.

Chairman of the Board

The Chairman of the Company is elected by the Board of Directors and the Board considers the Chairman being independent.

Roles and Responsibilities of the Chairman

- The Chairman's responsibility is defined by the Board as directed by BSEC's notification on Corporate Governance Guidelines.
- As Chairman of the Board of Directors (or Chairman of any Committee formed by the Board), does not personally possess the jurisdiction to apply policy making or executive authority, he does not participate in or interfere into the administration or operational and routine affairs of the Company.

- The Chairman ensures that the Board is functioning in accordance with the Memorandum and Articles of Association of the Company as well as other applicable laws.
- The Chairman presides over meetings of the Board and Company (AGM) and ensures good Corporate Governance in the conducts of the Board and Company.
- The Chairman maintains relations with the relevant stakeholders in consultation with the Board as well as the Managing Director, representing the Company as a good/responsible corporate citizen.
- The Chairman may assume any responsibility if the Board assigns within the purview of the relevant Rules, Regulations, Acts and Articles.

Primary Roles and Responsibilities of the Managing Director

- The Managing Director is responsible for driving business operations, leading the development and execution of the Company's long term strategies with a view to creating shareholder value.
- The MD's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long and short term plans.
- The Managing Director acts as a direct liaison between the Board and Management of the Company and communicates to the Board on behalf of the Management.
- The MD also communicates on behalf of the Company to the shareholders, employees, Government authorities, other stakeholders and the public.

Board Composition

The Board of the Company consists of nine Directors, comprising four Non-Executive Directors, three Independent Directors and two Executive Directors which include the Managing Director and the Finance Director. Out of the nine Directors, seven are non-executive individuals who are also senior officials or ex-officials of the Bangladesh Government. A qualified Fellow Chartered

Secretary is entrusted with the role of Company Secretary. We believe that the BAT Bangladesh Board has the optimum level of knowledge, composure, skills and understanding about the Company's business and stands as the perfect platform to perform and deliver. Please refer to pages 23 to 27 for details of the Directors on the Board, their profiles, backgrounds and their respective memberships.

Principal Responsibilities of the Board

- Formulating the long term strategies of the Company and setting the goals and direction for the Company.
- Reviewing Company's risk assessment and ensures implementation of appropriate systems to manage those risks.
- Providing the leadership necessary to ensure that the business objectives set out by the Board are met within the framework of internal controls, as described in this Statement.
- Other key duties for the Board includes approving financial statements, appropriation of profit, reviewing the adequacy and integrity of the Company's internal control systems and ensuring compliance with applicable laws, rules, regulations, directives and guidelines of various regulators.
- Pursuant to the Company's laid down policies and guidelines, the Board is also tasked to decide on the following business transactions and activities:
 - Acquisition, disposal or closure of a business.
 - Establishment of new businesses.
 - Capital investment and disposal of tangible assets.
 - Purchase or sale of trademarks.
 - Proposal for borrowings or the grant of extended credit facilities.
 - Any corporate restructuring not covered by any of the above paragraphs.
 - Appointment of top management and expatriate officials.

In discharging its responsibilities, the Board is guided by the regulations contained in the Memorandum and Articles of Association of the Company, the Companies Act, 1994,



relevant applicable regulations, BSEC Codes of Corporate Governance, Listing Regulations, Company's Standards of Business Conduct, Business Principles, Statement of Delegated Authorities, and other generally accepted corporate best practices.

Non-executive Director's Independence

All the Directors except the Managing Director and Finance Director are Non-Executive Directors in the Board. None of the Non-Executive Directors take part in the day to day affairs of the Company. They attend only the Board meetings and the Committee meetings to discuss the agenda reserved for the meetings.

Board Committees

In order for quicker and efficient flow of information and thereby exercising effective governance, the Board has also constituted a few Committees and has delegated certain responsibilities to the Committees to assist the Board in discharging of its responsibilities. There are three such Committees, to which the Board has delegated certain responsibilities. These include the Audit Committee, Compensation Committee and CSR Committee. Each Committee strictly adheres to a set of Terms of Reference (TOR) approved by the Board. Their roles, operating procedures and authorities are clearly defined in the TOR which are frequently reviewed by the Board. There is an evaluation process regarding performance of Audit and CSR committees which facilitates in achieving certain governance objectives. The key functions of these committees are as follows:

Board Audit Committee

The Board has constituted an Audit Committee for the Company according to the conditions of BSEC guidelines. The committee comprises of one Independent Director and three Non-Executive Directors. The Board has appointed the Independent Director as Chairman of the Committee under the mentioned guidelines. All members of the Audit Committee are 'financially literate' as per

regulatory requirement and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. The Managing Director, Finance Director, Internal Auditors of the Company and representatives of the external auditors attend all the meetings upon invitation by the Audit Committee. Other senior members of management are also invited by the Audit Committee to attend Audit Committee meetings. The Audit Committee meets with the external auditors whenever necessary and, separately, with the internal auditors, on an annual basis without any Executive Director being present. They met four times during the year 2016. All members were present in all meetings of the Committee. As per BSEC guidelines, the Company Secretary functions as Secretary to the Committee. The key responsibilities of the Audit Committee include:

- Monitoring the integrity of the financial reporting process ensuring compliance to accounting policies, standards and principles.
- Monitoring the internal control and business risk management process.
- Overseeing selection and performance of external auditors. Also ensures that the statutory auditors are not engaged in any alongside involvements in the Company which are restricted under the regulatory guidelines.
- Monitoring and reviewing the effectiveness of the internal audit function.
- Other matters as per terms of reference of the Audit Committee.

Board Compensation Committee

The Board Compensation Committee, headed by a Non-Executive Director, makes recommendations to the Board on terms of employment of the members of the Executive Committee, managers and employees and decides their specific remuneration. This Committee met once in 2016. The other members include the Managing Director and the Finance Director. The Head of Human Resources functions as the Secretary of the Committee. The remuneration policy is

designed to ensure that the reward and remuneration package is competitive, so that high quality human resources with proven track record and experience can be recruited, motivated and retained.

Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) is core to the 'Responsibility' strategy of the Company. It is integral to the business sustainability and enhancement of long-term shareholder value. The Company recognises that it has a role to play in helping society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress. Therefore, the Board of Directors of the Company at its meeting held

on 11 April 2012 has established a CSR Committee as sub-committee of the Board. The Board has nominated four Directors to the Board CSR Committee among whom a Non-Executive Director is the Chairman. The purpose of the Board CSR Committee is to ensure management of the Company's CSR initiatives in a way that ensures business sustainability, and creates positive impact on image and reputation of the Company amongst the stakeholders and the society at large.

Board and Committee Meetings

The composition of the Board Committees as of 31 December 2016 and the attendance of Directors at the Board and Board Committee meetings held in 2016 are as follows:

Directors	Board	Audit Committee	Board Compensation Committee	CSR Committee
Mr. Golam Mainuddin (Chairman of Board) Non-Executive Director	12/12	4/4	1/1	
Mr. Shehzad Munim Managing Director	12/12		1/1	3/3
Mr. Md. Mosharraf Hossain Bhuiyan (Chairman, Audit Committee) Independent Director	11/12	4/4		
Mr. K.H. Masud Siddiqui Non-Executive Director	12/12			
Mr. Mohammad Moinuddin Abdullah Independent Director	11/12	4/4		3/3
Mr. Jalal Ahmed Non-Executive Director	11/12			3/3
Mr. Mikail Shipar Independent Director (Joined on 15 March 2016)	10/12			3/3
Mr. Iftekhar Uzzaman Non-Executive Director (Joined on 22 February 2016)	9/12	3/4		
Mr. Md. Fayekuzzaman Non-Executive Director (Resigned on 22 February 2016)	2/12	1/4		
Mr. William Francis Pegel Finance Director	9/12		1/1	
Mr. Azizur Rahman Company Secretary	12/12			



Appraisal of the Board's Performance

Since all members of the Board are very experienced and high officials of the Government, therefore, currently formal annual appraisal process is not required. However, the Company abides by the Codes of Conduct formulated by the Board and as required by the regulators. The Board members have always taken decisions that have benefitted the Company as a whole and they have always performed their duties accordingly.

Effective Control Processes

The Board of British American Tobacco Bangladesh discharges its responsibilities in ensuring effective control processes in the organisation through the Board committees. Other than the Board committees, there is an Executive Committee at the top management level which plays a significant role in managing the business as per the norms of corporate governance and ensures that adequate internal controls are in place and supported through a robust risk management and MIS process.

Leadership Team (Executive Committee)

In discharging the above mentioned responsibilities and duties, the Board is duly assisted by the functional heads of the Company, namely the Executive Committee (ExCo). The Managing Director leads the ExCo which comprises of the following heads of organizational functions:

- Managing Director
- Finance Director
- Head of Marketing
- Head of Operations
- Head of Legal and External Affairs
- Head of Human Resources
- Head of Business Development

The ExCo is vested with the responsibility of implementing the policies and decisions of the Board, overseeing the operations as well as developing, coordinating and implementing business and corporate strategies.

Usually, the ExCo meets monthly to implement

the Company's strategy and ensure effective day-to-day operations in line with the Company plan. From time to time, when the Board requires relevant information or updates, relevant members of the ExCo are invited to attend Board meetings to provide any such relevant information or updates. For details of each ExCo member, please refer to pages 29 to 31 of this Annual Report.

Company Secretary

The Board has appointed a Company Secretary in order to maintain the necessary link and liaison with the internal organs, as well as external agencies, and also to ensure effective collection, compilation and timely flow of information to and from the Board. The Corporate Governance Guidelines issued by BSEC also require a listed company to appoint a Company Secretary. Being a governance official, the Company Secretary drives for corporate compliance and provides support to the Chairman and other members of the Board to ensure effective functioning of the Board. The Company Secretary organises and attends all Board and Committee meetings (Audit Committee and CSR Committee), and ensures that deliberations on all issues are properly minuted, decisions recorded and are duly communicated across the respective authorities for necessary information/actions. The Company Secretary is also responsible for agreement signing, policies formulation, protection of the Company's land, Records Management, driving Standards of Business Conduct, administration of seven trust funds and its portfolio investment management. The brief roles and responsibilities of the Company Secretary, include, inter alia –

- Maintaining linkage between the Board, Management, Shareholders and other stakeholders on matters of corporate interests in a transparent way.
- Driving policy compliance awareness among the Company employees.
- Performing the duties as per power of Attorney and Board level stakeholders' management facilitating Legal and External Affairs (LEX) function especially for company secretarial matters.

- Compliance of the Acts, rules, regulations, notifications, guidelines, orders/directives, etc. as issued by BSEC or Stock Exchange(s) applicable to the conduct of business activities of the Company so as to protect the interests of the investors and other stakeholders.
- Disclosure of the Company's price sensitive information (PSI) and other capital market related issues.
- Ensuring that appropriate Board procedures are followed as per given guidelines and best practices, and advises the Board on matters as such.

Internal Control Process

The Company's internal control system is designed at Board and Management levels to provide reasonable assurance regarding the achievement of the Company's objectives in respect of effectiveness and efficiency of operations, reliability (completeness and timeliness) of financial reporting and management information, compliance with applicable laws, regulations and the Company's policies. The Company has its own internal auditors who are accountable to the Audit Committee. The internal control process is further expanded in the Statement of Internal Control. Some of the key policies and guidelines that govern the internal control process of the Company are listed below:

- Standards of Business Conduct
- Procurement Policy & Guidelines
- IT Security Policy
- Finance Policy & Guidelines
- International Marketing Standards
- Records Management Policy
- Agreement Policy
- Employment Policy & Principles

Risk Management Committee

The Risk Management Committee (RMC) at management level is headed by the Finance Director and consists of knowledgeable cross functional managers including internal auditors who drive an effective risk management framework in the Company. The risk controllers periodically review the departmental risks and report to RMC. The

RMC reviews the business twice a year, discusses the Company's key risks and ensures that adequate action plans are in place to mitigate the risks. The key risks of the Company are then endorsed by the Executive Committee and then ratified by the Audit Committee as far as effective risk management is concerned. In order to ensure effective risk management within the Company, the RMC is responsible for reviewing risks and ensuring effectiveness of the risk management process. The Company maintains a risk register where all the associated risks as well as action plans are recorded.

Standards of Business Conduct

The Company has in place the Standards of Business Conduct (SoBC) which emphasises on high standards of business integrity that is required from the employees and Directors of the Company. This SoBC covers the policies regarding the whistleblowing process, declaration of conflicts of interest, bribery and corruption, respect in the workplace, human rights and our operations, entertainment and gifts, charitable contributions, accurate accounting and record keeping, protection of corporate assets, confidentiality and information security, insider dealing and market abuse, competition and anti-trust laws, money laundering and anti-terrorism, illicit trade, trade in the company's products and sanctions.

The conducts of all employees of the Company including members of the Board, are governed by the Standards of Business Conduct. Each and every employee, including the Directors, is expected to live up to the Standards of Business Conduct and are required to confirm their commitment and compliance by executing a declaration of compliance annually.

Human Capital

A group of motivated, multi-talented employees are the main asset of BAT Bangladesh. BAT Bangladesh has been recognised as one of the employers of choice in the country. The Company has positioned



itself with a performance-driven rewarding work culture; where employees are treated with respect and receive expanded opportunities to realise their diverse potentials. This also benefits the organization by demonstrating value creating behaviours.

To ensure long term sustainability, BAT Bangladesh emphasises on skill and merit based recruitment and selection process, highly competitive remuneration package, sufficient training and development programs, career growth with succession planning, high-performance culture and satisfying working atmosphere where employees are able to escalate their grievance and receive counselling.

Recruitment and Selection

The Company believes that its uniqueness and strength comes from the emphasis they put in the quality of the people in the organization as they play an integral role in the Company's success. Battle of Minds, a renowned and extensive competition organized and hosted by BAT Bangladesh every year, is a highly anticipated business recruitment platform for thousands of ambitious and capable final year university students. It is the flagship employer branding initiative of BAT Bangladesh and has been carried out for 13 years with specific focus on graduate engagement, as a platform which helps fresh aspiring graduates to transition into corporate life. By reaching out to students from the 3 disciplines – Business, Engineering & Agriculture, through extensive roadshows and student engagement sessions, it gives an opportunity to more candidates to get a feel of the BAT way of doing things. Teams who make it to the final stage have to showcase their understanding of real time business complexities and idea generation, in order to recommend relevant and realistic business solutions.

Other than Battle of Minds, the Company uses a wide array of interactive and engaging assessments to identify and select the most talented applicants through rigorous multilayered recruitment processes. The Company has a Global Graduates Program which is aimed to recruit outstanding fresh graduates and develop them as the future leaders of the country.

Learning and Development

The Company puts great emphasis on training and provide resources and opportunities for development to the employees. BATB acknowledge and support the need for employees to balance work and personal interests and encourage flexibility wherever possible. Effectively designed training programs targeting the right group of employees are conducted on a regular basis. The Company has a Technical Training Centre for conducting the trainings.

Compensation and Benefits

The Company recognises the need for remuneration policies to be competitive and these have been designed to correspond to individual qualification, skill, performance, contribution and responsibility ensuring a real differentiation amongst other companies. The recruitment strategy of the Company is based on attracting and retaining the most suitable people at all levels of the business.

Comprehensive Performance Management Program

BAT Bangladesh has a comprehensive performance management program that evaluates employees' yearly performance against business targets at the year-end. This performance appraisal system is considered as vital for the Company as this is a very significant tool to identify and differentiate the performers and non-performers.

Reward and Recognition Program

BAT Bangladesh has a well-designed Reward & Recognition program that gives special attention to employees' actions, efforts, behaviour and performance. Annual incentive schemes are used to reward the short term business results which create noteworthy value for the business. They represent a reward for the collective achievement of defined corporate results to which each individual has made a contribution. BATB also employs a range of non-cash/monetary forms of reward through its various recognition schemes.

Grievances and Counselling

Since employee's behaviour affects work discipline, if an employee is aggrieved about their personal employment position, they are encouraged to use the Grievance procedure to raise the matter. From time to time human resources function also counsels employees.

Ensuring a Sound Workplace

One of the guiding principles of the Company is "Strength from Diversity" and all the employees practice this value in the offices and the factories so that none of the employees irrespective of their genders are deprived of any opportunities and inequality is eliminated entirely from the work environment. BATB celebrates gender diversity and takes profuse measures to ensure that every individual is given a fair shot. The Company has a zero tolerance policy against discrimination. In 2015, the company has even received an award for being 'The Most Female Friendly Organization'. It is of paramount importance for the organisation to mitigate as many health and safety risks as possible for its employees. Competitions, trainings, as well as health and stress sessions are conducted frequently in order to sustain a safe environment at workplace.

Other Internal Policies and Guidelines

The Company also has other internal policies, guidelines, procedures and codes in support of the Company's corporate governance framework. Some of the key policies, guidelines, procedures and codes are outlined below:

- Procurement Policy and Guidelines outline the processes for obtaining the best overall value and quality for each amount spent and to ensure timely delivery of goods and services to meet the Company's business requirements.
- Marketing Policies and Guidelines which include Distributors' Policy, Credit Policy, Trade Policy, Marketing Communication Guidelines and International Marketing Principles – a framework to govern all aspects of responsible tobacco marketing.

- Company Financial Policies - which include the policies and guidelines on Treasury Management, Dividend, Vehicle Disposal, Dealing Mandate, Fixed Assets Capital, Depreciation, Insurance, Inventory, Stock Valuation, Delegation of Authority, Domestic Leaf Costing, Budgeting, Bill Payment, Foreign Currency, Write-off Process etc.
- Policy on Environment, Health, Safety and Security.
- Information Technology Policies.
- Guidelines on Business Information.
- Security, Risk Management and Business Continuity Process.
- Competition Compliance Guidelines – outlines the general principles and standards of behaviour in relation to competition laws that employees are required to follow and comply as good business practice.
- Business Security Policies.
- Guidelines on Dawn Raid – sets out the procedures to be adhered to when there is a raid by relevant authorities so that the necessary cooperation can be provided.
- HR Related Policies – which includes Standards of Employment Principles, Working Hours Policy, Remuneration policies, Travel policies, Sexual Harassment Policy, Employment Policy, Disciplinary Procedure, Employee Relations Policy, Equal Opportunity & Diversity Policy, Grievance Management Policy, Industrial Relations Policy, Education Assistance Policy, Medical Expenses Re-Imbursement Policy, Employees Benefit Policies, Retirement Benefit Policies, Early Separation Scheme.
- Sexual Harassment Policy – to ensure that all employees are treated with respect and dignity regardless of gender and to outline that any form of sexual harassment, which disrupts or interferes with the work performance and dignity of another will not be tolerated.
- Guidelines on managing cases involving employees and law enforcement authorities.
- Employment Principles.
- Procedures on credit for trade debtors and inter - company balances.
- Tobacco Leaf related policies - Policy on Social Responsibility in Tobacco



Production, Export Pricing Policy, Farmers Registration & Advance Crop Input Policy.

- Climate Change Policy to perform the Company activities for tobacco growing and green leaf threshing, considering climate change and its subsequent impacts and Guidelines for Tobacco Seed Production including field experiment.
- Company activities for tobacco growing and green leaf threshing, considering climate change and its subsequent impacts and guidelines for tobacco seed production including field experiment.
- Records Management Policy and Central Depository System.
- Agreement Policy and Guidance.
- Data Protection Policy.
- Billing Guidelines.
- Codes of Audit Committee, Compensation Committee and CSR Committee.

The above mentioned policies, guidelines, procedures and codes are made available to all our employees and Directors in the Company management staff manual.

Assets and Records Management

The Board of Directors of BAT Bangladesh recognises its role as trustee of the Shareholders' funds and accordingly has been investing in cutting-edge operational efficiency since its inception. Transparency and accountability are ensured at all stages from acquisition to disposal of assets to protect the interest of Shareholders. Safety measures have been implemented and periodic physical verification is undertaken on a test basis to safeguard the assets and to ensure accuracy and authenticity of reported numbers. Relevant assets are adequately insured against industrial risks with insurance companies. Apart from the assets, all records of the Company are managed and preserved in an effective way for future reference. The Company Secretary is in charge of such records management.

Statutory Audit

Appointment of the Statutory Auditor is regulated by the Companies Act 1994 and by Securities & Exchange Rules 1987. On the basis of suggestion of the Audit Committee, the Board recommends appointment of an auditor,

which is approved by the Shareholders at the Annual General Meeting. Along with the appointment, the Shareholders also fix the remuneration of the auditors. Under the BSEC order, a Statutory Auditor can continue in office for maximum three consecutive years. From a corporate governance perspective, BAT Bangladesh maintains complete and thorough independence of the Statutory Auditors. The Audit Committee meets with the statutory auditors to ensure that the auditors are acting independently and reviews the financial statements before submission to the Board for approval.

Apart from statutory audit, in order to ensure full and complete regulatory discharge, a Compliance Certificate is also obtained from a licensed practicing professional who certifies, on the basis of his audit, that the Company has duly complied with all the regulatory requirements as stipulated by the Bangladesh Securities and Exchange Commission (BSEC). The report is presented to the Shareholders and forms part of the Annual Report.

Transparent Disclosure

BAT Bangladesh prepares financial statements with adequate disclosures in accordance with the Bangladesh Accounting Standards (BAS), International/Bangladesh Financial Reporting Standards (I/BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. In order to prepare the financial statements, the management is responsible for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying accounting policies and making accounting estimates that are reasonable in the circumstances. These financial statements, once prepared, are reviewed initially by CFO and CEO and then by the Audit Committee on a regular basis. The external auditors also attend the Audit Committee meetings to review the quarterly financial statements as prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Company policies. After that, the Board

reviews the financial statements of the Company at the end of every quarter. The quarterly financial statements, along with notes are published on the two daily newspapers as well as the Company's website. Furthermore, half yearly and annual financial statements are also sent to all Shareholders in a timely manner.

On an annual basis, the Directors prepare the Directors' Report as part of the Annual Report which discloses the financial performance as well as non-financial information regarding Company growth, productivity, responsibilities and other information in compliance with BSEC Notification. The Company also abides by the applicable regulations in respect to Price Sensitive Information (PSI).

Communication to Shareholders & Stakeholders

BAT Bangladesh ensures that all shareholders are informed at least 2 weeks before the AGM so that all shareholders may attend on the day. Also all other types of accounts (Quarterly and Half-yearly) or information are updated on the website and notified to all stakeholders on a duly and diligent basis. The Company tries to maintain liaison with all shareholders as much as possible and ensures that all stakeholders are informed about the company's activities on a routine basis. BAT Bangladesh also engages with all types of stakeholders as much as possible to ensure that information is effectively communicated.

The Directors appreciate the importance of general shareholders of the Company and use the Company's AGM as further opportunities to communicate with them. BAT Bangladesh provides copies of the annual report in order to ensure that these are made available to them well in advance for detail and constructive discussion. It is the Company's policy to give the shareholders the opportunity to ask questions about its activities and prospects at the AGM. The Board also structures these meetings so that shareholders can vote separately on each matter, by proposing separate resolutions for each item to be considered.

Ensuring Participation of Shareholders in AGM

BAT Bangladesh tries its utmost to ensure that all shareholders can participate in the AGM. Annual Reports are sent at least 2 weeks before the AGM to ensure all shareholders are notified about the event date, place and time. Also, BAT Bangladesh always ensures that AGM is held at a suitable time and place where all shareholders may attend. Notices to shareholders are made by publication in the daily newspapers and through the digital media as well. To ensure compliance with regulatory bodies, BAT Bangladesh ensures that it publishes AGM Notice in two widely circulated newspapers, and copies sent to the stock exchanges and BSEC.

The Company continues to have regular communication with the shareholders through the Annual General Meeting, Annual Report, Quarterly updates on financial performance and at any other time in the best interests of the shareholders. Also the Company's website is there to further cater to the information needs of all. In this respect, all the best practices are followed by the Company which helps investors to keep their trust and confidence in the Company. All of the Company's publications to the market may be retrieved through the Company's website. Shareholders are offered the chance to interrogate the Board regarding the operation of the Company. They are also presented the ability to query the Company's auditors concerning topics linked to the audit of the Company's financial statements at the AGM.

Well-defined Shareholders' Rights

BAT Bangladesh believes that the management of a successful and productive relationship with its Shareholders must be underpinned by the importance of maintaining transparency and accountability to its Shareholders. The Board ensures through the Company Secretary that all the Shareholders of the company are treated equitably and ensures that the rights of all Shareholders are equally protected.

In order to achieve good governance, the Company Secretary acts as a bridge between

the Shareholders and the Board of Directors of the Company who delivers the standard services to its valued Shareholders ensuring the well-defined Shareholders' rights in accordance with applicable laws and the Articles of Association of the Company. Catering to the continuous disclosure requirements, the Shareholders are communicated in a routine manner of all major developments that involve the business of the Company, so that they are able to make informed decisions.

Board Commitments

Tracing back to its origin, it was more than 100 years ago when the Company established itself on this land of opportunities and possibilities - Bangladesh. Since independence, BAT Bangladesh has demonstrated an unwavering dedication to the country and its people, and this commitment is what sets the distinction that sets BAT Bangladesh apart from any other business entity. This uniqueness is reflected through the passion and dedication of its 52,000 employees, farmers, distributors, suppliers and business partners that have brought BAT Bangladesh across the country and to its current towering stature.

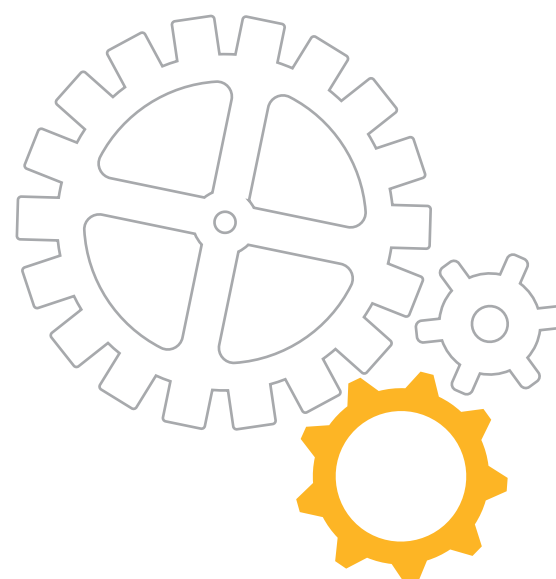
The Company is listed on both Dhaka and Chittagong Stock Exchanges and is currently ranked as Number 1 (one) amongst the listed companies in Bangladesh in terms of being the highest taxpayer. In this year alone the Company has contributed Taka 13,631 crores to

the Government Exchequer. We aspire to continue to be the highest taxpayer in Bangladesh in the coming years too. BAT Bangladesh has always cherished and shall continue to value its treasured relationship with the Government of Bangladesh, esteemed shareholders and other stakeholders of the Company by practicing the highest standards of corporate governance.

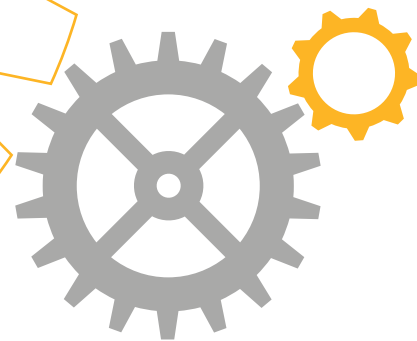
Wrapping Up

As a front line Company, BATB recognizes that corporate governance is a continuous process which is to be established, nurtured and excelled by means of concerted efforts of all. And that is why the Company engages all its team in the process because good governance entails managing the business professionally, effectively and responsibly and in a way which is transparent, ethical, law abiding and ensures accountability. However, to ensure that adequate and foolproof governance mechanisms are in place, there also has to be sufficient surveillance overall, which would work as a check and balance in its journey to governance. BATB aspires to uphold its long acclaimed standards of good governance by standing ever alert in its Management exercises.

sd/-	sd/-
Md. Azizur Rahman FCS Company Secretary	Golam Mainuddin Chairman



STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL



Awareness

The Board of Directors recognises the importance of sound risk management practices and internal controls to safeguard shareholders' investments and the Company's assets. The Board affirms its overall responsibility for the Company's system of risk management and internal control, which includes the establishment of an appropriate control environment and framework, along with reviewing its adequacy and integrity.

The Board is responsible for determining the nature and extent of the strategic risks that the Company is willing to take to attain its objectives, while at the same time maintaining sound risk management and systems of internal control. With the challenging nature of the industry in which the Company operates, the Board does not consider it prudent to enhance the risk-scope too high, and it seeks to minimise risks to an optimum level.

The Board tasks the Management to identify and assess the risks faced by the Company, and thereafter design, implement and monitor appropriate internal controls to mitigate and control those risks. There are inherent limitations to any system of internal control hence the system is designed to manage and minimise the impact rather than completely eliminate risks that may vitiate the achievement of the Company's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of

internal control covers financial, operational and compliance controls and risk management procedures.

The Company has in place an ongoing process (outlined below) for identifying, evaluating, monitoring and managing significant risks faced by the Company. This process includes reviewing and updating the system of internal controls, considering the changes in the regulatory, business and external environment. This process is reviewed by the Board via the Audit Committee. The Audit Committee's responsibilities and duties can be found in the Audit Committee Report section of this Annual Report. The Company's Standards of Business Conduct underpin our commitment to good corporate behaviour, and is an integral part of the Company's system of corporate governance. The Standards of Business Conduct require all employees to act with the highest standards of business integrity, comply with all applicable laws and regulations, and ensure that business standards are not compromised for the sake of results. Our Standards of Business Conduct is made available to our stakeholders and employees on our corporate website at www.batbangladesh.com

Enterprise Risk Management Process

Risk management is firmly embedded in the Company's management system as the Company firmly believes that risk management is critical for the Company's sustainability and the enhancement of its shareholders' value.

Company's Enterprise Risk Management Objectives

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

Management operates a Risk Management Team comprised of senior managers from all functions of the Company, which is led by the Finance Director. It meets formally at least twice a year to:

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

The Audit Committee is briefed bi-annually by the Enterprise Risk Manager on the Company's Risk Management Programme and its activities in the Audit Committee meeting.

The following are some of the responsibilities of the Risk Management Team:

Risk Management Team Responsibilities

- Steer the Company's enterprise risk management programme.
- Promote a proactive risk awareness culture in the Company.
- Conduct an annual review of the business and operational risks.
- Coordinate the development and implementation of risk mitigation action plans.
- Develop and update business continuity plans (BCPs) for key business risks.
- Plan and coordinate the testing of BCPs.
- Organise training and education for employees on risk management.

Five Phase Enterprise Risk Management Process

(1) Risk Identification

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

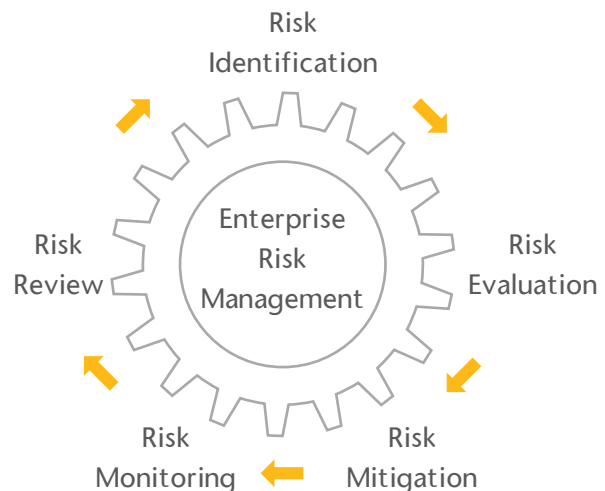
(2) Risk Evaluation

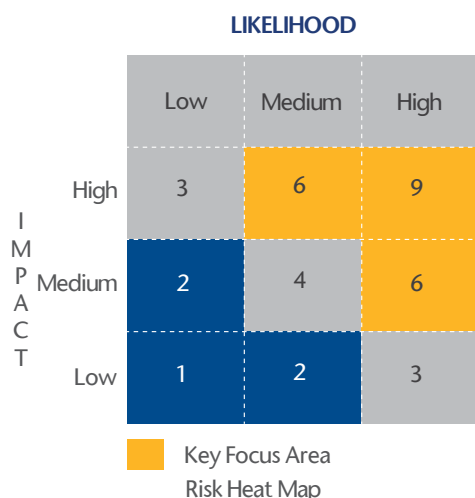
The identified business risks are then evaluated to determine their impact on the relevant business strategy/objectives and whether the risks are likely to occur.

- LIKELIHOOD of the risks materializing
- IMPACT of the consequence, taking into account the degree of internal control and risk management measures in place.

Assessment against a set of pre-specified criteria on a scale of one to three is completed for both Likelihood and Impact, the combination of which provides the total risk rating on a scale of one to nine. Risks are then categorised on the Risk Heat Map, which measures the significance of the risks to the organisation and determines the relative prioritisation and focus for risk mitigation.

The outcome of the risk identification and evaluation process is both a Risk Heat Map and a comprehensive Risk Register, which documents all identified business risks.





(3) Risk Mitigation

In completing the Risk Register, Risk Owners are identified, who are responsible for identifying action plans to manage and mitigate the risks, together with a timeline for completion of the actions. The Risk Owners are typically senior managers and part of a functional leadership team.

(4) Risk Monitoring

Ongoing risk monitoring is conducted by the Risk Management Team to assess whether any conditions associated with a particular risk has changed, and to ensure that action and risk mitigation plans have been implemented. Status of action/mitigation plans are communicated to the Audit Committee bi-annually.

(5) Risk Review

Finally, the Company's Enterprise Risk Management process is subjected to periodic reviews by Management to ensure that the policy and objectives of the programme remain applicable and effective under changing market and regulatory environments. This is complemented by internal control practices such as the Statement of Compliance with BSEC Codes of Corporate Governance and the Key Control Checklist of the Company.

Business Continuity and Crisis Management

Business Continuity is defined as the strategic and tactical capability of the organisation to plan for and respond to incidents and business disruptions, in order to continue business operations at an acceptable pre-defined level,

and in order to avoid any negative impact on the business.

The Company has 19 BCPs to manage the various potential disruptions which could impact the Company, for example, Manufacturing Contingency Sourcing Plan and Information Technology Disaster Recovery/Service Continuity Plan. These plans are reviewed and updated for content by the owners of the plan on an annual basis. In addition, a desktop review/simulation/live activation is conducted by the plan owners with the participation of plan specific response team members and support of BCM facilitators periodically based on the cyclical testing schedule.

In addition, the Company has a structured approach to Crisis Management to ensure leadership and timely decision in the event of a crisis and to manage the situation effectively within minimal time.

Our approach involves immediate formation of a Crisis Management Team (CMT), assisted by an Incident Response Team (IRT). The roles & responsibilities of these teams are outlined below.

CMT

The role of the CMT is to identify and deal with potential risks to employees and business operations during times of crisis. After considering all the available information, the CMT can make informed strategic decisions with the aim of minimising any long term detrimental effects to the operations, finance, employees and reputation of the Organisation.

IRT

The senior manager at the site of the incident collects available pertinent information and advises the CMT Coordinator. This manager, assisted by appropriate local employees will assume local control and deal with the incident directly until further directed by the CMT.

Key Risks to the Company

The Company views the key risks as being prevalent in the tobacco sector and having the ability to significantly impact the Company's results. In addition to the above, the Company is subject to the ever present risk of competitor actions. Steps to anticipate, mitigate and neutralise such risks are core to our business.





Risk Management Activities in 2016

Review of the Company's Risks

The Risk Management Team met twice during the year, in May and August 2016, to review and assess the Company's risks, and to monitor progress of key control activities for the year, including the progress of the business continuity plans.

In May 2016, the Risk Management Team together with senior managers updated the risk register and risk mitigation action plans. The outcome of the meeting, among others, were the identification, evaluation and risk mitigation plan for the new risks. The briefing included updates on the key risks of the Company and the risk mitigation plans, and the testing status of business continuity plans.

Promotion of Risk Awareness

Risk communication is equally important and forms an integral part of the risk management activity as it focuses on the dissemination of risk information to appropriate levels of employees and stakeholders. Appropriate channels are available for employees to provide feedback on risk management issues and suggestions for improvement. The Risk Management Team is responsible for the risk awareness induction programme for new joiners. The induction programme is aimed at educating management staff on the Company's approach to risk management and internal controls, and provides a forum to enhance the participant knowledge on controls and exercising that knowledge on managing the Company's risk.

Crisis Management Activation

The Company has activated Crisis Management team to manage the situation thus enabling the business to continue operation. As a result, business is saved and financial impacts were negligible. The most challenging aspect of the situation was recovery once the crisis was resolved. This was successfully completed in a carefully sequenced and choreographed manner, thereby minimising disruption. In 2016, Bangladesh experienced a period of external challenges including terrorist activities, whilst crisis management was activated and decided on the challenges of business especially relating to brand launch and probable/ likely issues of terrorism and taken mitigation measures.

Business Continuity Plan Simulation and Testing

During the year, a desktop/ simulation/ operational activation was conducted by the Business Continuity Plan (BCP) owners, with the support of Incident Response Team members, across 19 BCPs. The review and testing indicated that the existing plans were still relevant to the current business environment.

System of Internal Control

Self-Assessment of Controls (SAC) Process Central to the Company's system of internal control is its SAC process and the backbone of this process is a key control checklist known as the Control Navigator. The Control Navigator sets out various key controls and process requirements across all functions in the Company. The Company's SAC process requires controls and processes to be assessed by responsible managers for effectiveness on an annual basis. Where control gaps/weaknesses are identified, corrective actions and timelines are identified and agreed. The findings from the SAC and year-on-year trend analysis are reported to the Audit Committee annually. Notably in 2016, the Company implemented a revised Control Navigator process. A new SAP enabled tool was deployed, which provided a standardised central solution that automates and monitors key risks and controls at the business level. The new tool allows the business to use a combination of automated work flows, certification, manual controls and interactive reports to monitor and control compliance activities across the Company. This has resulted in an improved visibility of assessment throughout the business, improved transparency of issues management and remediation, together with streamlining of reporting.

Financial Reporting Controls

The Company has a series of policies, practices and controls in place in relation to the financial reporting and consolidation process, which are designed to address key financial reporting risks, including risks arising from changes in the business or accounting standards. The Finance Director is required to confirm annually that all information relevant to the Company audit has been provided to the Board of Directors through the Audit Committee and that reasonable steps have been taken to ensure full

disclosure in response to requests for information from the external auditor.

In addition, it is standard practice for the Finance Director to fully review account reconciliations on a bi-annual basis. The effectiveness of the Company's financial reporting controls is assessed through self-certification as part of the Control Navigator exercise described above. The integrity of the Company's public financial reporting is further supported by a number of processes and steps to provide assurance over the completeness and accuracy of the content including review and recommendation by the Audit Committee and review and approval by the Board.

Internal Audit

The role of the Internal Audit for the Company is designed in line with local laws as well as the Global Audit functions of British American Tobacco plc. This approach ensures a high level of independence and gives access to more skilled and specialised resources, particularly in respect of Information Technology (IT), than would otherwise be available within the Company. The annual audit planning cycle takes direct input from both the risk register described above and the Audit Committee. In turn, the Audit Committee formally approves the scope of work for the year. Furthermore, with approval of the Audit Committee, the Internal Audit Manager can request assistance from Global Audit if required for any matter it considers appropriate. Within the Company three types of audits exist: Entity Audits, Process Audits and Project & Programmes Audits. Entity audits are focused on one entity or business unit with a scope of more than one process. Process Audits have a scope of one process covered over one or more entities or business units (potentially including the Global and Regional management of the process), and Project & Programmes audits are focused on an ongoing project, programme or portfolio. A Company Audit is organised into both central and regional teams and also include a specialised IT Audit capability.

More details on the audit activities conducted during the year can be found in the Audit Committee Report in this Annual Report.

External Audit

In the course of conducting the annual statutory audit of the Company's financial statements, the external auditors review and where applicable based on judgement,

highlight to the Board and Audit Committee any significant audit, accounting and internal control matters which require attention.

A report on the above is given to the Audit Committee and to the management once a year after substantial completion of the year-end audit. Additionally, the external auditors attend the quarterly Audit Committee meetings, and where applicable provide views on any related matters for the attention of the Audit Committee. At least once a year, the Audit Committee shall meet the external auditors without the Executive Directors and management being present. This year, the Audit Committee has met twice with the external auditors without the Executive Directors and management being present. During the year, as part of the annual statutory audit, the external auditors were involved in performing certain reviews over the controls and processes affecting financial reporting. There is no significant matter with material financial impact arising from the review of these related controls and processes, although certain improvement recommendations were highlighted to the Board and Audit Committee.

Other Key Elements of the System of Internal Control

Apart from the above, the other key elements of the Company's internal control and risk management system which have been reviewed and approved by the Board are described below:

Policies, Procedures and Limits of Authority

- Clearly defined delegation of responsibilities to committees of the Board and to Management, including organization structures and appropriate authority levels.
- Clearly documented internal policies, standards and procedures are in place and regularly updated to reflect changing risks or resolve operational deficiencies. All policies are approved by the Board and cases of non-compliance to policies and procedures which are in place are reported to the Board and Audit Committee by exception.

Immediately Reportable Incidents

- The Company adheres to a control procedure termed 'Immediately Reportable Incidents' to capture breakdowns in basic controls and expedite



the reporting and immediate action thereof. The basic areas of control that are considered here are : (1) Delegation of Authority (2) Profit and Loss Account (3) Balance Sheet (4) Pricing & Excise; (5) Risk management (6) System Controls; (7) External Audit (8) Procurement Controls, and (9) Tax and Treasury Committee.

Strategic Business Plan, Budget and Performance Review

- Regular and comprehensive information provided by Management for monitoring of performance against the strategic plan, covering all key financial and operational indicators. On a quarterly basis, the Managing Director reviews with the Board all key performance metrics and highlights any issues.
- Annually, a detailed budgeting process is completed for the year ahead which is discussed and approved by the Board. and
- Effective reporting systems are in place to highlight significant variances against Insurance and Physical Safeguard.
- Adequate insurance and physical security of major assets are in place to ensure that the assets of the Company are sufficiently covered against any mishap that will result in material losses to the Company.

Written Declarations

- Written declaration from all management personnel confirming their compliance with the Company's Standards of Business

Conduct and where applicable conflicts of interest situations are disclosed.

- Written declarations from the Finance Director and Managing Director are obtained confirming their compliance with the Company's Standards of Internal Control.
- Written confirmation of due diligence by the CEO and CFO as required under the BSEC guidelines.

Board Assessment

The Board is of the view that the Company's overall risk management and internal control system is operating adequately and effectively, and have received the same assurance from both the Managing Director and Finance Director of the Company. The Board confirms that the risk management process in identifying, evaluating and managing significant risks faced by the Company has been in place throughout 2016 and up to the date of approval of this statement. The Board is also of the view that the Company's system of internal control is sufficient and is able to detect any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report.

This Statement is made in accordance with the resolution of the Board of Directors on 27 February 2017.

PESTEL ANALYSIS



Political

Political situation of the country is improving compared to last couple of years. In 2016, we experienced a period of external challenges. Crisis Management was activated where probable issues were taken into account and mitigation measures were taken to ensure the safety of people and processes of the Company (BATB) for sustainable business continuity.

Economic

Bangladesh is one of the fastest growing economies in the world. Currently, it is enjoying lower middle income status on one hand, and Least Developed Country (LDC) grade on the other. Standards of living has been improving in recent years which is visible in the economic growth of the Country. BATB is very proud to lead the tax compliance task of the cigarette industry and playing its due role in the economic development journey of the country and at the same time delivering sustainable shareholders' return. There are more than 51,500 people directly and indirectly involved with BATB operation and the company tries to provide possible maximum living standard for its stakeholders.

Social

As a responsible Company, BATB's CSR (Corporate Social Responsibility) portfolio includes three flagship programmes. These are Afforestation, Safe Drinking Water and Solar Home Systems. The CSR programmes contributed to revenue growth, job opportunities, business investment opportunities, better facilities for education and increased standard of living of concerned stakeholders. We have implemented the policy on Sustainable Tobacco Programme with an aim to apply the best local and international practices in the areas of Agronomy, Leaf Depot Operations, Leaf Processing Operations,

Environmental Management, Human Rights, Occupational Health and Safety Standards encompassing its Leaf Operations.

Technological

We make significant investments in research, development and technological upgrades to deliver innovations that satisfy or anticipate diverse preferences of consumers, generate growth and ensure sustainability of the business. We also research, develop and test new products to meet changing consumer needs. Specific targeted investments in equipment, quality and productivity play a role in our short-term success and in the long-term development of our organisation.

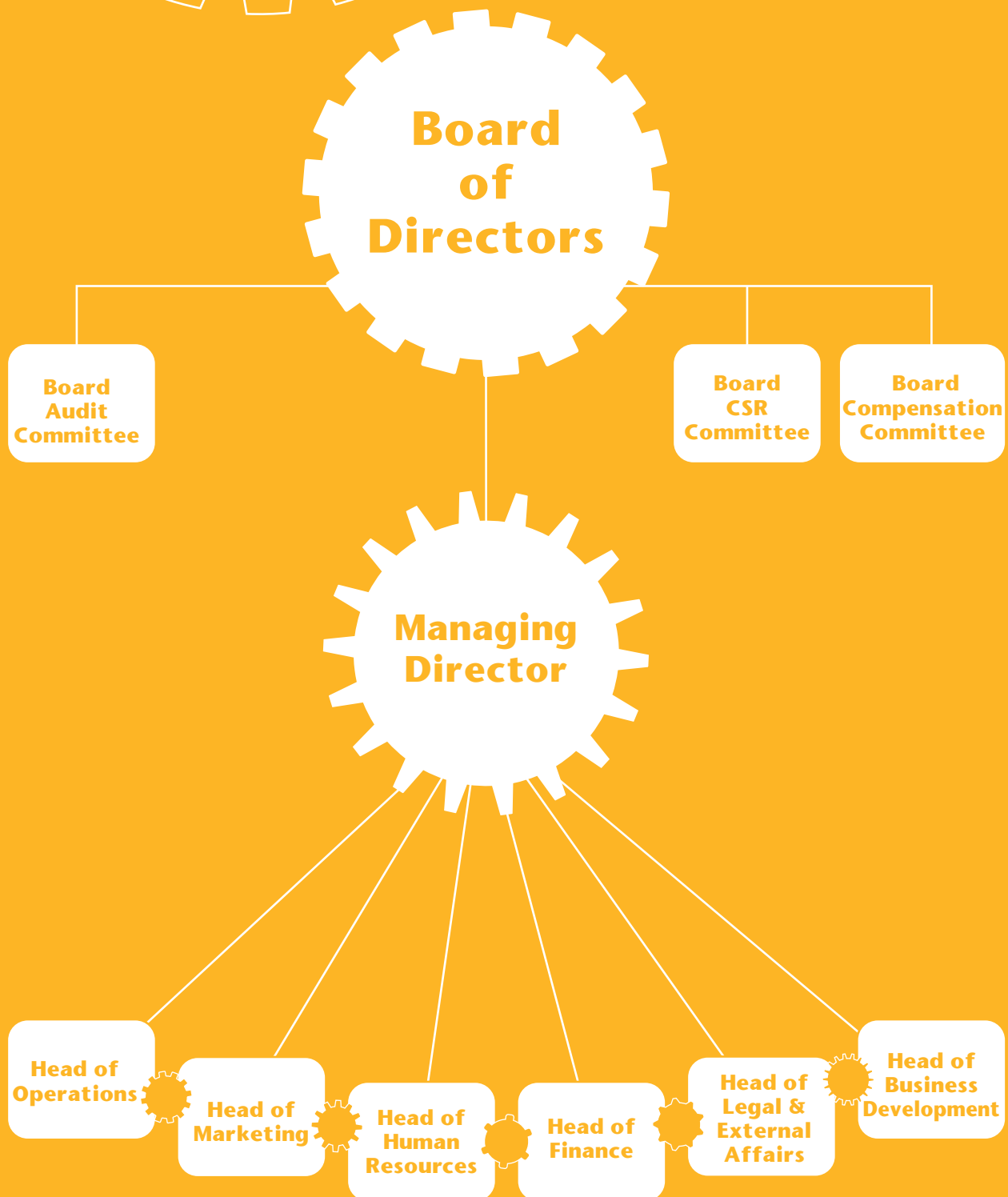
Environmental

Climate and environmental conservation has always been an issue of intense importance for the Country. According to various naturalists' reports, impacts of climate change will remain a challenge for Bangladesh in the decades ahead. BATB believes that the business has corporate social responsibility in helping society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress in ways that will build value for all our stakeholders. The Company undertook and is continuing with the three Corporate Social Responsibility programmes to create positive impact in the communities and environment at large.

Legal

BATB is a law abiding Company. The Company's all activities, policies and procedures are developed in accordance with the local as well as international applicable regulations. Currently the cigarettes industry is governed under strict regulations imposed by the government. The organisation is committed to ensure all regulatory compliance in the business.

ORGANISATIONAL STRUCTURE





AUDIT COMMITTEE



Sitting Left to Right: Mr. Md. Mosharraf Hossain Bhuiyan ndc, Independent Director; Chairman, Audit Committee |
Mr. Golam Mainuddin, Chairman

Standing Left to Right: Mr. Md. Azizur Rahman FCS, Company Secretary | Mr. K. H. Masud Siddiqui, Non-Executive Director;
Former Secretary of the Government | Mr. Md. Iftikhar-uz-Zaman, Non-Executive Director; Managing Director, ICB |
Mr. William Francis Pegel, Finance Director | Mr. Shehzad Munim, Managing Director | Adnan Sharif, Internal Auditor

REPORT OF THE AUDIT COMMITTEE 2016



The Audit Committee Report presented under condition #3.5 of the BSEC Guidelines provides an insight on the functions of the Audit Committee during 2016.

As mentioned in the Compliance Statement, the Board has formed an Audit Committee, required under the codes of Corporate Governance of BSEC, with some specific assignments under its Terms of Reference. The Committee is comprised of Mr. Md. Mosharraf Hossain Bhuiyan ndc (Independent Director & Chairman of Audit Committee), Mr. K. H. Masud Siddiqui, Mr. Golam Mainuddin and Mr. Md. Iftikhar-Uz-Zaman. Mr. Md. Azizur Rahman, Company Secretary, performs as Secretary to the Audit Committee. All members of the Committee are non-executive Directors and the Chairman of Audit Committee is an Independent Director. As required, all members of the Audit Committee are 'financially literate' and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee.

Purpose of Audit Committee

The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review and, when appropriate, make recommendations to the Board on business risks, internal controls and compliance. The Committee satisfies itself, by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place to identify and contain business risks and that the Company's business is conducted in a proper and financially sound manner. The Audit

Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the company and is ensuring a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

Responsibilities and Duties

The responsibilities and duties of the Audit Committee are:

Financial Reporting

- To review the quarterly and annual financial statements of the Company, focusing particularly on:
 - Any significant changes to accounting policies and practices;
 - Significant adjustments arising from the audits;
 - Compliance with applicable Financial Reporting Standards and other legal and regulatory requirements; and
 - The going concern assumption.

Related Party Transactions

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

Audit Reports

- To prepare the annual Audit Committee report and submit to the Board which includes the composition of the Audit

Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of internal audit services and summary of the activities for inclusion in the Annual Report; and to review the Board's statements on compliance with the BSEC Codes of Corporate Governance for inclusion in the Annual Report.

Internal Control

- To consider annually the Risk Management Framework adopted within the Company and to be satisfied that the methodology deployed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Company to minimise losses and maximise opportunities;
- To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;
- To review the extent of compliance with established internal policies, standards, plans and procedures including, for example, the Company's Standards of Business Conduct;
- To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the Company; and
- To recommend to the Board steps needed to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit Committee itself.

Internal Audit

- To be satisfied that the strategies, plans, manning and organisation for internal auditing are communicated down through the Company. Specifically:
 - To review the internal audit plans and to be satisfied as to their consistency with the Risk Management Framework used and adequacy of coverage;
 - To be satisfied that the Internal Audit

has the competency and qualifications to complete its mandates and approved audit plans.

- To review status reports from the Internal Audit and ensure that appropriate actions have been taken to implement the audit recommendations;
- To recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified;
- To ensure that Internal Audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its Rules; and
- To request and review any special audit which it deems necessary.

External Audit

- To review the external auditor's audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditor. The Audit Committee will consider a consolidated opinion on the quality of external auditing at one of its meetings;
- To review with the external auditor, the Statement on Risk Management and Internal Control of the Company for inclusion in the Annual Report;
- To review any matters concerning the appointment and re-appointment, audit fee and resignation or dismissal of the external auditor;
- To review and evaluate factors related to the independence of the external auditor and assist them in preserving their independence;
- To be advised of and decide to or not to make significant use of the external auditor in performing non-audit services within the Company, considering both the types of services rendered and the fees, so that its position as auditor is not deemed to be compromised; and
- To review the external auditor's findings arising from audits, particularly any



comments and responses in management letters as well as the assistance given by the employees of the Company in order to be satisfied that appropriate action is being taken.

Other Matters

- To act on any other matters as may be directed by the Board.

Reporting of the Audit Committee

Reporting to the Board of Directors

The Audit Committee reports on its activities to the Board of Directors. The Audit Committee immediately reports to the Board of Directors on the following findings, if any:

- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter that it deems necessary.

In compliance with condition no. 6 of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of British American Tobacco Bangladesh Company Limited, have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended 31 December 2016, and state that:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
- These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws, and

- To the best of their knowledge and belief, the Company has not entered into any transaction during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.

This certificate has been reviewed by the Audit Committee before submitting to the Board.

Reporting to the Authorities

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

Reporting to the Shareholders and General Investors

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) of the BSEC Corporate Governance Notification above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company.

Authority

The Audit Committee is authorised by the Board to review any activity within the business as per its terms of reference. It is authorised to seek any information or attendance it requires from any director or member of management at any of its meetings. All employees are expected to cooperate with any request made by the Committee. The Committee is also authorised to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The terms of reference of



Audit Committee may be amended from time to time as required for the business in line with BSEC notifications subject to approval by the Board.

Meeting Attendance

The Audit Committee met four times during the year 2016. All the members were present in all meetings of the Committee. The details of attendance of each member at the Audit Committee meetings during 2016 are as follows:

The Managing Director, Finance Director, Internal Auditors of British American Tobacco Bangladesh Company limited and representatives of the external auditors had

attended the meetings upon invitation by the Audit Committee. From time to time, relevant stakeholders and other senior members of management have also been invited by the Audit Committee to attend Audit Committee meetings.

The Audit Committee met with the external auditors separately, and with the internal auditors, on an annual basis without any Executive Director being present. The Company Secretary is the Secretary of the Audit Committee, who facilitates the Chairman and other members for effective functioning of the Committee as per its terms of reference as well as corporate governance notification of BSEC.

Number of Audit Committee Meetings			%
Composition of Audit Committee	Held	Attended	
Mr. Md. Mosharraf Hossain Bhuiyan ndc Chairman, Audit Committee, (Independent Director)	4	4	100%
Mr. Md. Fayekuzzaman Former Member, Audit Committee (Non-Executive Director) (Resigned 22 February 2016)	4	1	25%
Mr. Md. Iftikhar-uz-Zaman Member, Audit Committee (Non-Executive Director) (Joined 22 February 2016)	4	3	75%
Mr. K. H. Masud Siddiqui Member, Audit Committee, (Non-Executive Director)	4	4	100%
Mr. Golam Mainuddin Member, Audit Committee (Non-Executive Director)	4	4	100%
Mr. Md. Azizur Rahman FCS Secretary, Audit Committee	4	4	100%

TERMS OF REFERENCE CALENDAR 2016

The abridged version of the terms of reference of the Audit Committee is mentioned in calendar 2016:

1	Financial Statements	February	April	July	Oct
	- Monitor the integrity of the financial statements of the Company	√			
	- Review un-audited quarterly accounts		√	√	√
	- Review the external auditors' representation letter	√			
	- Review the draft statement on internal control that is included in the Company's Annual Report and Accounts	√			
	- Review the consistency of accounting policies on a year to year basis	√			
2	Internal Controls and Business Risks				
	- Review risk management framework		√		√
	- Review compliance with policies and processes	√	√	√	√
	- Monitor compliance with Standards of Business Conduct	√			
	- Review control navigator to ensure due process is available for monitoring effectiveness and efficiency of internal controls	√	√	√	√
	- Monitor procedure for safeguarding assets and ensuring company has adequate policies for prevention and detection of fraud. Done through loss reporting and whistle-blowing reports	√	√		√
	- Monitor and discuss with external auditors on the adequacy of accounting and internal reports	√	√	√	√
	- Review the Environment, Health & Safety Report		√		√
3	Internal Audit				
	- Monitor and review the effectiveness of the Company's internal audit function	√	√	√	√
	- Review reports received from Head of Audit	√	√	√	√
	- Review & Approve Internal audit plan				√
4	External Audit				
	- Annually evaluate the performance of the auditors and recommend their reappointment or change	√			
	- Approve terms of engagement and level of fees payable		√		
	- Review fees charged by external audit	√			
	- Review scope of audit and results (year-end / interim)	√			√
	- Review the external auditor's management letter (year-end / interim)	√			√
	- Review the External Auditors planning memorandum				√
5	Reporting to the Securities and Exchange Commission				
	- Review Compliance with BSEC guidelines	√	√	√	√
6	General				
	- Review Terms of Reference of Audit Committee			√	
	- Private Audience with External Auditors	√		√	
	- Private Audience with Internal Auditors		√		√

Summary of Activities during the Year

In 2016 the Audit Committee reviewed its terms of reference in line with requirements of BSEC notification on corporate governance. The Committee carried out its duties in accordance with the terms of reference of the Audit Committee. Moreover, an Audit Committee effectiveness survey had been carried out for the year 2016 which reflected compliance to the effectiveness guidelines. The Committee emphasised on the continuation of the tenure of service of the internal audit manager for a reasonable time and induction of new member of Audit Committee. The Audit Committee carried out its responsibilities and duties in accordance with the terms of reference and carried out the following activities in 2016:

Financial Reporting

- Reviewed the quarterly and annual financial statements of the Company with the Finance Director and Managing Director, focusing particularly on significant changes to accounting policies and practices, adjustments arising from the audit compliance with accounting standards and other legal requirements before recommending them to the Board of Directors for approval, and concluded that the financial statements presented a true and fair view of the Company's financial performance.

Internal Control

- Reviewed the Company's Risk Management Programme, including deep drive into the key functional risks for the Company and Risk Management Programme work plan.
- Reviewed and recommended to the Board steps to improve the Company's changes to accounting policies and practices, adjustments arising from the audits.
- Received updates on breaches of the Standards of Business Conduct and whistleblowing incidents.

Internal Audit

- Reviewed internal audit plans as to their consistency with the Risk Management Framework used and adequacy of coverage.
- Reviewed status reports from internal audit to ensure that appropriate actions had been taken to implement the audit recommendations.
- Reviewed and enhanced the internal control processes. Where appropriate, the Audit Committee instructed to rectify and improve the internal control processes based on internal audit.
- The Committee reviewed and approved the Audit Plan 2016. The Committee also noted for completing the action items in time by the Management as per Internal Audit observation.

External Audit

- Reviewed with the external auditor the Company's quarterly and annual financial statements with the Finance Director and Managing Director focusing on findings arising from audits, particularly comments and responses in the management letter as well as assistance given by the employees of the Company before recommending them to the Board of Directors for approval.
- Reviewed the external auditor's audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditor.
- Reviewed the external auditor's findings arising from audits, particularly comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.
- Exercised its right to hold meetings with the external auditor (private audience with statutory auditor) without the presence of the Executive Directors or management. These private sessions help to reinforce the independence of the external audit function of the Company.
- Reviewed the overall performance of the external auditor for the year 2016.



Related Party Transactions

- Reviewed reports of related party transactions and possible conflict of interest transactions to ensure that all related party transactions are undertaken on an arm's length basis and on normal commercial terms, consistent with the Company's usual business practices and policies, which are generally not more favourable than those generally available to the public and other suppliers and are not detrimental to the minority shareholders.
- Periodically reviewed recurrent related party transactions to ensure that they are undertaken on an arm's length basis and on normal commercial terms.
- Reviewed the estimated recurrent related party transactions mandate for the ensuing year and recommended to the Board to seek shareholders mandated at the upcoming Annual General Meeting of the Company.

Ethical and Integrity Areas

- Deliberated on reports on Whistleblowing and Standards of Business Conduct Breach incidents.
- Deliberated on the security and safety matters and loss reports.
- Deliberated on the Environmental Health and Safety review reports.

Annual Reporting

- Reviewed disclosures required by the Statement on Corporate Governance, Audit Committee Report, Standards of Business Conduct, Statement on Risk Management and Internal Control for the financial year ended 31 December 2016 for inclusion in the Annual Report 2016 and recommended their adoption by the Board.

Internal Audit

The role of Internal Audit for the Company is designed in line with local legal and regulatory requirements as well as the Global Audit function of British American Tobacco plc. (British American Tobacco plc. Group Internal

Audit). The British American Tobacco Global Audit team comprises of pool of experienced Auditor from different part of the world. This approach ensures a high level of independence and gives access to more skilled and specialised resources than would otherwise be available within the Company. The Internal Audit Manager is a professional accountant and holds a Masters of Business Administration degree, along with seven years of cross functional work experience in multinational Companies, within the Company's Internal Audit and other business roles. Internal Audit function undertakes the risk-based audit reviews towards the planning and conduct of audits which is consistent with the Group's established framework in designing, implementing and monitoring of its control systems. As such, three types of audit exist, namely Process Audits, Project and Programmes Audits and Other Audits. Process Audits have a scope of an end-to-end process across multiple British American Tobacco p.l.c global entities. Project and Programmes Audits are focused on significant business change initiatives. Other Audits are audits that are as a consequence of a direct request, either from Management or the Audit Committee. If required, British American Tobacco plc. assists the Audit Committee in reviewing the effectiveness of the Company committee in control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Company in achieving its business objectives. Any inappropriate restrictions on audit scope are to be reported to the Audit Committee. Internal Audit provides an independent assessment on the effectiveness and efficiency of internal controls utilising a robust audit methodology and tool to support the Company and the effectiveness and efficiency of inter-efficient and effective risk management framework to provide assurance over the Company's strategy delivery and change management initiatives. The annual audit planning cycle takes direct input from both the risk register and the Audit Committee. In turn, the Audit Committee formally approves the internal audit plan every year and reviews the plan on a quarterly basis. Any subsequent changes to the internal audit plan are approved by the Audit Committee. The scope of Internal Audit covers



the audits of all units and operations. Internal Audit adopts a risk-based approach towards the planning and conduct of audits which is consistent with the Company's established framework in designing, implementing and monitoring its control systems. Other main activities performed by the Internal Audit are as follows:

- Undertake special reviews requested by the Audit Committee and/or management.
- Review the findings and action plans resulting from internal audits.

sd/-

Md. Azizur Rahman FCS
Company Secretary

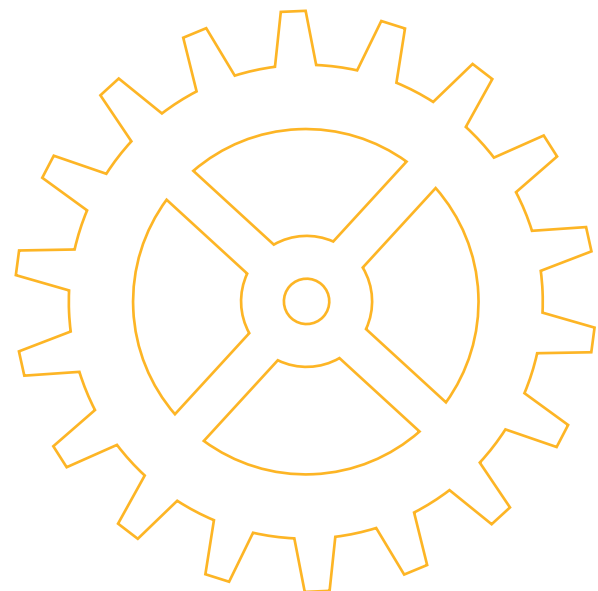
During the financial year, the audits conducted by Internal Audit are as follows:

- Manufacturing Execution Audit
- Bangladesh Leaf Buying & GLT Audit
- Order to Cash (Global Process Audit)

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 27 February 2017.

sd/-

Md. Mosharraf Hossain Bhuiyan ndc
Chairman of Audit Committee





GEARING UP FOR GREATER PURITY

Water is a fundamental prerequisite for all aspects of human development. However, clean and safe drinking water free from the hazards of arsenic contamination and salinity intrusion has continued to be a scarce resource in various regions across the country. To help fight this pressing problem, BAT Bangladesh started its 'Probaho' initiative in complete alignment with the UN's Sustainable Development Goal 2030 to provide pure drinking water to arsenic-affected areas. Since its induction, the Probaho initiative has given close to 170,000 people access to safe drinking water with the installation of 65 water filtration systems across 13 districts, purifying up to 350,000 litres of clean water per day. Back in 2015, the "Probaho" initiative was recognized as the Best CSR Project by the prestigious Asia Responsible Entrepreneurship Award (AREA) in Asia Pacific region.



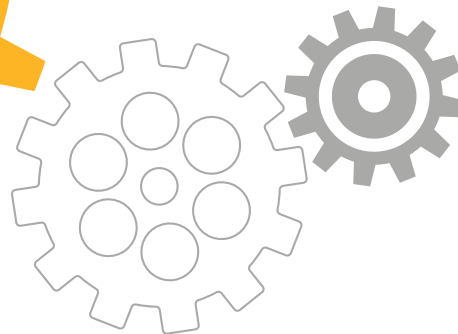
CSR COMMITTEE



Sitting Left to Right: Mr. Jalal Ahmed, Non-Executive Director | Moinuddin Abdullah, Chairman, CSR Committee |

Standing Left to Right: Ms. Mubina Asaf, Head of Legal & External Affairs | Mr. Anowarul Amin, Corporate Affairs Manager;
Mr. K. H. Masud Siddiqui, Non-Executive Director | Mr. Shehzad Munim, Managing Director | Mr. Mikail Shipar, Independent
Director | Mr. Md. Azizur Rahman FCS, Company Secretary |

CSR COMMITTEE REPORT 2016



Corporate Social Responsibility (CSR) is central to the 'Responsibility' strategy of British American Tobacco Bangladesh Company Limited ('BATB' or 'BAT Bangladesh' or 'The Company'). CSR is essential for the business sustainability and enhancement of long-term stakeholder value. BATB is a contributor and provider to the society through its CSR initiatives, sustainable practices and regulated operations.

Purpose of CSR Committee

The purpose of the Board CSR Committee is to ensure better management of the Company's CSR initiatives in a way that secures business sustainability as well as to create and maintain a positive impact for the reputation of the Company.

Authority

The CSR Committee is authorised by the Board of Directors to evaluate activities within the business with respect to CSR. The terms of reference of the Committee may be amended from time to time as per requirement, subject to the prior approval by the Board of Directors of the Company.

Committee and its Meetings

The Committee usually meets three times in a year ensuring the presence of all members in the meeting. Mr. Mohammad Moinuddin Abdullah, as Chairman of the Board CSR Committee, guides the Company in its CSR initiatives ensuring standards and compliance. He has been adding great value in the CSR endeavours of BAT Bangladesh. The committee is comprised of the following members:

Mr. Mohammad Moinuddin Abdullah
Chairman
Independent Director

Mr. Jalal Ahmed
Member
Non-Executive Director

Mr. Mikail Shipar
Member
Non-Executive Director

Mr. Shehzad Munim
Member
Managing Director, BATB

Mr. Md. Azizur Rahman FCS
Secretary of CSR
Company Secretary, BATB

Mr. K. H. Masud Siddiqui, Non-Executive Director, Ms. Mubina Asaf, Head of Legal and External Affairs and Mr. Anowarul Amin, Corporate Affairs Manager, are the permanent invitees to the CSR Committee meetings by means of their position. Other relevant Managers and stakeholders may attend the meeting by invitation.

Activities Summary

Our CSR initiatives are aligned with the Government and stakeholders requirements, its

business relevance, and focus on contributing to Government's agenda on Sustainable Development Goals (SDGs).

In 2016, the CSR Committee highlighted the following matters:

- BAT Bangladesh CSI (Corporate Social Investment) portfolio includes three flagship CSI programmes of the Company. These are Afforestation programme, Safe Drinking Water project and Solar Home Systems. These programmes drive the corporate reputation based on the sustainable agriculture and environment theme.

Afforestation Programme: British American Tobacco Bangladesh initiated its afforestation programme in 1980 when the forest department of the Government of Bangladesh called on the private sector to support its endeavour to conserve the forests. So far, BAT Bangladesh has contributed around 91.5 million saplings to the country's afforestation initiative in the last 36 years including 4 million saplings alone in the year 2016. The Saplings consist of fruit, timber and medicine yielding species. In 2016, as a Company we have participated in 20 local level tree fairs by the invitation of local administrations and won first prizes in all of the locations. This is the highest number of awards in a year that BAT Bangladesh received from local level administration in recent times.

Water Filtration Project: Recognising the necessity of water and sanitation, specifically in the context of the Sustainable Development Goals (SDG), BAT Bangladesh has stepped forward with a safe drinking water project for its community people. So far, 65 water filtration plants have been installed ensuring pure drinking water for approximately 170,000 people every day. As a result of operating this particular CSR Programme, BAT Bangladesh won the 'Asia Responsible Entrepreneurship Awards' in Asia Pacific for best CSR project in 2015.

Solar Home System Project: BAT Bangladesh is providing Solar Home Systems to the hill

tracts' communities those were previously deprived of electricity all their lives. The solar home system initiative of BAT Bangladesh installed 198 units of solar home systems in 2016 totalling to 1,864 units in sixteen remote villages of Bandarban and Khagrachari districts, providing about 11,000 rural people their first access to electricity at home.

- Engaging with local and national level stakeholders, highlighting the fact that BAT Bangladesh supports many other national and local agendas like agricultural advancement, people development, and economic infrastructural progress which impact positively on Nation Building.
- An Impact Study (survey) on its CSR activities was conducted through Nielsen Company (Bangladesh) Limited, a leading global research organisation, to ascertain the socio-economic impacts on the stakeholders from the CSR initiatives extended so far by the Company. Dr. ASM Amanullah Ferdous, Professor, Department of Sociology, University of Dhaka, the Technical Consultant of this independent study shared the outcome. The outcome of the impact study showed positive economic development and environmental sustainability of these three CSR activities of BAT Bangladesh. The Afforestation Programme contributed to revenue growth, job opportunities and business investment opportunities of the concerned stakeholders while balancing environment and improving ecological balance. The Solar Home System Project provided 100% electricity supply in areas where people had no access to electricity before. This also resulted in better facilities for education and increased standard of living for people living in the areas. Waterborne diseases have reduced significantly since installation of water filtration plants. People have access to safe drinking water and have more knowledge about their health and keeping the water sources clean.
- A study on socio economic impact of tobacco cultivation was also conducted by a research team from Bangladesh

Agricultural University. The study outcome revealed that tobacco cultivation benefitted the livelihood of tobacco farming community with no significant impact on the environment or the soil. The study also focused on challenges and future prospects of tobacco cultivation, which revealed that total land usage for tobacco cultivation decreased over the last five years as a result of farming innovation by the Company.

As a responsible business organisation, British American Tobacco Bangladesh believes that business has a key role to play in helping society to achieve the necessary sustainable

balance of economic growth, environmental protection and social progress. Therefore, its CSR activities are designed to contribute to the economic, social and environmental sustainability of the community in which it operates. To ensure further contribution to SDGs, the Company is looking beyond its current CSR initiatives to further contribute to the society in alignment with the policy makers of the Government considering the requirements of relevant stakeholders.

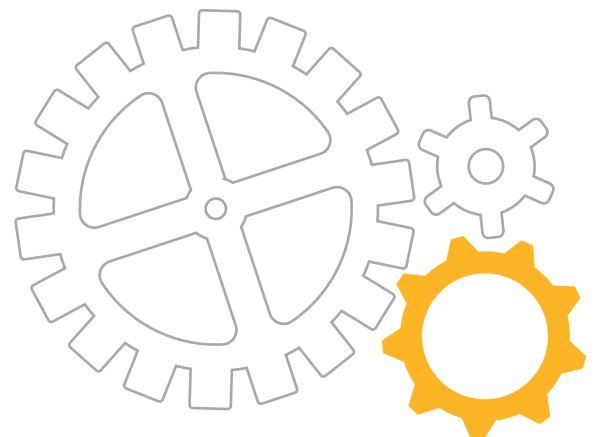
This CSR Committee Report is made in accordance with the resolution of the Board of Directors on 27 February 2017.

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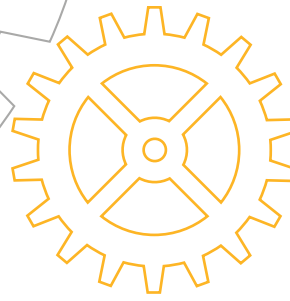
Md. Azizur Rahman FCS
Company Secretary

sd/-

Mohammad Moinuddin Abdullah
Chairman of CSR Committee



STANDARDS OF BUSINESS CONDUCT



BAT Bangladesh employees are governed by the Standards of Business Conduct (SoBC) which form an integral part of the Company's corporate governance. It is a fundamental policy of the Company and the Standards require all employees to observe and comply with the laws and regulations applicable to them as well as operate in accordance with high standards of business integrity. Employees must exercise honesty, objectivity and diligence in doing their work and must ensure that the Standards are never compromised for the sake of results. As such, the Standards continue to underpin our commitment to high standards of corporate responsibility.

The Standards are designed to:

- (a) Help employees who are faced with making difficult judgements in the course of doing their work and ensure that all decisions and judgements made by employees are lawful and comply with high ethical standards;
- (b) Set a tone and culture for the organization which will enable it to be regarded as a good corporate citizen; and
- (c) Give reassurance to BAT Bangladesh's stakeholders, with whom the Company comes into business contact.

The areas covered by the Standards are:

- Whistle Blowing
- Conflicts of Interest
- Bribery and Corruption
- Entertainment and Gifts
- Respect in Workplace
- Human Rights and Our Operations
- Charitable Contributions
- Accurate Accounting and Record Keeping
- Protection of Corporate Assets
- Confidentiality and Information Security
- Insider Dealing and Market Abuse
- Competition and Anti-Trust
- Money Laundering
- Illicit Trade
- Sanctions

Ethics and Compliance

To ensure compliance, all management employees, including the Board of Directors, are required to declare their compliance with the SoBC and disclose any conflicts of interest on a yearly basis. Conflicts of interest to be declared in the compliance are in relation to whether the employee and/or immediate family have an interest in or association with the operations of the companies/business which may lead to a conflict of interest. Immediate family here includes parents, spouses, children, brothers and sisters as well as step and adoptive relations. Compliance with the Standards is monitored regularly by the Board of Directors and the Audit Committee of the Company. The Legal & External Affairs Department/Company Secretary of the Company is charged with the responsibility of reporting to the Board of Directors on an annual basis regarding the compliance of these Standards by BAT Bangladesh and its employees. Employees have a duty to report incidences of non-compliance with the Standards and any other incidences of wrongdoing at work.

We are committed to providing a safe working environment for our employees and treat all our colleagues and business partners inclusively with dignity and with respect. Bullying colleagues is strictly prohibited. We do not employ child labour which is highlighted in the 'Human Rights & Operations' segment. Training sessions in different regions including the Head Office have been conducted by the Company Secretary & Commercial affairs Manager to ensure that our employees have precise understanding about the Company's principles and standards covering all the sections of SoBC 2014 in their activities and behaviour.

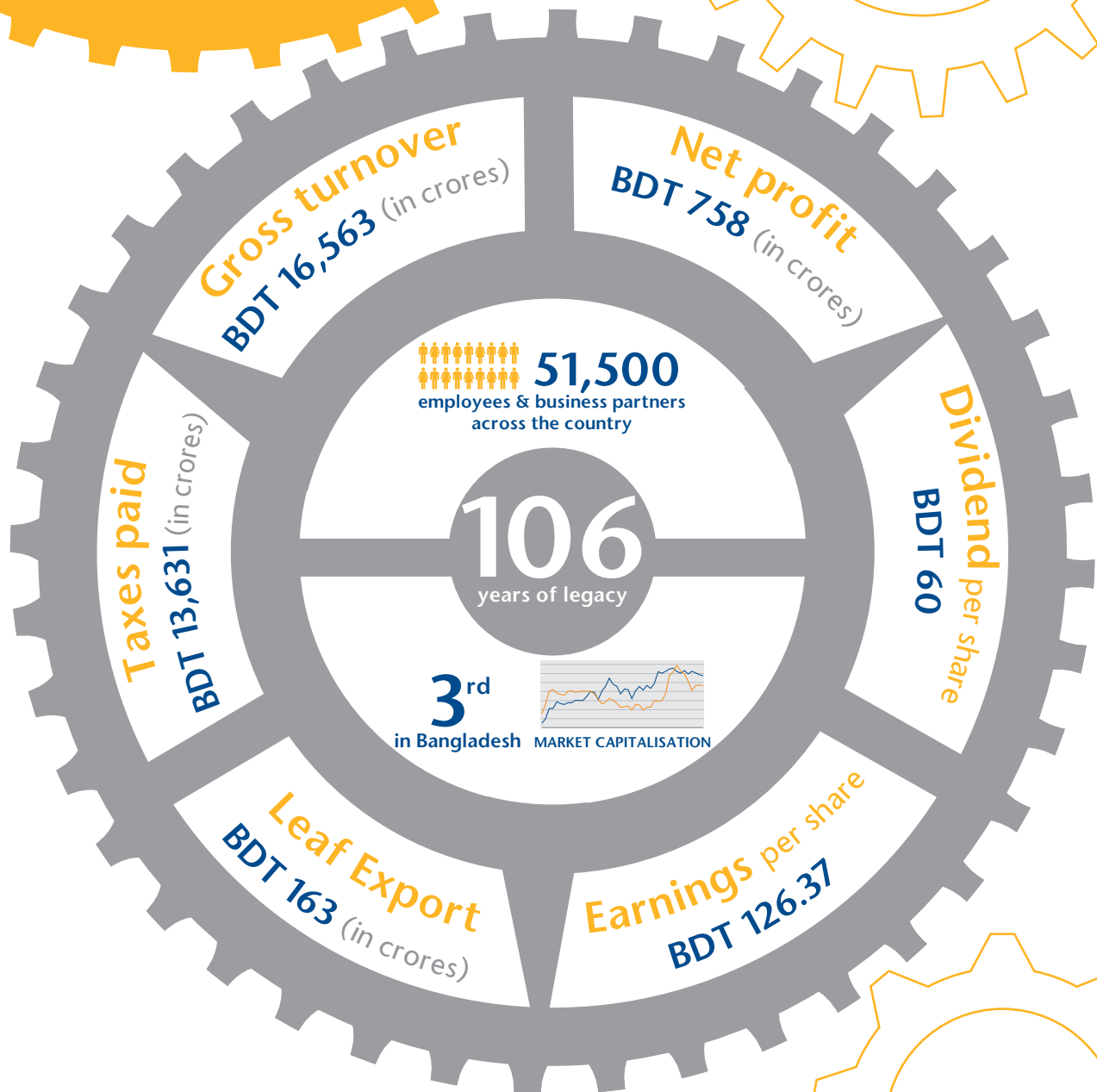
The Standards are made available to our employees and Board of Directors at the Company's corporate website at www.batbangladesh.com

POWERING A NATION

In a country where electricity shortages and scarcity remains a huge obstacle to development, modern investments in electricity and connectivity have become more crucial than ever. BAT Bangladesh has stepped forward to tackle this pressing problem through its "Dipto" initiative, aligned with the UN's Sustainable Development Goals 2030, to ensure access to electricity across the off-grid areas of Bangladesh. Since then, the Dipto project has installed 1,884 units of solar home systems in 16 villages across the Bandarban and Khagrachari districts, providing more than 11,000 people access to electricity for the first time ever.



RESULT AT A GLANCE



DIRECTORS' REPORT 2016



It is a pleasure and privilege on the part of the Board of Directors to present the Directors' Report and Auditors' Report together with the audited financial statements of British American Tobacco Bangladesh Company Limited (BATB) for the year ended 31 December 2016.

Key Strategic Pillars of Business

BATB had yet another successful year in 2016. The Company made steady progress in many areas during the year despite economic and regulatory challenges. The challenges this year were from different fronts - operational, regulatory and above all from an uneven competitive platform. But your Company continued its journey undaunted and brought you good result for the year together with value enhancement for the stakeholders.

Economic & Industry Overview

The industry had marginal volume growth over the last year as the consumers are moving from bidi to cigarette while total tobacco industry is in decline. The growth dynamics of the industry varied across the 4 price segments. The Low segment experienced growth in 2016 while High and Medium segments declined. The industry growth will be driven by Low segment due to government pricing policies and continued migration from bidi.

Company Performance

BATB Volume growth was achieved through a focused business strategy that was supported by our people across all business functions. Our brand portfolio was strengthened through

innovations and an outstanding range of high-quality products. The focus throughout the year was to match consumer expectations with the right offers across all segments. The Company's Leaf export is declining year on year (2016: BDT 163 crores; 2015: BDT 207 crores; 2014: BDT 272 crores) due to imposition of export duty.

There was higher growth in the low segment volume offsetting the decline in the upper two segments. This trend continues to be a matter of concern as it negatively impacts not only BATB but also Government's revenue from the cigarette industry. Therefore, we continue to engage with policy makers to ensure that balanced price and taxation policies are implemented and the down trading is reduced for the sustainability of the industry and to meet government revenue expectation from the industry. A review on the performance of each of the cigarette segments is as follows:

Premium Segment

Despite facing tougher challenges, Benson & Hedges has stopped volume decline after 4 years. This segment is facing competition due to the increased availability of the smuggled cigarettes in the market which are being sold at a lower price. The company is committed to protect Benson & Hedges and Government Revenue from the illegal and smuggled cigarettes that are present in the market. The price differential between duty free prices and our domestic prices continues to get widened and that will increase the risk of illegal trade and we will draw the attention of the NBR and hope they will address this issue.

High Segment

John Player Gold Leaf and Capstan sales have been declining for last 2 years as consumers are moving down to lower priced brands due to excessive price increase by government. In second half of 2016, the brands performed better than first half as Government did not increase the price in this segment which arrested the volume decline to a certain extent. **Holding the price again will enable John Player Gold Leaf and Capstan to come back to growth momentum and deliver incremental revenue to Government.** The Company has ensured consistent investment behind this brand to hold the strong brand equity of John Player Gold Leaf and Capstan.

Medium Segment

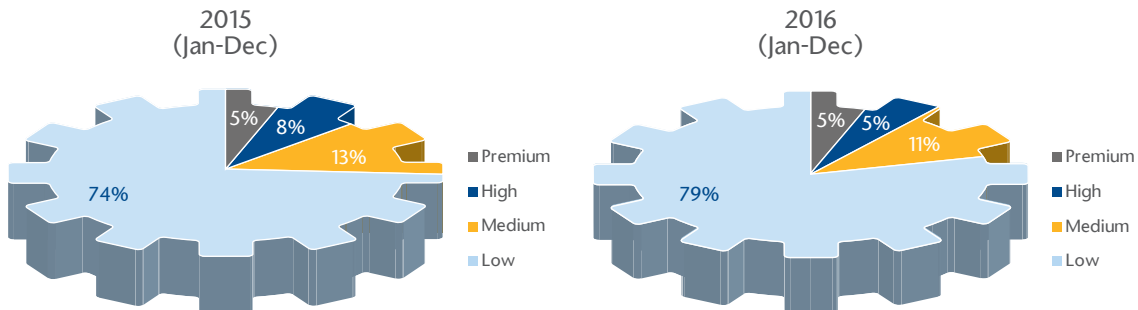
The Medium segment has declined in volume as consumers are moving down to the Low

segment brands due to significant price gap with low segment. Our brand Star has performed better in a declining environment. We have continued focus to maintain the quality of this brand.

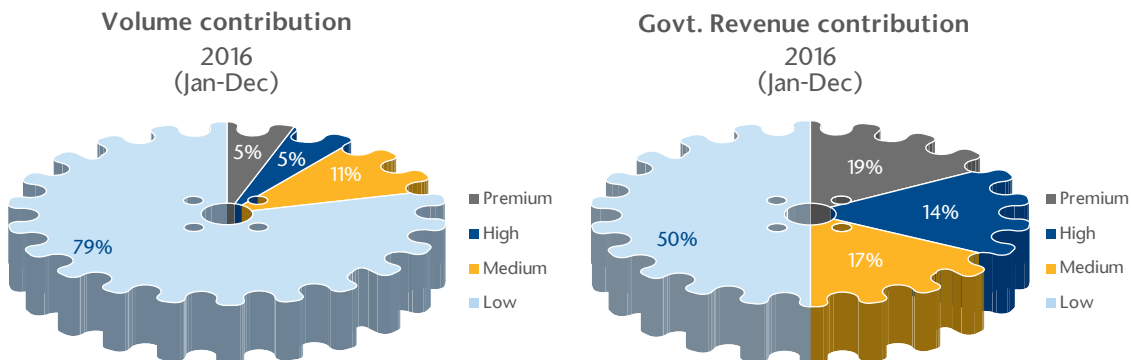
Low Segment

The Volume share in this segment has increased from 74% to 79% of the total cigarette market and it has grown further to 80% during the first half of fiscal year 2016-17. We believe that the growth of this segment is driven by the huge price gap between low and the other segments. The growth in this segment at the expense of the segments above is a major concern for us and we believe that government is also being deprived of a potential higher revenue. The issue was handled in the last budget to some extent but requires a deeper look in the future govt. Budgets.

Segment Wise Volume Contribution



The following chart also shows low segment's volume contribution vis-à-vis its revenue contribution to govt.



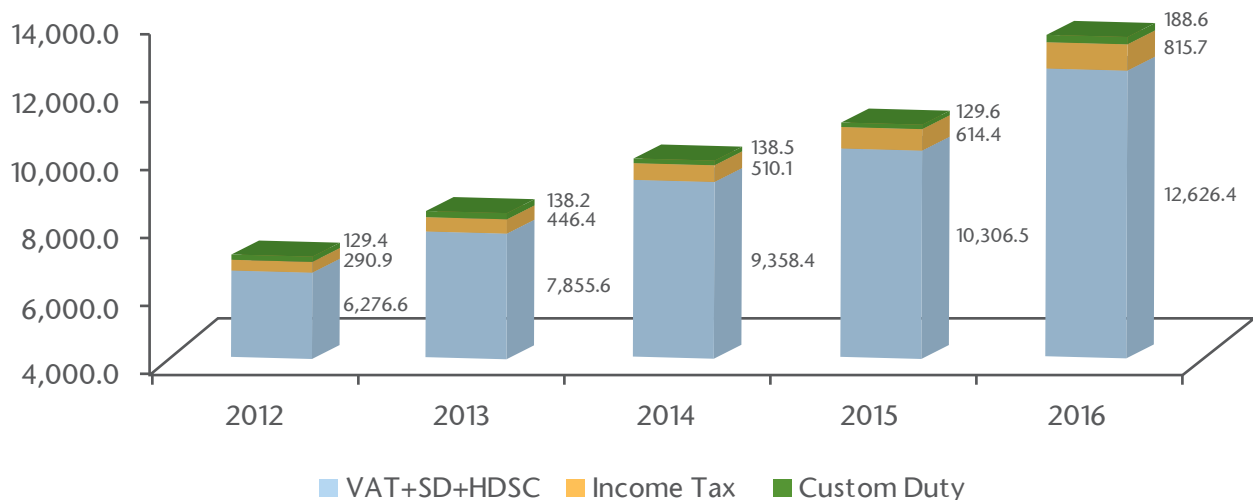
It is evident from the above chart that while low segment contributes 79% of the total volume, this segment contributes only 50% of the total revenue of the government from the cigarette industry.

BATB's Contribution to National Exchequer

In 2016, the Company contributed BDT 13,631 crores to the Government exchequer as Value added tax (VAT), Supplementary Duty (SD), Health Development Surcharge (HDSC), Income Tax & Custom duty. This represents an increase of BDT 2,580 crores over last year. BATB alone contributed 70% of the total VAT, SD & HDSC collected from the Cigarette

shareholders' return and also takes away the incentives for others in the industry to be listed and thus is a hindrance for further growth of the capital market and creates uneven completion. The Company believes that the Government will reinstate differential corporate tax rate structures while considering the upcoming National Budget. Cigarette is already highly taxed (in the form of Supplementary duty & VAT) and there is no

Amount in BDT Crores



industry. The Company will continue to support Government's proposals that help to establish a sustainable level of tax contribution to the National Exchequer while ensuring a sustainable growth for the industry and promoting a level playing field among market players. Since this is a mature industry, it must not be stretched too far without considering the market dynamics and its ability to absorb price increase.

The Company recognizes Government's revenue growth targets and the industry has been working with the National Board of Revenue (NBR) over the years to ensure sustainable revenue growth from the cigarette industry. While listed companies in all other sectors enjoy a differential Corporate tax rate, the same privilege was withdrawn by the Government for listed Cigarette companies. We strongly feel that by targeting the corporate tax structure of a listed cigarette manufacturer, it significantly impacts the

instance of discriminated corporate tax differentials anywhere in the world for Tobacco Companies wherever it is listed in the Stock market. **We appeal to the regulators for a reversal of the position in the next national budget.**

Productivity

The overall supply chain has been challenged to deliver the market needs on-time. As a result, manufacturing capacity was scaled up and also modified to cater to different pack formats. This required significant investment and meticulous planning so that the growing diverse market demand could be met. A series of productivity initiatives were undertaken to improve machine efficiency. The year also focused for processing of raw tobacco. Our leaf growing area was also revamped through various productivity initiatives to process the required tobacco volume while ensuring the right quality.



Cost of Goods Sold and Profit Margins

In spite of various challenges, which threatened to disrupt our supply chain in the year, we could manage logistics and production, which ensured that our ability to manufacture and supply of cigarettes to the market was not compromised. Your Company was able to mitigate cost increase through delivering a number of cost control initiatives that resulted in reduced cost of goods sold per unit in 2016.

Company's operating margin has marginally reduced from 33.1% in 2015 to 31.8% in 2016. The reduction in operating margin was mainly driven by deteriorated sales mix, which, to a large extent was offset by different savings initiatives. Your Company continued its company-wide smart cost management program and explored all opportunities to reduce costs structures. This program has

helped to optimize the operating expenses of the Company and focused resources on areas that were required to fuel growth and sustainability.

Financial Performance

Gross Turnover for the year was BDT 16,563 crores, up by BDT 2,192 crores from the previous year. This increase was driven by volume share gain and smart pricing in upper segments and Government led increase at the lowest price segment. The Profit before Tax has increased by 5.7% to BDT 1,317 crores. The higher profit before tax reflects resilient market position and increased prices, coupled with cost savings and productivity initiatives driven across the Company. The Profit after Tax of 2016 shows an increase as the effective tax rate of 2015 was very high due to imposition of higher retrospective tax rate in 2015.

Key Operating & Financial Information at a Glance

The key operating and financial information for the year 2016 along with the preceding four years are presented below:

Operational Results (financials in million BDT)	2016	2015	2014	2013	2012
Gross Turnover	165,634	143,712	126,725	109,582	90,174
Net Turnover	43,754	39,895	35,562	31,225	27,471
Profit before Tax	13,170	12,460	10,866	9,104	6,501
Profit After Tax	7,582	5,846	6,282	4,924	3,942
Share Capital	600	600	600	600	600
EPS in BDT	126.37	97.90	104.70	81.14	65.59
No of Employees	1,476	1,400	1,353	1,251	1,119
Total Contribution to National Exchequer	136,306	110,505	100,070	84,402	66,969

Dividend

In view of the performance of the Company and the current liquidity position, the Board recommends a final cash Dividend of BDT 60 per share amounting to total BDT 3,600,000,000 for the year 2016, translating into 47.48% of Profit after Tax, to be approved in the 44th Annual General Meeting of the Company. With this recommendation of proposed final dividend, the summary of the total dividend in 2016 is represented below:

Amount in Million BDT	2016	2015	2014	2013	2012
Profit after Tax	7,582	5,874	6,282	4,924	3,942
Interim Cash Dividend	-	-	600	600	600
Final Cash Dividend @ Tk 60 per share	3,600	3,300	2,700	3,120	2,400
Retained Profit for Reinvestment	3,982	2,574	2,982	1,204	942

Sustainability

Climate and environmental conservation has always been an issue of intense importance for Bangladesh. This is more so, as according to various naturalists' reports, Bangladesh will remain a vulnerable nation to the impacts of climate change in the decades ahead. BATB believes that the business has a key role to play in helping society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress in ways that will build value for all our stakeholders.

The Company undertook and is continuing with the three Corporate Social Responsibility programmes to create positive impact in the communities and environment at large. The flagship activity of the Company, the Afforestation Program, began in 1980 and your Company has distributed 91.5 million free saplings in and around our operational areas including 4 million saplings in 2016. This continued effort makes the program the largest private sector afforestation programs in the country. The Company is committed to continue this program to support the Government initiative to combat the adverse effects of climate change. Over the years, the Company received a number of national and international awards and accolades for the afforestation drive across the country. **Your company received Asia's top rank business award 'Asia Responsible Entrepreneurship Award for Green Leadership' from Enterprise Asia for the largest afforestation project in the private sector of Bangladesh.**

Millions of people in Bangladesh face scarcity of safe drinking water due to arsenic contamination. Responding to this need BATB has taken up a project that provides approximately 350,000 liters of arsenic and other impurities free drinking water to arsenic-prone rural communities every day. This program is aligned with the Government's aim to achieve the Sustainable Development Goals of securing sustainable access to safe drinking water. So far, 65 water filtration units have been installed, using government approved water filtration technology in Jhenaidah, Chuadanga, Meherpur, Kushtia,

Tangail, Manikganj, Satkhira, Gopalganj, Lalmonirhat, Kurigram, Jamalpur, Madaripur and Natore ensuring pure drinking water for nearly 170,000 people every day.

To complement Bangladesh Government's efforts in the renewable energy sector, BATB has undertaken a project to install solar systems in village homes that are in remote, off-grid areas of Chittagong Hill Tracts. The solar initiative of BATB supplied 1864 units of solar home systems in remote villages in Bandarban and Khagrachari districts, giving more than 11,000 rural people their first access to electricity at home

BATB has a fruitful partnership with farmers across the country through its various programs dedicated to improving overall agricultural practices and standards. The Company's Leaf function starts with the hard works of around 33,000 registered farmers within the village community. BATB's contract farming model has been a proven model for years. The Company ensures that the sources are sustainable by proactively setting high standards of agricultural practices. The initiatives include green manuring with Dhaincha stick (*Sesbania Aculeata*) - an effective approach to enrich soil health and fertility. Dhaincha is also promoted as an alternate fuel in leaf growing areas. In 2016, the Company distributed nearly 160 metric tons of free Dhaincha seeds amongst farmers.

Integrated Pest Management (IPM) Clubs have also been expanded in collaboration with the Department of Agricultural Extension of Govt. Of Bangladesh to educate the farmers about the adoption of good agricultural practices for all kinds of crops. As a result of this continuous education program farmers became more cautious and conscious about the use of chemical pesticide in farming and adopted the use of Neem in different forms as an alternative to chemical pesticide. The Company has established 81 IPM clubs as a platform of sharing agricultural knowledge to the farmers. Improving soil fertility and conserving water are integral elements of good agricultural practices. The Company provides the know-how and bears the full cost to install compost pits in the homesteads of our

registered farmers. This significantly reduces dependence on the use of chemical fertilizers and also reduces the cost of production and increase the organic matter content in the soil resulting improved fertility in the cultivation area. As a water management program, proper irrigation systems have been introduced which ensures that, only the required level of water is used and there is no wastage. The Company acknowledges its impact as well as dependence on biodiversity, through the business operations and use of eco-system services, such as forest products, soil and water. So far, 75 biodiversity corners including 11 new corners have been established in 2016 with the help of the registered farmers in order to make farming communities aware of the importance of different elements and their contribution in the eco-system. The biodiversity corners are located in Kushtia, Meherpur, Chuadanga, Jhenaidah, Rangpur, Manikganj, Bandarban, Khagrachari and Cox's Bazar districts.

The Company supports sensible tobacco regulations that balances the interest of consumers with the interests of society and enables the business to continue to compete and prosper. The Company is conducting all its activities in line with the amended Smoking and Tobacco Products Usage (Control) Act, 2013. All of the sales activities are governed in compliance with the Smoking and Tobacco Usage (Control) Act, 2005 and Amendment Act, 2013 and the subsequent Rules along Company policies. These principles symbolize the commitment to marketing the company products appropriately and only to adult users in compliance with local laws and regulations. Therefore, BATB is fully conscious of its standpoints and responsibilities. We have successfully complied with the local regulations regarding the Graphical Health Warning on our cigarette packets. Graphical Health Warning must be implemented on all tobacco products to ensure level playing field. However, we always believe that the regulations with respect to Graphical Health Warnings should not be disproportionate, otherwise it will not deliver the intended results and will significantly erode our Intellectual Property Rights.

The tobacco industry has an economic impact both in terms of revenue generation for the Government and employment generation by employing around 1,500 direct employees, and 50,000 indirect employees in the form of farmers, distributors and suppliers and over 1.3 million retailers. The Company therefore, seeks that the Government takes an inclusive and participative approach about tobacco regulations, so that the regulatory policies reflect the views of all relevant stakeholders and are practical and enforceable.

Winning Organisation

The outstanding performance of BATB in 2016 can be credited to the hardworking people and the efficiency of the teams. The people of BATB are ever committed in driving the business with passion to win in an ever-changing and challenging business environment. The rapid success and growth of the company is powered through providing employees with an amazing work environment and involving the employees within the core business strategies. Peoples' constant resilience to tackle all the challenges has transformed BATB into an organization that is energetic and propels it to success.

BATB focuses on the learning and growth of its people with the aim of developing leadership capabilities to assist the people to realize their full potential. This is done by supplying the right opportunities to learn from their leaders and applying BAT's globally recognized learning and development platforms. The organization continues to provide the people with an environment that listens to their queries and that nurtures the talent. More than 200 employees have been trained through programs that helped them unleash their full potential. BATB focuses on building functional skills and also provides hands-on experiences to develop individuals as leaders. With the aim of sustaining the present agenda for talent, 119 employees were transferred to other roles and 120 were promoted. International assignments were given to 19 Bangladeshi managers in countries such as UK, Singapore, Indonesia, Japan, Korea, Papua New Guinea and Australia. On top of that, 450 employees were provided with leadership and functional skills training.





The 13th edition of “Battle of Minds”, the flagship talent promoting program of the Company was launched for universities all over Bangladesh. Battle of minds provides students with fantastic exposure and a platform to showcase their talent. Every year Battle of Minds comes up with new ways to be more challenging as was the case this time around giving the participants a glimpse of the real life business world. Battle of Minds 2016 was bigger than ever before and posed even tougher challenges for the participants. The talent brand that celebrates the endeavours of the employees was launched alongside Battle of Minds. The total number of participants exceeded over 2500 this year as BATB is determined to leave a footprint in the nation-building process with the help of its Battle of Minds and the success stories of its employees through the talent brand.

The people of BATB plays a big role for its success and BATB tries continuously to provide a work environment and culture that motivates people and helps them achieve their full potential. BATB takes on multiple initiatives in order to create a workforce that is highly engaged and strives to bring the people together in achieving the organisational objectives. We work constantly in involving people to make sure that they are aligned with the mission and vision of the company as well as their individual visions.

All in all, BATB remained steadfast and ready to face the constant challenges that came in our way in 2016 and at the same time met the goals of the Company and delivered results for our shareholders.

Environment, Health and Safety

British American Tobacco Bangladesh is fully committed to ensure safety and health of its people who come into BATB premises as well as minimize impact on environment. To keep the employees aware, the Company carried out various kinds of communications, awareness programs for managers, employees, and contractor people throughout the year. Week long campaign titled ‘EHS Awareness Week’ was arranged focusing on safe work practices in production floor, warehouses, and offices.

The Board of Directors

The Board of Directors of BATB blends a group of corporate specialists and highly qualified senior government officials and ex government officials. It is an amalgam of 9 professionals of whom 7 are non-executive directors including 3 independent directors and most of whom are senior government officials. The Board members are responsible for attaining the company’s business objectives, while also safeguarding the interests of its shareholders and numerous stakeholders. We believe that the company Board includes core competencies considered relevant in the context of BATB. The Company has obliged all regulatory compliances necessary for membership in the Company Board. The composition of the BATB Board is as follows:

- **Mr. Golam Mainuddin**
Chairman, Board of Directors
- **Mr. Shehzad Munim**
Managing Director
- **Mr. Md. Mosharraf Hossain Bhuiyan ndc**
Independent Director & Chairman, Audit Committee
Senior Secretary, Ministry of Industries
- **Mr. Mohammad Moinuddin Abdullah**
Independent Director
Secretary, Ministry of Agriculture
- **Mr. Mikail Shipar**
Independent Director
Secretary, Ministry of Labour and Employment
- **Mr. Jalal Ahmed**
Non-Executive Director
Additional Secretary, Ministry of Finance
- **Mr. Md. Iftikhar-Uz-Zaman**
Managing Director, ICB
(Appointed w.e.f. 22 February 2016)
- **Mr. K. H. Masud Siddiqui**
Non-Executive Director
Ex- Secretary Gov.of Bangladesh
- **Mr. William Francis Pegel**
Finance Director
- **Mr. Md. Azizur Rahman**
Company Secretary

Mr. Md. Fayekuzzaman resigned from the Board with effect from 22 February 2016. The Board of Directors would like to put on record the excellent contributions of Mr. Fayekuzzaman towards improvement of the Company and taking keen initiatives in the different issues

during his tenure as Non-Executive Directors and wish him every success in the future.

Directors Proposed for Re-election

Mr. William Francis Pegel shall retire from the Board by rotation at the 44th Annual General Meeting. The retiring Director, being eligible, is proposed for re-election at the 44th Annual General Meeting.

In accordance with the Articles of Association of the Company, Mr. Golam Mainuddin having reached the age above 65 years shall retire at the upcoming General Meeting. However, being eligible, he is also proposed for re-election at the Meeting for one year i.e. until the conclusion of the 45th Annual General Meeting to be held in 2018.

Board Subcommittees

There are currently three functional sub-committees of the Board, namely: Audit Committee, Compensation Committee and CSR Committee, the details of which are as follows:

Audit Committee

The Board has constituted an Audit Committee as per the BSEC directives. As required, the Report of the Audit Committee is included in this Annual Report. The Committee comprises of Mr. Md. Mosharraf Hossain Bhuiyan ndc (Independent Director & Chairman of the Committee), Mr. K. H. Masud Siddiqui, Mr. Md. Iftikhar-Uz-Zaman and Mr. Golam Mainuddin. All the members of the Committee are non-executives Directors and the Chairman of Audit Committee is an Independent Director. The Audit Committee met four times during the year 2016. Mr. Md. Azizur Rahman, Company Secretary served as the Secretary to the Audit Committee. Our Internal Audit Manager, Mr. Adnan Sharif Khan, presented the audit findings to the Audit Committee in the meetings. The key performances of the Audit Committee during the year were as follows:

- Reviewed and recommended to the Board the quarterly and annual financial statements.
- Considered and recommended to the

Board the appointment and remuneration of the statutory auditors of the Company.

- Reviewed and appraised the performance of the internal control system.
- Reviewed and recommended to the Board the Internal Audit Plan and monitored the progress about the same.
- Discussed the Internal and External Audit Report and findings therein with the auditors, members of Management and monitored the status of implementation of recommendations therein.
- Reviewed and considered the report on matters as required under the BSEC Guidelines.
- Reviewed the Loss and write-off report.

Board Compensation Committee

The Board Compensation Committee makes recommendations to the Board on terms of employment of the members of the Executive Committee, managers and employees. This Committee met once in 2016, and is headed by a Non-Executive Director. The other members include the Managing Director and the Finance Director. The Head of Human Resources acted as the Secretary to the Board Compensation Committee.

Board CSR Committee

The Board Corporate Social Responsibility (CSR) Committee is comprised of four Directors, of which, an Independent Director is the Chairman. The constituents of the Committee are Mr. Moinuddin Abdullah (Chairman of CSR Committee), Mr. Mikail Shipar, Mr. Jalal Ahmed, and Mr. Shehzad Munim. The purpose of the Board CSR Committee is to ensure long term sustainability of Company aspirations and management of the Company's CSR initiatives. The initiatives are managed in a way that secures business stability and sustain positive image and reputation of the Company and establishes the Company's commitment to the



nation at large. The CSR committee met three times in 2016. The initiatives are all aligned with the SDG's and we are contributing to fulfil the Government's commitment to the nation at large.

Going Concern

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

The System of Internal Control

The Board of Directors assures its Shareholders that the Company has a competent risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the Company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to assess that controls that are in place are adequate to address those risks. This report further encloses a detailed discussion on the internal control framework under the Statement of Internal Control.

Directors' Declaration as to Financial Statements

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

- the financial statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- proper books of account of the Company have been maintained;
- appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;

- the International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;
- the system of internal control is sound in design and has been effectively implemented and monitored;
- there is no doubt, whatsoever, upon the Company's ability to continue as a going concern.

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

- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's codes of conduct.

Retrospective Tax Demand by LTU-NBR

The VAT and SD demand of BDT 1,924 crore was a claim retrospectively imposed upon the Company on 23rd November 2013 in respect of the Bristol and Pilot cigarettes in the low segment. Subsequently, LTU-VAT recalculated and issued the new demands of BDT 1,780 crore on 12th April 2016 following the order of the Honourable High Court Division passed on 6th March 2016.

The very basis of the demand was based on competitor's complaint that BATB was selling products of higher quality in low segment. Pursuant to the competitor's complaint LTU-VAT conducted a chemical test at Bangladesh Council of Scientific and Industrial Research (BCSIR) to determine the quality of our brands Pilot and Bristol (low segment brands) with our medium segment brands. It is worth mentioning that despite there being no reference of chemical test in the VAT law, LTU conducted this test only for BATB's products and none from the competitors. The test concluded that Pilot and Bristol were similar to our medium segment Brand-Star, in quality. It should also be considered that although the then Commissioner of LTU's sent a letter dated 24 February 2013 to NBR, mentioning that as there is no proof of collection of medium segment VAT and SD by BATB from the consumers then any retrospective VAT claim (additional) for the same would be of no legal standing and against the principles of natural justice.

It may be mentioned that the Company, after getting VAT-1 duly approved by LTU of NBR each year, sold Pilot and Bristol brands in the market at their approved price. The Brand pilot is still being sold by the Company in the low segment after VAT -1 approval from LTU of NBR till date. The brand Bristol has been discontinued by the Company as per verbal request of NBR, Chairman.

An opinion was sought from the Ministry of Law by NBR and they opined that there cannot be any retrospective VAT claim under the scope of the VAT Act. They have confirmed that since BATB did not collect the VAT and SD of medium segment from the consumers, therefore, LTU- cannot impose any retrospective VAT and SD claim on BATB. In accordance with the approval given by NBR for Pilot and Bristol, BATB had sold the products in the approved low segment.

However, a Public Interest Litigation was filed to stay the consideration of Ministry of Law's opinion by NBR. This PIL was filed by an individual named Dr. Moshir Rahman, a Professor by profession. The petitioner has now withdrawn the case and as such there is no legal bar on NBR to consider the opinion of Ministry of Law.

It may also be mentioned here that there was a Supreme Court order to conduct the chemical tests for all the available cigarettes in the Bangladesh Standards and Testing Institution (BSTI) as they are the only competent authority as per law. In accordance with the said Supreme Court order the chemical test of our products were conducted recently and the report is clearly different from that of BCSIR on the basis of which LTU-VAT had initiated the demands. BSTI report clearly shows that none of the cigarette brands are similar to each other. Therefore, the very basis of the demands and the allegation of false price declaration is now baseless in the light of the BSTI chemical test report. The matter is now before the Appellate Division for admission hearing.

The Board feels positive about the outlook of the Honorable Prime Minister and Finance Minister in order to reach a solution of this long outstanding issue.

Other Regulatory Disclosures

- The Company is aware of its various risks and concerns of regulatory bodies. Financial risk management has been disclosed under note 36.B. of the financial statements
- All transactions with related parties have been made on a commercial basis and the basis was the principle of "Arm's Length Transaction". Details of related party and transactions have been disclosed under note 37 of the financial statements.
- The Company's IPO was made during inception. No further issue of any instrument was made during the year.
- From inception, the financial results of the Company have continued to grow as reflected in the yearly financial statements of the Company.
- As per IAS 1 Presentation of Financial Statements, no items of income and expense are to be presented as `extraordinary gain or losses` no `extraordinary gain or loss` has been recognized in the financial statements.



- No significant variations have occurred between quarterly and final financial results of the Company during 2016.
- During the year, the Company has paid a total amount of BDT 90,000 as Board meeting attendance fees. The remuneration of Directors has been mentioned in Note 37 of the Financial Statements.
- All significant deviations from the previous year in operating results of the Company have been highlighted and reasons thereof have been explained.
- The key operating and financial data for the last five years have been disclosed in the Directors' Report.
- The Company has proposed cash dividends for the year 2016.
- During 2016, a total of 12(twelve) Board meetings were held, which met the regulatory requirements in this respect. The attendance records of the Directors are shown in Annexure-1 to this report.
- Shareholding patterns of the Company as on 31 December 2016 are shown in Annexure-1 to this report.
- The Directors' profiles have been included in the Annual Report as per BSEC Guidelines.

Corporate Governance Compliance Statement

BATB believes that enriched corporate governance contributes to the long term success of a company and creates trust and engagement between the company and its stakeholders. Accordingly, the Board of Directors and Management are committed to continuously striving for the highest standards in governance to ensure that the business and its affairs are in strict adherence to the doctrine and principles of sound governance such as integrity, transparency, accountability and responsible business conduct to safeguard the interests of its shareholders and stakeholders. It is the responsibility of the

Company Secretary, being the highest governance official in the Company, to ensure effective compliance of rules and regulations in this respect.

As part of its corporate policy, BATB always strives for maximizing its shareholders' value and benefit. In doing so, the Company is committed to maintaining high standards of Corporate Governance. The Company's Corporate Governance framework is directed towards achieving its business objectives in a manner that is responsible and in accordance with its high standards of honesty, reliability, transparency and accountability. The essential elements that define effective corporate governance in the Company are outlined in the Corporate Governance Statement which is appended in this Annual Report. The contents in the statement further expand on the broad practices in BATB. All the employees are expected to live up to these principles and guidelines which are communicated regularly throughout the Company in the form of various training and awareness programmes.

In this respect, we have the pleasure to confirm that the Company has, complied with all the necessary guidelines under BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012. The Compliance Report along with the necessary remarks and disclosures is appended in this Annual Report for the year 2016. Further, a Certificate of Compliance required under the said Guidelines, as provided by M/s. Al-Muqtadir Associates, Chartered Secretaries, is also annexed to this report.

Auditors

As per requirements of law, the current statutory auditors KPMG Rahman Rahman Haque, Chartered Accountants, will retire at the 44th Annual General Meeting. However, they have expressed their willingness to be re-appointed for the year 2017. Based on suggestions of the Audit Committee, the Board recommends the re-appointment of KPMG Rahman Rahman Haque, Chartered Accountants as the statutory auditors of the Company for the year 2017 and continuation upto the next AGM at a fee of Tk. 900,000 (Taka Nine lacs) only and requests the Shareholders to approve the appointment.

Business Commitments

BATB values and continuously updates its corporate strategies and commitments. It was more than 100 years ago, when the Company established itself on this land of opportunities and possibilities - Bangladesh. Since independence, BATB has demonstrated an unwavering dedication to the country and its people and this commitment is what sets BATB apart from any other business entity. This uniqueness is reflected through the passion and dedication of its employees and business partners that has brought BATB across the country to its today's height. BATB is listed on both Dhaka and Chittagong Stock Exchanges and is currently the highest taxpayer. In this year alone we have contributed Taka 13,631 crores in the Government exchequer in the form of supplementary duty, value added tax, income tax, custom duty and other levies. BATB has always cherished and shall continue to value its treasured relationship with the Government of Bangladesh, esteemed shareholders and other stakeholders of the Company.

Awards & Achievements

Our stupendous performance and management in the year 2016 has led us to achieve some prestigious awards from different credible organisations locally and internationally. The Company has been awarded with the Golden Leaf Award for 2016, in recognition of its 'consistent delivery of excellence' and also received Asia Pacific Regional Award 2016 for being the 'best market in the Asia Pacific Region' from BAT Group. In 2016 the Company was also awarded with the following recognitions:

- Highest Tax Payer Recognition by National Bureau of Revenue (NBR)
- ICSB National Award for Corporate Governance Excellence
- ICMAB Best Corporate Award 2015
- 16th ICAB National award for best presented Annual Report
- Asia Best Employer Brand Award 2016 by Chief Marketing Officer (CMO) Council Asia
- Best Employer Award by Bdjobs.com
- 20 Local Government Awards (1st Prize) for Afforestation in different districts (Details of these awards are mentioned in the achievements section of this Annual Report)

Expectations in 2017

BATB has an ambition to provide the best quality products to its numerous customers and brand users. Now, looking ahead in 2017 and beyond, BATB wishes to go ahead with the same zeal that it had started 100 years ago, to be the number one locally listed Company in turnover, in partnering with the national exchequer and in assisting the people to operate as a social responsible Company. Moreover, the Company's initiatives for 2017 will bring about a positive change across the nation with various initiatives directed towards poverty alleviation, gender equality, human development and well-being, partnership in green cultivation practices, prevention of arsenic contamination, forest preservation, and extending sustainable modern energy in off-grid areas.

Acknowledgements

The performance of BATB in 2016, even with so many challenges confronted, demonstrates the determination of the Board, Management and overall the people in the Company. The outstanding achievement of the year is more than a tribute to the countless brand users of the Company and its numerous stakeholders'. And with that conviction at the background the Board of Directors firmly believes that BATB has the necessary strengths, resources and commitments to further propel the Company to newer heights. The Members of the Board would like to place on record their high appreciation to the valued Shareholders and all other Stakeholders of the Company for their persistent support and guidance. The



Board would also like to thank each and every customer for their continued support and for making Company brands their preferred choices. The Board also recognises that its journey and accomplishments during the year was possible because of the cooperation, positive support, and guidance that it had received from the Government of Bangladesh, particularly the Ministry of Finance, Ministry of Commerce, Ministry of Agriculture, Ministry of Labour and Employment, Ministry of Forest & Environment and Ministry of Housing & Public Works, National Board of Revenue, Board of Investment, Investment Corporation of Bangladesh, Bangladesh Securities and Exchange Commission, Stock Exchanges and other numerous stakeholders. The Board would like to appreciate the support from BATB's bankers, insurers & financial institutions, vendors, the Press & Media, business partners and all of our employees. Accordingly, the Board offers its utmost gratitude to them.

We also extend our warmest thanks to the management and employees for being the essential part of BATB during the year. It was their unrelenting commitment, dedication and diligence throughout the year that led to the Company achieving the results, awards and accolades in 2016.

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

On behalf of the Board of Directors

sd/-

Golam Mainuddin
Chairman

27 February, 2017

sd/-

Shehzad Munim
Managing Director

27 February, 2017



PATTERNS OF SHAREHOLDING

Names of the shareholders along with their position of shares are listed below:

Name of Shareholder	Shares Held	% of Holding
i) Parent/subsidiary/associate/related parties: Raleigh Investment Co. Ltd.	43,745,358	72.91%
ii) Directors/CEO/CS/CFO/Audit Head and their spouses and minor children	100	0.00016%
iii) Executives (HOD)	nil	nil
iv) Shareholders, who hold 10% or more:	nil	nil
v) Others Shareholders, who hold less than 10%		
• Investment Corporation of Bangladesh	4,232,813	7.06%
• Sadharan Bima Corporation	1,694,047	2.82%
• Bangladesh Development Bank Limited	197,376	0.33%
• President People's Republic of Bangladesh	386,824	0.64%
• Others	9,743,482	16.23984%

BOARD MEETINGS

The Board of Directors met twelve times during the year 2016. The Company Secretary and Chief Financial Officer (Finance Director) were present in the Board meetings. The attendance by each Director is mentioned below:

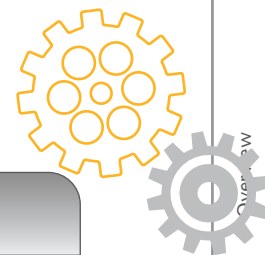
Present Directors' Name	No. of Attendance
Mr. Golam Mainuddin	12
Mr. Shehzad Munim	12
Mr. K.H. Masud Siddiqui	12
Mr. Md. Mosharraf Hossain Bhuiyan ndc	11
Mr. Mohammad Moinuddin Abdullah	11
Mr. Mikail Shipar	10 (Appointed on 15 March 2016)
Mr. Jalal Ahmed	11
Mr. Md. Iftikhar-Uz-Zaman	9 (Appointed on 22 February 2016)
Mr. William Francis Pegel	9



**Status of Compliance with the Conditions Set Out by the BSEC Notification
on Corporate Governance
(Report Under Condition No. 7.00)**

Condition No	Title	Status	Remarks
1.1	Board Size: The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty)	Complied	The BATB Board is comprised of 9 Directors.
1.2 (i)	Independent Directors: At least one fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors.	Complied	There are three Independent Directors in the BATB Board, namely: Mr. Md. Mosharraf Hossain Bhuiyan ndc, Mr. Mohammad Moinuddin Abdullah and Mr. Mikail Shipar
1.2 (ii) (a)	Independent Director does not hold any share or holds less than 1% shares of the total paid-up capital	Complied	The Independent Directors have declared their compliances.
1.2 (ii) (b)	Independent Director or his family members are not connected with the Company's any sponsor or Director or Shareholder who holds 1% or more shares	Complied	DO
1.2 (ii) (c)	Does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated companies	Complied	DO
1.2 (ii) (d)	Independent Director is not a member, Director or officer of any Stock Exchange	Complied	DO
1.2 (ii) (e)	Independent Director is not a shareholder, Director or officer of any member of Stock Exchange or an intermediary of the capital market	Complied	DO
1.2 (ii) (f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm	Complied	DO
1.2 (ii) (g)	Independent Director shall not be an Independent Director in more than 3 (three) listed companies	Complied	DO
1.2 (ii) (h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	Complied	DO

Condition No	Title	Status	Remarks
1.2 (ii) (i)	Independent Director has not been convicted for a criminal offence involving moral turpitude	Complied	DO
1.2 (iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM	Complied	The appointments are duly approved at AGM
1.2 (iv)	The Post of Independent Director(s) can not remain vacant for more than 90 (ninety) days	Complied	No vacancy occurred
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	Complied	The Company has laid down a detailed code of conduct for all known as 'Standards of Business Conduct' which is applicable for the Directors as well. Every Director has signed a confirmation as to its compliance.
1.2 (vi)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	Complied	The Independent Directors (IDs) are in their regular term of office.
1.3 (i)	Independent Director should be a Business Leader/Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants Chartered Secretaries. The Independent Director must have at least 12 (twelve) years of corporate management/professional experiences	Complied	Existing Independent Directors are bureaucrats with more than 12 years of experience.
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	Not Applicable	
1.4	Chairman and CEO shall be filled by different individuals. Chairman shall be elected from among the Directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO.	Complied	Chairman of the Board and CEO are different individuals and Chairman is elected from amongst the Directors. The roles and responsibilities of the Chairman of the Board and the CEO are approved in Board meeting.
1.5	The Directors' Report to Shareholders on:		
1.5 (i)	Industry outlook and possible future developments in the industry	Complied	The Directors' report complies with the guideline.
1.5 (ii)	Segment-wise or product-wise performance	Complied	The Directors' report complies with the guideline
1.5 (iii)	Risks and concerns	Complied	Discussed at 'System of Internal Control' and 'Other Regulatory Disclosures'.



Condition No	Title	Status	Remarks
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	Complied	The Directors' report complies with the guideline
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	Complied	Discussed at 'Financial Performance' and 'Other Regulatory Disclosures'.
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	Complied	Mentioned at 'Other Regulatory Disclosures'. A statement of all related party transactions are disclosed under Notes to the Financial Statements no. 37
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	Complied	Mentioned at 'Other Regulatory Disclosures'.
1.5 (viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	Complied	Mentioned at 'Other Regulatory Disclosures'.
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	Complied	Discussed at 'Financial Performance' and 'Other Regulatory Disclosures'.
1.5 (x)	Remuneration to Directors including Independent Directors	Complied	Mentioned at 'Other Regulatory Disclosures'.
1.5 (xi)	The financial statements prepared by the management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	Complied	Stated under section "Directors' Declaration as to the Financial Statements" in the Directors Report.
1.5 (xii)	Proper books of account of the issuer Company have been maintained	Complied	DO
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of th financial statements and that the accounting estimates are based on reasonable and prudent judgment	Complied	DO
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	Complied	DO
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	Complied	Stated under section 'The System of Internal Control ' in the Directors Report.

Condition No	Title	Status	Remarks
1.5 (xvi)	There are no significant doubts upon the issuer Company's ability to continue as a going concern. If the issuer Company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	Complied	Stated under section 'Going Concern' in the Directors Report.
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof should be explained	Complied	Discussed in the Directors Report under section "Growth Pillar".
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	Complied	The Directors' Report complies with the guideline.
1.5 (xix)	No Declaration of Dividend	Complied	Final dividend declared. The Directors' report complies with the guideline .
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed	Complied	Stated in Annexure -1 of the Directors' report which comply with the guideline .
1.5(xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-	Complied	DO
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	DO
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	Complied	DO
1.5 (xxi) (c)	Executives	Complied	DO
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name wise details)	Complied	DO
1.5 (xxii)	In case of the appointment/re-appointment of a Director the Company shall disclose the following information to the shareholders:- a) a brief resume of the Director; b) nature of his/her expertise in specific functional areas; c) names of companies in which the person also holds the Directorship and the membership of committees of the Board	Complied	The Directors' Report complies with the Guidelines as stated at "Board Composition Section' in the Annual Report.



Condition No	Title	Status	Remarks
2.1	The Company shall appoint a Chief Financial Officer(CFO), a Head of Internal Audi (internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles responsibilities and duties of CFO, the Head of Internal Audit and the CS.	Complied	The Company has appointed CFO, CS and Head of Internal Audit. There are clearly defined roles, responsibilities and duties which have been approved by Board as per requirement of BSEC notification.
2.2	Attendance of CFO and the Company Secretary in the Board meeting	Complied	In practice
3 (i)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors	Complied	Already in place. The TOR is available.
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business	Complied	In practice. The TOR is available.
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	Complied	In practice. The duties are clearly written in the TOR of Audit Committee
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	Complied	The Audit Committee is comprised of 4 (four) members.
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be Director of the Company and shall include at least 1 (one) Independent Director	Complied	The members of the Audit Committee are appointed by the Board who are Directors and which includes one Independent Directors who is the Chairman of the committee.
3.1 (iii)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience: The term Financially literate means the ability to read and understand the financial statements i.e. Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or Accounting/finance graduate with at least 12 (twelve) year of corporate management/ professional experiences.	Complied	Based on the academic qualifications and professional experiences, the Board reviewed and considered that all the existing members of the Audit Committee are 'financially literate' and they have 'related financial management experience' as per BSEC notification.
3.1 (iv)	Casual vacancy in Audit Committee shall be Filled by the Board	Complied	The Board appointed AC member in due time and no vacancy occurred.
3.1 (v)	The Company secretary shall act as the secretary of the Committee	Complied	In practice.



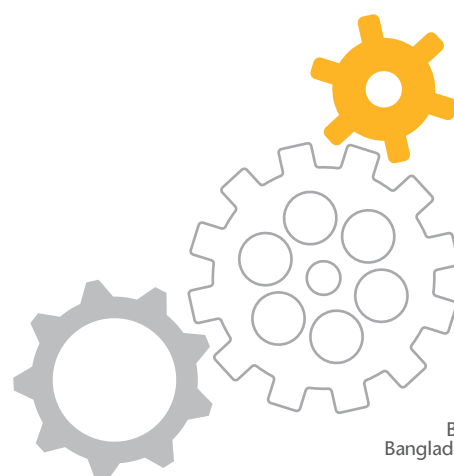
Condition No	Title	Status	Remarks
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director	Complied	In practice.
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director	Complied	Md. Mosharraf Hossain Bhuiyan ndc has been appointed as Independent Director and Chairman of the Audit Committee
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	Complied	In practice.
3.3 (i)	The Role of Audit Committee: Oversee the financial reporting process	Complied	In practice.
3.3 (ii)	Monitor choice of accounting policies and principles	Complied	In practice.
3.3 (iii)	Monitor Internal Control Risk management process	Complied	In practice.
3.3 (iv)	Oversee hiring and performance of external auditors	Complied	In practice.
3.3 (v)	Review along with the management, the annual financial statements before submission to the Board for approval	Complied	In practice.
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	Complied	In practice.
3.3 (vii)	Review the adequacy of internal audit function	Complied	In practice.
3.3 (viii)	Review statement of significant related party transactions submitted by the management	Complied	In practice.
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	Complied	In practice.
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the Company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/ prospectus	Not Applicable	There was no IPO/RPO/Rights Issue in 2016 or in recent past. Stated in the Directors' Report under the section 'Other Regulatory Disclosure'.
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors	Complied	Audit Committee informs the Board periodically through its minutes which are placed at Board Meetings



Condition No	Title	Status	Remarks
3.4.1 (ii) a)	Report on conflicts of interests to the Board of Directors	Complied	The Directors have declared their compliances.
3.4.1 (ii) b)	Will report any suspected or presumed fraud or irregularity or material defect in the internal control system to the Board	Complied	There was no such case in the year.
3.4.1 (ii) c)	Will report any suspected infringement of laws including securities related laws, rules and regulations to the Board	Complied	DO
3.4.1 (ii) d)	Will report any other matter which shall be disclosed to the Board of Directors immediately	Complied	DO
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	None	DO
3.5	Reporting to the Shareholders and General Investors: report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer Company	Complied	The Audit Committee report is disclosed in the Annual Report and signed by the Chairman of the AC
4 (i)	Non-engagement of external/statutory auditors in appraisal or valuation services or fairness opinions	Complied	In practice
4 (ii)	Non-engagement of external/statutory auditors in financial information systems design and implementation	Complied	In practice
4 (iii)	Non-engagement of external/statutory auditors in Book-keeping or other services related to the accounting records or financial statements	Complied	In practice
4 (iv)	Non-engagement of external/statutory auditors in Broker-dealer services	Complied	In practice
4 (v)	Non-engagement of external/statutory auditors in Actuarial services	Complied	In practice

Condition No	Title	Status	Remarks
4 (vi)	Non-engagement of external/statutory auditors in Internal audit services	Complied	In practice.
4 (vii)	Non-engagement of external/statutory auditors in any other service that the Audit Committee determines	Complied	In practice.
4 (viii)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company	Complied	The audit firm has declared as such that none of them holds any share in the Company during the year.
4 (ix)	Non- engagement of Auditor in audit/ certification services on compliance of corporate governance as required under clause (i) of condition no. 7	Complied	In practice.
5 (i)	Provisions relating to the composition of the Board of Directors of the holding Company shall be made applicable to the composition of the Board of Directors of the subsidiary Company	Not Applicable	BATB does not have any subsidiary Company
5 (ii)	At least 1 (one) Independent Director on the Board of Directors of the holding Company shall be a Director on the Board of Directors of the subsidiary Company	Not Applicable	BATB does not have any subsidiary Company
5 (iii)	The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding Company	Not Applicable	BATB does not have any subsidiary Company
5 (iv)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also	Not Applicable	BATB does not have any subsidiary Company
5 (v)	The Audit Committee of the holding Company shall also review the financial statements, in particular the investments made by the subsidiary Company	Not Applicable	BATB does not have any subsidiary Company
6 (i) a)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	Complied	CEO and CFO have certified to the Board during finalisation of Financial Statement which is stated in the 'Directors declaration as to financial statements' in the Directors Report.
6 (i) b)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws	Complied	CEO and CFO have certified to the Board during finalisation of Financial Statement which is stated in the 'Directors declaration as to financial statements' in the Directors Report.

Condition No	Title	Status	Remarks
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct	Complied	CEO and CFO have certified to the Board during finalisation of Financial Statement which is stated in the 'Directors declaration as to financial statements' in the Directors Report.
7 (i)	The Company shall obtain a certificate from a Professional Chartered Secretary/Accountant (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis	Complied	Required certification has been obtained from M/s Al-Muqtadir Associates, Chartered Secretaries, for the year 2016 which is published as Annexure -4 to the Directors' Report.
7 (ii)	The Directors of the Company shall state, in accordance with the Annexure attached, in the Directors' report whether the Company has complied with these conditions	Complied	Status of Compliance is published with the Directors' Report as required.



BRITISH AMERICAN TOBACCO BANGLADESH COMPANY LIMITED
CERTIFICATE OF DUE DILIGENCE BY CEO & CFO
(As required under the BSEC Guidelines)

To the Board of Directors of
British American Tobacco Bangladesh Company Limited

In compliance with condition no. 6 of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, we the undersigned, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of British American Tobacco Bangladesh Company Limited, do hereby certify before the Board that we have thoroughly reviewed the Financial Statements of the Company for the year ended 31 December 2016, and state that :

- a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
- b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws, and
- c) to the best of our knowledge and belief, the Company has not entered into any transaction during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.



Shehzad Munim
Chief Executive Officer



William Francis Pegel
Chief Financial Officer

Dhaka
27 February 2017





Business Office:
Block : F, Rania Avenue
Apurba Gardenia
House # 530, (5th Floor)
Bashundhara R/A, Dhaka-1229
Bangladesh

Phones : 01730 340 340
01552 108 522
e-mail: akamuqtadir@gmail.com
muqtadir@muqtadirbd.com
URL : www.muqtadirbd.com
VAT Reg: 19041063900

Certificate of Compliance to the Shareholders of British American Tobacco Bangladesh Company Limited

(As required under the BSEC Corporate Governance Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by British American Tobacco Bangladesh Company Limited for the year ended 31st December 2016. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance. This is a scrutiny and verification only and not an expression of opinion or audit on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that, subject to the remarks and observations as reported in the attached Compliance Statement, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company. This is also no endorsement about quality of contents in the Annual Report of the Company for 2016.

Dhaka
27 February, 2017

AL-MUQTADIR ASSOCIATES
Chartered Secretaries & Consultants



INTEGRATED REPORTING

For the first time ever we have presented our 2016 Annual Report as an 'Integrated Report', using the IR Framework issued by the International Integrated Reporting Council. The cycle of integrated reporting will act as a force for financial stability and sustainability by focusing on value creation over time. Integrated Reporting promotes a more cohesive and efficient approach to corporate reporting and aims to improve the quality of information available to our investors and other stakeholders. An integrated report aims to provide insight about the resources and relationships used and affected by an organization.

Scope of The Report

Our report highlights fiscal year financial performance in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) issued by the Institute of Chartered Accountants of Bangladesh (ICAB).

In preparing our 2016 report, we have referred to the 'Annual Report Review Checklist' issued by both Institute of Chartered Accountants of

Bangladesh (ICAB) and South Asian Federation of Accountants (SAFA) and the 'Integrated Reporting Checklist' which is in line with the integrated reporting elements issued by the International Integrated Reporting Council (IIRC). The financial statements and other disclosures for the year of 2016 are in accordance with the requirements of

- Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs);
- Companies Act 1994;
- Securities and Exchange Rules 1987;
- The Income Tax Ordinance 1984;
- The Income Tax Rules 1984;
- And other applicable laws and regulations of the country.

The non-financial information provided in our 2016 report has been published from internally maintained records.

Our corporate governance practices report has been drawn in reference from the revised Corporate Governance Guidelines (CGG) issued by Bangladesh Securities and Exchange Commission (BSEC).

External Assurance

BATB obtains external assurance from the following two firms during the period under consideration, the outcomes of which are duly published in this report:

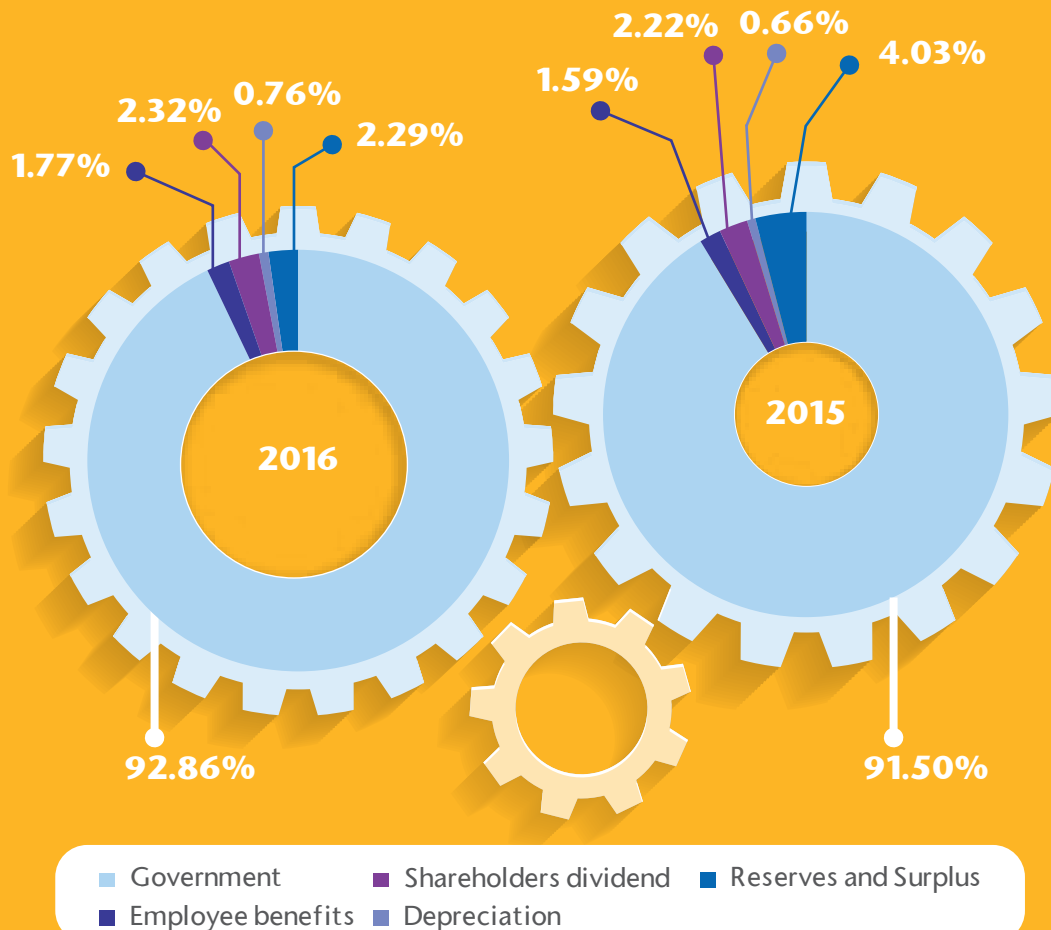
Sl no.	Description of Report	External Assurance
1.	Financial Statements Audit Report	KPMG Rahman Rahman Huq, Chartered Accounts
2.	Corporate Governance	Al-Muqtadir Associates, Chartered Secretaries & Consultants

Availability of the Annual Report

The printed hard copy of the Annual Report is forwarded to all the shareholders, prior to holding the Annual General Meeting, giving required period of notice. For extended use of the report by our stakeholders, soft copy of the report is available in our website.

VALUE ADDED STATEMENT

In BDT 000'				
Particulars	2016		2015	
	Amount	%	Amount	%
Gross Turnover	165,633,760		143,711,664	
Less Purchase of materials & service	23,564,286		22,122,580	
Value added	142,069,474	100	121,589,084	100
Applications				
Government	131,922,985	92.86	111,256,770	91.50
Employee benefits	2,518,794	1.77	1,927,728	1.59
Shareholders dividend	3,300,000	2.32	2,700,000	2.22
Depreciation	1,081,358	0.76	807,733	0.66
Reserves and Surplus	3,246,337	2.29	4,896,853	4.03
Total	142,069,474	100	121,589,084	100

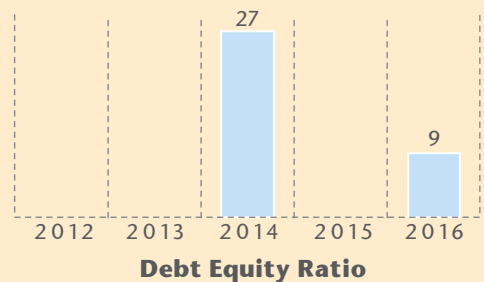
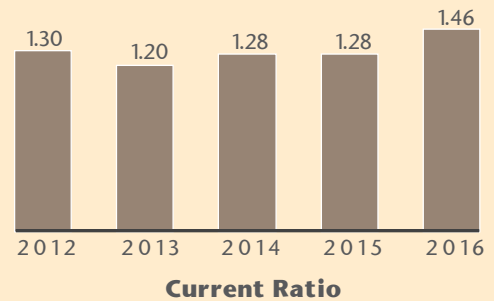
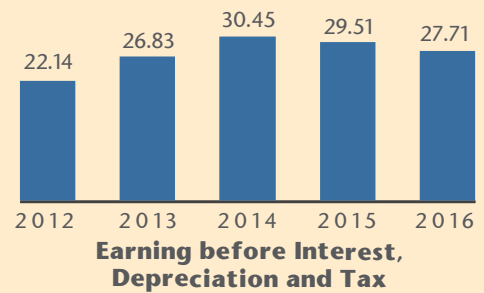
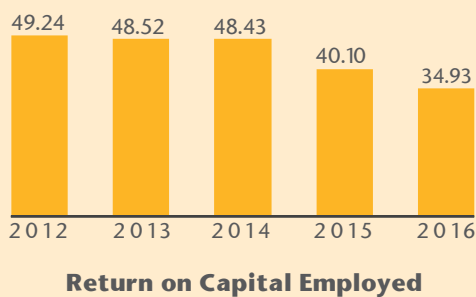
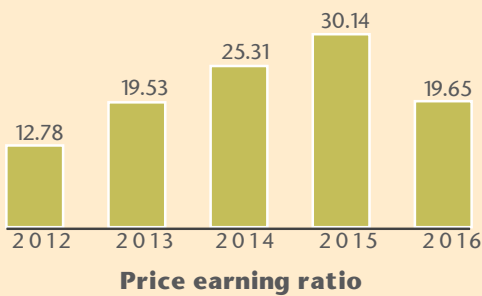
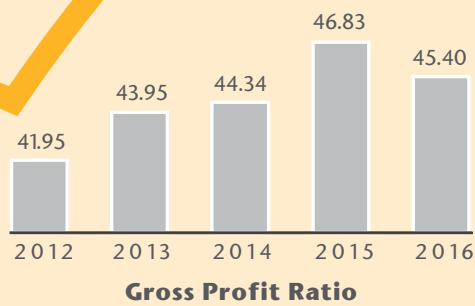


Economic Value Added (EVA)

EVA provides a measurement of a company's economic success over a period of time. It shows how well a company has added value for its investors and it can be compared against company's peers for an analysis of how well the company is operating in its industry.

A positive number of EVA reveals that the company has more than covered its cost of capital in 2016 and 2015, the EVA of BAT Bangladesh has been positive.

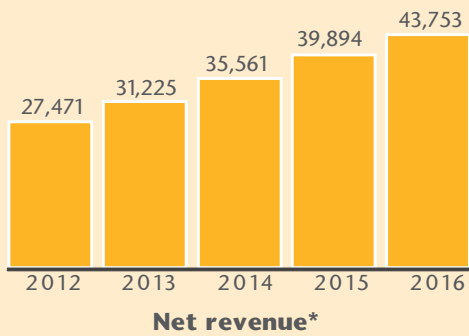
Key Performance Indicators



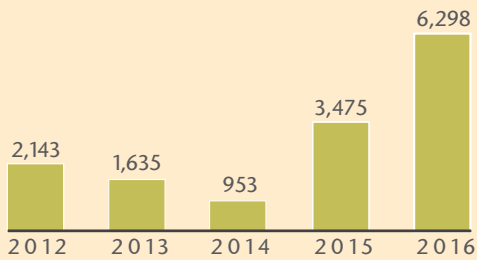
* No overdraft year end bank balance in 2012, 2013 & 2015

* Ratio in Percentage

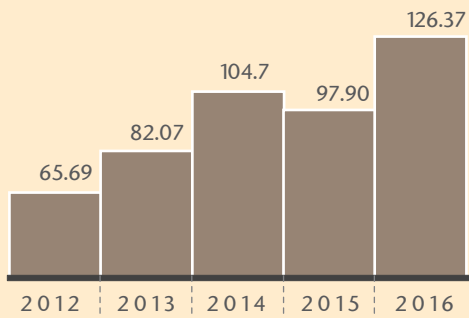
Financial Performance at a Glance



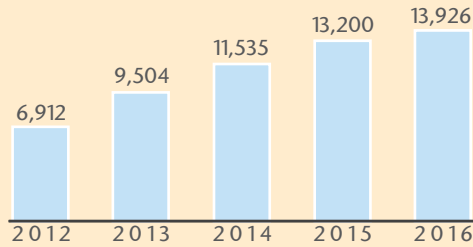
Net revenue*



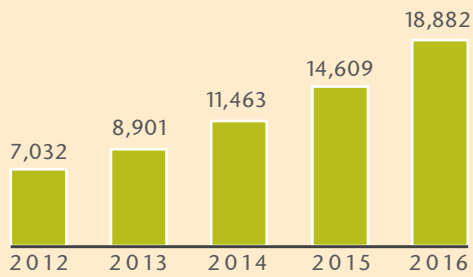
Net Current Assets*



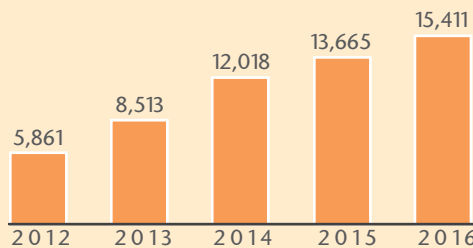
EPS in BDT



Operating profit*



Shareholders fund*



Property, plant & Equipment*

* Financials in BDT Millions

SETTING THE WHEELS OF SAFETY IN MOTION

With an exceptional commitment and devotion towards employee welfare, BATB has taken upon itself to set in place the Environment, Health and Safety (EHS) programme to raise awareness about labour and infrastructure conditions. Moreover, it has been designed to exemplify unsafe environments by showcasing the consequences of accidents and injuries at factories, workplaces and elsewhere, as well as teach ways of eliminating them with correct measures. Back in 2014, the company's factory in Kushtia broke all records by managing accident-free operations for 5 successful years. The record helped BAT Bangladesh win the Safety Award, garnering the company worldwide acclaim and recognition as a source of inspiration for companies in the pursuit of similar goals.



ENVIRONMENT, HEALTH AND SAFETY

The Journey Continues

British American Tobacco as a group believes in creating an inspiring, motivating and high performing working environment for all its employees across the world. As a socially responsible organization BAT puts a lot of effort and resources in maintaining a world class standard of Environment, Health and Safety practices. As BAT Bangladesh's market is growing impressively, the betterment of Environment, Health and Safety standard is even more important for the welfare of its employees and sustainability of environment. During the period of 2015, several initiatives were taken to further improve the facility and build awareness level of EHS among the employees and improve the work practices.

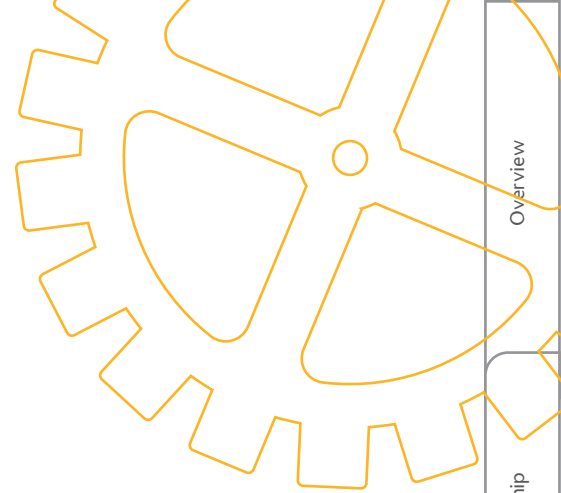
British American Tobacco Bangladesh is fully committed to ensure safety and health of its people who come into BATB premises as well as minimize impact on environment. We expect our people inside our premise to stay safe so that they can get back home safe and sound. To remain safe while carrying out various business activities it is extremely important for all of us to be aware of the risks associated with any activity and act/ behave safely.

BAT Bangladesh started a new journey in EHS front. Behavior based Safety has been launched with a brand name PULSAR (a Portuguese word meaning close to heart). This is a two communication between people who observe each other's work behavior and then discuss with each other in a polite, positive manner. This happens frequently and conducted by managers, employees. We believe this process will help us in achieving the objective of safe work attitude in the long run.

Permit to work system has been standardized and pictorial Dos and Don'ts launched for carrying out work like work at height, welding work, crane operation.



BATB MD Mr. Shehzad Munim inaugurated the journey





To keep our people aware, we carried out various kinds of communications, awareness programs for managers, employees, and contractor people throughout the year. We arranged week long campaign titled 'EHS Awareness Week' focusing on safe work practices in production floor, warehouses, and offices.

Employees interacted through various interactive games conveying safety messages.

For office based staffs, launched an Office Safety Manual to bring awareness of various office related risks. 





Stress relieved session for office based people in line with the theme of Global Safety Day.



Massive training program has been arranged during the week to refresh knowledge on key issues.



EHS messages from the top team displayed around the premise.



- Compressed air pressure reduction by 1 bar [7.2 bar to 6.1], booster pump has been installed in PMD
- Smart/intelligent air controller for compressor
- Boiler run optimization in line with PMD non production time
- Inverter controlled compressor and vacuum pump
- Reusing the cooling water from vacuum pump

All these initiatives have contributed in reducing energy consumption as well as saved lot of money. British American Tobacco Bangladesh will continue to spread out EH&S among its supplier in the future and will continuously improve the awareness and work standards while growing with less environmental impact.

MOTIONING RESPONSIBILITY IN CONSUMPTION AND PRODUCTION

It is widely acknowledged that farmers play a crucial role in maintaining the essential ecological balance of the nature. As such, BAT Bangladesh in partnership with the Department of Agriculture has been working tirelessly to implement technical know-how's and practices on to its businesses. Innovative practices in the likes of Recycling and Waste Management and Integrated Farm Management (IFM) training, whereby farmers receive macro-agricultural knowledge, have been extensively implemented. Moreover, the company has set up Effluent Treatment Plants (ETPs), along with facilitating the wider use of Bio-fertilizers and Eco-friendly Pest Management to prevent any adverse impact on people's health as well as the environment.



INTEGRATED FARM MANAGEMENT COMPONENTS (IFMC)

BATB Focus to Improve Farm Productivity



British American Tobacco Bangladesh believes that the business has a key role to play in helping its farming community to achieve economic sustainability. The economy of Bangladesh, like most of the developing countries, is still predominantly agriculture based, and for any sort of sustainable development to take place, the farmer base will be critically important. British American Tobacco Bangladesh has a unique relationship with more than 33,000 tobacco farmers in Bangladesh. Our relationship with these farmers enables us to be very proactive in helping them to address various economic & social issues associated with their lives and daily livelihood. Though tobacco constitutes the major earning for the marginal farmers of tobacco growing areas, British American Tobacco Bangladesh believes that farmers should emphasise to increase productivity of other components of the farm like poultry, livestock, fisheries, homestead fruit & vegetables gardening which ultimately will increase the annual farm income. To ensure efficient utilization of all available farm resources, farmers should be supported with practical knowledge & technologies on farm components. Under program "Agriculture

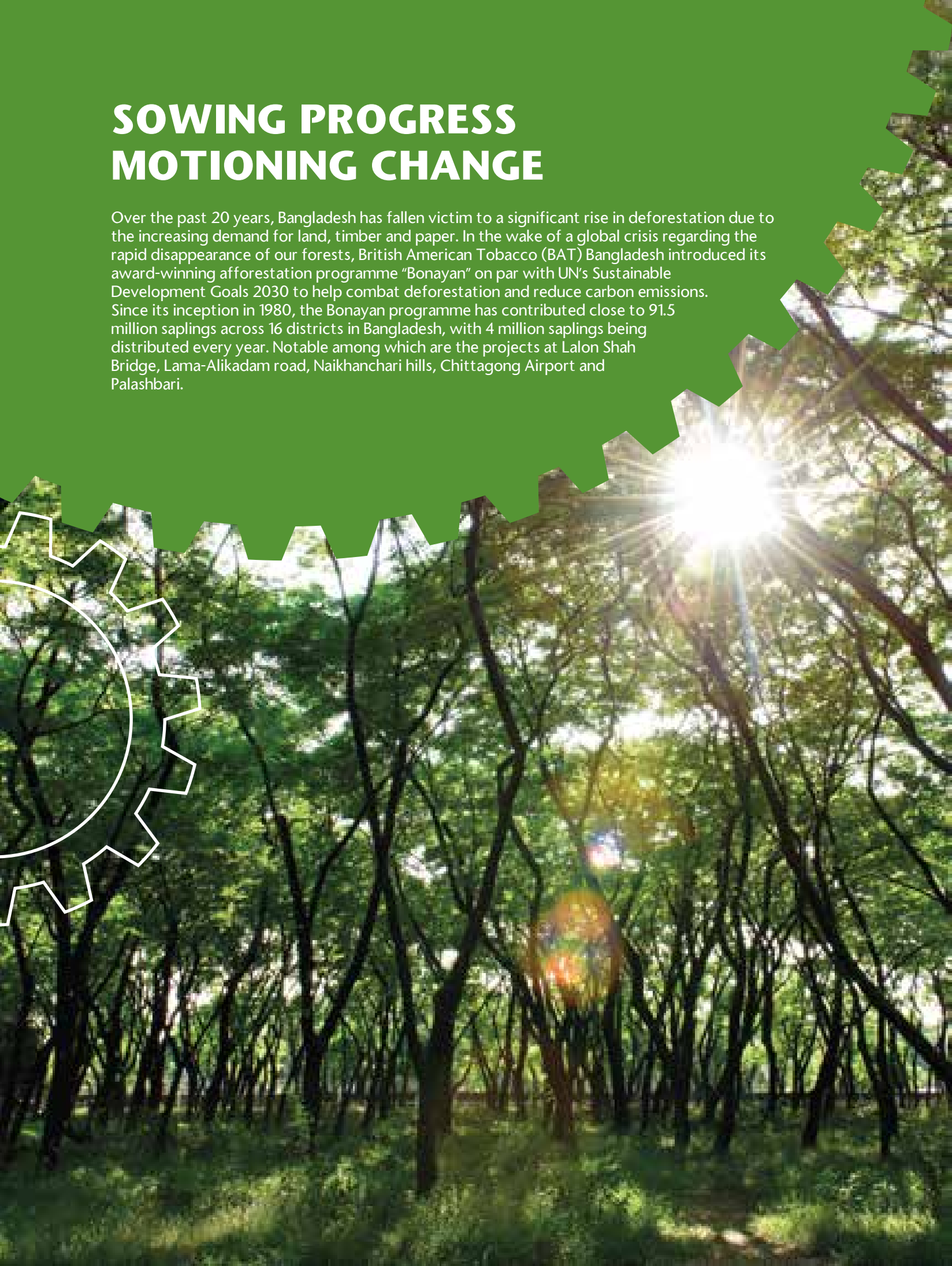
Sustainability & Farmer Livelihood (SAFL)" BAT Bangladesh aims to support its registered farmers on Integrated Farm Management (IFM).

As a first step to enhance farmers' livelihood, BAT Bangladesh wants to enhance the capability of its leaf field officers(LFO) on the practical approaches of Integrated Farm Management components (IFMC), which will be disseminated among the farmers and farm families in phases in near future.

To develop graduate trainers on IFMC, BAT Bangladesh organized two 10-days ToT (Training of Trainers) for its LFO's with the technical support from IFMC project of Department of Agricultural Extension (DAE) and 48 officers have successfully completed the training on the components of integrated farm management. The jointly certified (DAE & BATB) IFMC graduate trainers of BATB have started to train the field technicians and farmers on the practical approaches of integrated farm management. Leaf operations of BAT Bangladesh is committed to ensure farmer sustainability through consistent support on improving farm productivity.

SOWING PROGRESS MOTIONING CHANGE

Over the past 20 years, Bangladesh has fallen victim to a significant rise in deforestation due to the increasing demand for land, timber and paper. In the wake of a global crisis regarding the rapid disappearance of our forests, British American Tobacco (BAT) Bangladesh introduced its award-winning afforestation programme “Bonayan” on par with UN’s Sustainable Development Goals 2030 to help combat deforestation and reduce carbon emissions. Since its inception in 1980, the Bonayan programme has contributed close to 91.5 million saplings across 16 districts in Bangladesh, with 4 million saplings being distributed every year. Notable among which are the projects at Lalon Shah Bridge, Lama-Alikadam road, Naikhanchari hills, Chittagong Airport and Palashbari.



PLEDGE FOR SUSTAINABILITY

British American Tobacco Bangladesh (BATB) believes in playing vital role in ensuring necessary sustainable balance of economic growth, environmental protection and social progress in ways that will build value for all our stakeholders. Besides, the Company has been partnering with the Government of Bangladesh for its agenda of Vision 2020, massive rural development

projects as well as the Government's targets of United Nation's Sustainable Development Goals (SDGs). BATB contributes to the society through its CSR initiatives, sustainable practices and regulated operations. Over the decades, three flagship CSR programmes have been creating impact in the lives of its beneficiaries by giving them a better environment, better quality of life, and economic empowerment among other things. Furthermore, these programmes are directly aligned with 9 out of 17 SDGs.



Afforestation in Chittagong Hill Tracts

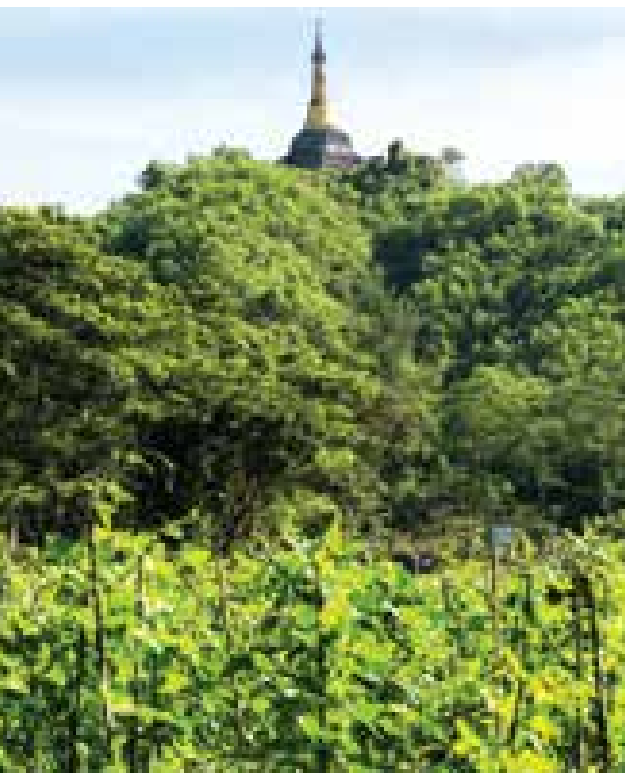


Deeppto: Solar Home System in Offgrid Area

CSR Programmes

Bonayan

Bonayan is an afforestation programme started in 1980 by BATB in collaboration with the Forest Department to conserve the forests and combat the negative impacts of climate change.



BATB distributes free of cost saplings across the country and till date the Company has distributed approximately 91.5 million free saplings including 4 million only in 2016.

For over three decades, Bonayan has been creating impact in the lives of its beneficiaries by giving them a better environment, better quality of life, and economic empowerment among other things. This flagship project has been rewarded with different national awards as well as Asia's top rank business award "Asia Responsible Entrepreneurship Award" on Green Leadership for continuing the biggest private sector driven afforestation program in Bangladesh.



Probaho: Stream of Purity

Probaho

Clean and arsenic free water is one of the scarcest essential resources in rural Bangladesh. With the aim of standing against this problem, BATB launched Probaho as a CSR initiative in 2009. Every day, Probaho ensures the supply of approximately 350,000 litres of safe, reliable and arsenic free water through 65 units of water filtration plants to those who need it most. In the process, this community project creates a lasting positive influence on society by changing millions of lives for a better society. The impact of pure drinking water is embedded into and reflected in individual, economic, social and health aspects of the lives of the people. Probaho has been awarded "Asia Responsible Entrepreneurship Award" by Enterprise Asia and also recognized by BAT Group as one of the best initiatives among the Group.

Deepto

Deepto is a solar home system project launched by BATB for the inhabitants of villages in hill tracts of Bangladesh. Launched in 2011, it has been successfully operating in Bandarban and Khagrachari districts ever since. Beneficiaries in the project implementations areas did not have any alternative power source in the past. They lived a life without electricity, a life which seemed to pause entirely after the hours of daylight. Deepto has illuminated lives of more than 11,000 people by leaving an impact on the things they do every day through the project's initiative of providing 1864 units of solar systems free of cost. This initiative has created manifold positive impact in communities.

SUSTAINABLE AGRICULTURE



BAT Bangladesh's contract farming model has been a proven and renowned model for years. The Company's supply chain starts with the hard work of around 33,000 registered farmers within the village community. It is ensured that the sources are sustainable and responsible by proactively setting high standards for agricultural practices. BATB has set up 81 Integrated Pest Management (IPM) clubs in collaboration with the Department of Agricultural Extension through which farmers receive macro- agricultural knowledge and advanced know how on using bio-fertilizers and eco-friendly pest control to prevent negative impact on health and environment. The initiatives include green manuring with Dhaincha (*SesbaniaAculeata*) - an effective approach to enrich soil health and fertility. Dhaincha is also promoted as an alternative fuel in leaf growing areas. Improving soil fertility and conserving water are integral



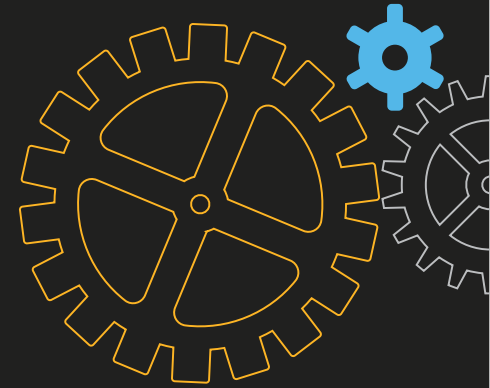
elements of good agricultural practices. BAT Bangladesh provides the technical know-how and bears full costs to install compost pits in the homesteads of our registered farmers. This significantly reduces dependence on the use of chemical fertilizers and also reduces the cost of production. As a water management programme, proper irrigation systems have been introduced which ensures that, only the required level of water is used and there is no wastage.

BAT Bangladesh also acknowledges biodiversity and creates awareness among farming communities about the importance of different elements in nature and their contribution in the eco-system. So far, 75 biodiversity corners have been established and they are located in Kushtia, Meherpur, Chuadanga, Jhenaidah, Rangpur, Manikganj, Bandarban, Khagrachari and Cox's Bazar districts.

BRINGING CHANGE THROUGH EQUALITY

In recent years, Bangladesh has been at the forefront in addressing gender inequality across all social spheres. With an aim to align its values to the Government's SDG of achieving gender equality and women empowerment, British American Tobacco (BAT) Bangladesh has been dedicated to providing equal employment opportunity and maintaining a diverse workforce with no discriminatory practices on the grounds of gender. On par with its continued dedication to gender equality in the workplace, female employees make up about one-third of the top managerial positions in BAT Bangladesh. Furthermore, the company has set in place daycare centers on-site and transportation facility during odd hours especially for female factory workers, as well as fully paid maternity leave to encourage female participation in the workplace. In recognition of its female-friendly organizational culture and contribution to encouraging a gender-diverse workforce, BAT Bangladesh had been named the "Most Female-Friendly Organization" in the country at the RFL Inspiring Women Awards 2015, and has won prestigious accolades such as the "Inspiring Women Leader Award 2016".





British American Tobacco Bangladesh has been hosting its talent search platform Battle of Minds (BoM) successfully for 12 years in a row. This year's tagline for BoM "What are you made of?" was developed to bring out the creative differences that BAT has been prioritising over the years while recruiting fresh graduates. The Head of Human Resources at BAT Bangladesh, Rumana Rahman commented, "We organized this event to find out the concealed skills, enthusiasm and abilities of the talented graduates - to make them realize their hidden power." Mubina Asaf, Head of Legal and External Affairs, further remarked, "Those who have been recruited through this initiative are working at both home and abroad, competent to face any kind of challenges in their job. Those who are not working with us have found

success at various local and multinational companies. Battle of Minds is not only a platform for recruitment, it also provides real life experiences to develop abilities and professional skills before entering corporate life. That is why we are constantly motivated by everyone to keep hosting this event."

The initial online rounds tested the cultural and cognitive mind-sets of the applicants. Vigorous filtering through audio-visuals, field surveys and group discussions brought the number down to 40 individuals, who were then grouped into teams of four for the semi-finals. This round required the participants to serve as consultants of selected restaurants in Dhaka for 10 days to help drive their revenue and brand equity.





This year's Battle of Minds was designed to provide the participants with a real life challenge of managing a business. To do this, BAT partnered with 10 reputed restaurants in Dhaka where 10 teams were assigned for 10 days. Each team had to develop a campaign centered around an offer for 10 days. The teams were required to not only develop the campaign plan but also to execute the plan in the restaurants. The resulting improvement in the business was then measured and the top five teams were selected for the Grand Finale. At the Grand Finale, the top 5 teams had to present their analysis of their restaurants, their plans and also the outcomes of their campaigns. Amidst the presence of many professionals and business leaders of the country, the Institute of Business

Administration, University of Dhaka won the trophy at the end of the night. BUET and North South University won the first and second runners-up titles, respectively.

The judging panel was adorned with the presence of Rezaul Islam, Head of Marketing, BAT Bangladesh, William Pegel, Head of Finance, BAT Bangladesh and Rumana Rahman, Head of HR. DNCC Mayor, Annisul Huq, also graced the event as Chief Guest with his presence and delivered a very motivational speech to the youth on life's goals and dreams. He also marveled at the tenacity of BAT as a business on a global scale, overcoming countless challenges and hurdles with finesse and presented the crests to the winning teams.

THE ROAD TO GLORY



2300+
APPLICANTS

AMBITIOUS
500
Through Online Qualitative and Quantitative Assessments

INNOVATIVE
200
Through Unique Video Submissions showing us what they are made of

RESILIENT
120
From Retail Survey of 1000 Outlets across Dhaka City in a span of 2 hours

AGILE
40
From discussion simulation through demonstration of Influence within a group

PASSIONATE
20
After Driving Business Results through a Marketing Campaign for 10 Reputed Restaurants in 10 days



HUMAN RESOURCES VALUE CREATION

Winning Organisation

We enable growth by having a winning organisation: by investing in our people; by attracting the best; and by enhancing the high performing leaders who inspire diverse teams of committed and engaged people in a fulfilling, rewarding and responsible working culture and environment.

Rumana Rahman
Head of Human Resources

Highlights During the Year

- Launched our new global graduate programme focused on developing the commercial acumen of our junior talent.
- conducted number of leadership and technical training contribution to the growth and development of our talents.
- Continued to increase the digital reach and engagement of our employer brand 'Bring your Difference'.

Our People are Our Strength

At British American Tobacco Bangladesh (BATB), our people are our strength. We create value for our employees by investing in them and ensure that there is growth for them at BATB be it as a management or a non-management employee in terms of skill development and leadership. Respect in the workplace and gender equality are the core principles of the Company. We acknowledge the contribution of every employee for their outstanding performance in the Company over time. We ensure value for our employees who are provided with a work life balance and a safe

working environment to ensure that they create value for the Company.

People Development

Multiple initiatives were taken during the year to create a workforce that is highly motivated, engaged and strives to bring the people together. In the last year, as part of our HR development, 19 Bangladeshi managers were given international assignments in countries such as UK, Singapore, Indonesia, Japan, Korea, Papua New Guinea and Australia. Moreover, 120 employees were promoted for excellent performance. On top of that, 450 employees were provided with leadership and functional skills training.

Investing in Leaders

The long-term culture of the Company has been about developing talent from within, stretching and supporting the high-performing managers who lead the delivery of our strategy. This year, a number of appointments were drawn from outside and in mid to senior management level as the people already within - slowly moves. These have helped deliver stronger and more



Interview & Assessing Skills training



Training on Leading Managers

diverse leadership in business and is as per our succession plans. In 2016, we have welcomed the first intake into our new global graduate programme - an accelerated 18-month initiative, giving budding talents early corporate responsibilities and international exposure, supported by collaborative world-class development. The programme culminates in the global attendees from 18 countries coming together in London to attend the new 'BAT Academy' in 2017.

Attracting Outstanding People

When we go for external recruitment, we actively seek those who would provide additional knowledge and skills that will strengthen our teams and ultimately make us a stronger business. In 2016, we significantly enhanced our internal capability to engage and recruit those people who will help us win in growth markets and growth segments. Now, with those initiatives, we are proud to be ranked as the most preferred employer in Bangladesh.

Growth through Diversity

Diversity matters to the Company and we are a diverse employer. We have female executives in different level of our management. We are focused on initiatives throughout our organisation to drive ownership and accountability, build diverse talent pools and create enablers, supported by an inclusive culture. Our 'Women in Leadership' programme helps support and accelerate career progression of female talent within the Company. Since 2013, the programme has reached a good number of female managers representing all functions and major locations across the Company. We have also developed new 'unconscious bias' training, which is being rolled out to all management employees.

Safe Place to Work

We are committed to a safe working environment for all our people working in the Company and have a wide goal of zero accidents. We focus on risk management and assessments, employee training and awareness, and specific initiatives for high risk areas of our business.



Training on Leading Teams (Leadership Training)

Equal Opportunities for All

We are committed to providing equal opportunities to all employees. We do not discriminate when making decisions on hiring, promotion or retirement on the grounds of race, colour, gender, age, social class, religion, politics, smoking habits, sexual orientation, or disability, subject to the inherent requirements of the role to be performed. We are committed to providing training and development for employees even with disabilities.

Rewarding People

Reward is a key pillar in ensuring that we have the right people to drive the business forward. Base pay rewards core competence relative to skills, experience and contribution to the Company, while annual bonuses, recognition schemes and ad hoc incentives provide the right mix to ensure that high performance is recognised and rewarded.

Safeguarding Human Rights

Our Human Rights Policy forms part of our Standards of Business Conduct (SoBC) and details our commitments to no child labour or exploitation of labour, as well as to respect freedom of association, to manage human rights risks and to understand local communities.

Human Resources Accounting

The Company is following conventional accounting practices as directed by the standards of regulatory bodies. As there are no specific accounting standards regarding Human Resource Accounting (HRA), valuing the human resources and measuring the direct impact of the cost spent for employees is difficult. However, the Company acknowledge the importance of HRA which is the process of identifying and reporting expenditures related to human resources of an organisation that are presently unaccounted for in the conventional accounting practices. In addition to external financial reporting, the HRA may help as a managerial tool to aid in making managerial decisions that will benefit the long-run strategic goals and profitability of the Company.



Employees Training

BAT BANGLADESH PROPELLING CHANGE FOR GENDER EQUALITY AND CO-EXISTENCE

BAT Bangladesh has been one of the forerunning organizations in driving gender equality and advocating gender co-existence in the workplace. Our efforts are tailored towards ensuring equal employment opportunity and maintaining a work environment that does not tolerate discriminatory practices on the grounds of gender. For our many initiatives for a female-friendly organizational culture and contributions to encouraging a gender-diverse workforce, we have been named the "Most Female-Friendly Organization" in the country at the RFL Inspiring Women Awards 2015.



Women's Day Celebration



In 2016, Rumana Rahman, Head of HR received the 'Inspiring Women Leader' accorded by Bangladesh Brand Forum. Sanjana Zerine, Territory Officer, Marketing received the 'Aspiring Women Leader' Award, while Amun Mustafiz, Senior Corporate Finance Manager received the 'Progressing Women Leader' award.



Belinda Ross, who is the Head of LEX (Legal & External Affairs) and the Regional General Counsel of British American Tobacco in Asia Pacific conducted an inspirational session for bringing about greater change on International Women's Day. She shared her experience regarding her efforts to thrive and succeed as a working woman and mother of two daughters, in a world where the fight for gender equality was still in its preliminary stages. After finishing her LLB and a few years of private practice, Belinda Ross joined and has been working for BAT for over 14 years.



Women's Day Celebration

WELFARE TO PROGRESS

BAT Bangladesh has been on the forefront of being a responsible and law-abiding organisation through the introduction and implementation of a number of remarkable corporate practices. The organisation has been relentlessly working to ensure employee contentment and safety through various employee welfare programs.

With around 1,500 people as direct employees and about 50,000 indirect ones as farmers, distributors and local suppliers, BAT Bangladesh has consistently been recognised as one of the most preferred employers in the country. The organisation has dedicated itself to ensure the best practices for employee welfare, which has resulted in a culture where every employee passionately contributes to the betterment of their company and country. BAT Bangladesh is presently the forerunning organisation for social development, which is achieved through raising the standards of efficiency in utilizing the untapped resources of the country.

Food & Health Services

Some of BAT Bangladesh's initiatives to ensure the excellent welfare of its employees include:

- Catering to proper nourishment and hygiene of the employees by providing them with food that is healthy and nutritious, as well as running free-of-cost campaigns on hygiene.
- Every common and emergency medical issue that may arise are given top priority, for which, a full time doctor is always present in the premises along with a pharmacist.
- A full time ambulance is kept on standby for any emergency support needed.
- Complete payment of hospital tests and admission costs are made by the Company, along with providing them with regular blood pressure test services and medicines within the organisation premises.

Work with Entertainment

BAT Bangladesh also arranges a day-long event called Family day. A fun-filled and environment friendly event for the employees and their families, spent in a secure and hygienic location. There are rides such as merry-go-round, puppet show and mini train rides to cater to the utmost delight of children. Musical shows and Mehedi corners are provided for entertainment of adults. Arrangements are made for family sketches and family portraits. Thus, the employees get a full day of entertainment and extracurricular activities for all members of their families.

Recently, on the occasion of Family Day, BAT Bangladesh recognised the contribution of employees who have contributed 25 years of service with the organization and those who retired from the organization. In addition, special recognition were given to personnel who retired from BAT Bangladesh after completing their tenure.

BAT Bangladesh hold an Annual Picnic (Employee Line of Sight) as well, where employees can have a day off for their enjoyment and take part in myriad types of sports and indoor games. A business session is also held so that employees have a better understanding regarding the future of the business and the organisation.

Kid's Carnival, a half-day event, is also held where an amusement park i.e. Shahbagh Shishu Park is booked only for the amusement of the children of the employees. They are not only taken to enjoy the rides, but also participate in other interesting and educational games such as value based painting contest. Eid e-Milad-un Nabi and Team-Iftar during the month of Ramadan, are also some of the Annual celebrations that are observed by the organisation.



Family Day

Supporting Education

BAT Bangladesh provides scholarships for the highly meritorious children of its employees for exemplary results in S.S.C/O Levels and H.S.C/A Levels exams. This scholarship continues till their graduation to encourage the student to continue their education. In 2016, a total of 97 individuals were awarded scholarships based on their results.



Kid's Carnival



Annual Iftar

Safety Procedure

EHS (Environment, Health and Safety) and OHS (Occupational Health and Safety) implications are prominent among the Company's authoritarian and educational measures that promotes social and environmental well-being, by educating the employees about the basic benefits of maintaining a good health, a proper diet and practicing work place safety. Along with their well-equipped dispensary, we also have round the clock services via ambulance, pharmacists working in shifts. There are also options for employees to have their audiometry, spirometry, vision, hepatitis, vaccination and other tests carried out. Warning signs and slogans regarding occupational safety are also displayed in suitable spots to spread awareness.

To keep the employees aware, the Company carried out various kinds of communications, awareness programs for managers, employees, and contractor people throughout the year. Week long campaign titled 'EHS Awareness Week' was arranged focusing on safe work practices in production floor, warehouses, and offices. BAT Bangladesh believes in 'Our People, Our Strength', and accordingly nurtures its employees at its best.

ASIA RESPONSIBLE ENTREPRENEURSHIP AWARD





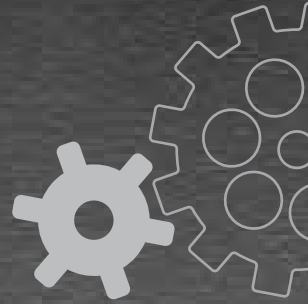
Mr. Shehzad Munim, the first ever Bangladeshi Managing Director of British American Tobacco Bangladesh has been awarded the 'Asia Responsible Entrepreneurship Award 2016, in Responsible Leadership category. He is the first Bangladeshi to achieve this international recognition. He contributed greatly in both the organisation's and nation's economic growth and overall prosperity and has taken the success of the Company to a new height.

Asia Responsible Entrepreneurship Award recognises the participants' leadership, sincerity and commitment in incorporating responsible and ethical values, legal compliance, respect for people and individuals, involvement in communities and protection of the environment into the way they run their businesses. BATB won the award for its CSR programmes Afforestation project and Water Filtration project in the year 2014 and 2015 respectively.



BEST EMPLOYER BRAND AWARD

British American Tobacco Bangladesh won the Asia Best Employer Brand Award 2016 accorded by Chief Marketing Officer (CMO) Council Asia. BAT Bangladesh was selected as the Best Employer among 41 nominees in Asia.



HIGHEST TAX PAYER AWARD

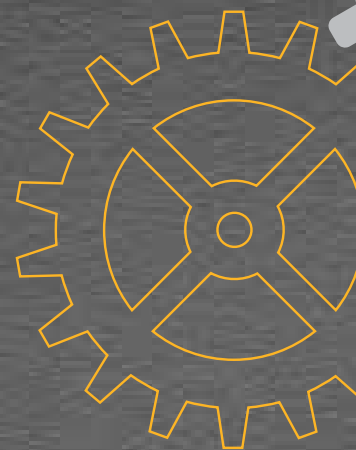
British American Tobacco Bangladesh, for consecutive 6 years has been the 'Highest Taxpayer' in the country. National Board of Revenue (NBR) of People's Republic of Bangladesh recognised the Company for being the highest taxpayer in 2015-16 assessment year.



ICSB AWARD

CORPORATE GOVERNANCE EXCELLENCE

British American Tobacco Bangladesh, for the 3rd time in a row was awarded ICSB Corporate Governance Excellence Gold Award in Manufacturing and Chemicals Company category by Institute of Chartered Secretaries of Bangladesh (ICSB).



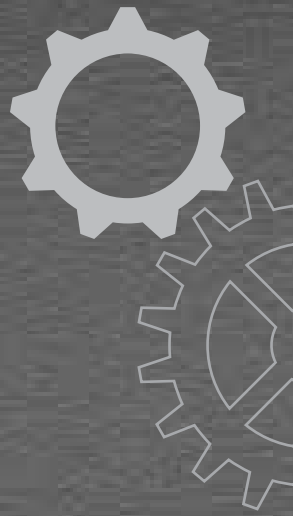
ICMAB AWARD BEST CORPORATE

British American Tobacco Bangladesh was awarded first position of ICMAB Best Corporate Award 2015 in Multinational category. This is the consecutive second time that the Company won the honorary title that recognizes outstanding achievements in the corporate field. Honourable Finance Minister of Bangladesh Government, Mr. Abul Maal Abdul Muhith handed over the award to BAT Bangladesh.



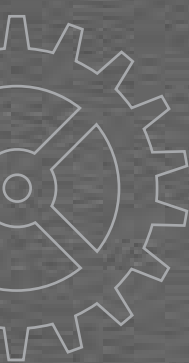
BEST EMPLOYER AWARD

As a recognition for benchmark practices in human resources development within the FMCG category in Bangladesh and distinctions that fuel the winning culture of the Company, British American Tobacco Bangladesh has been awarded 'Best Employer Award' by BDjobs.com in 2016.

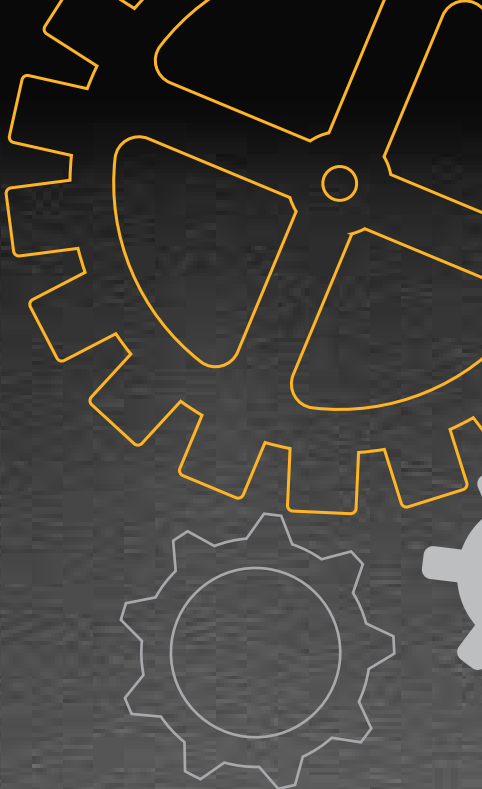


ICAB AWARD

British American Tobacco Bangladesh's Annual Report has been awarded in 2016 by Institute of Chartered Accountants of Bangladesh (ICAB)' in manufacturing sector. It is a testimony for major changes we made in 2015 financial statements with adequate disclosures.



**GOLDEN
LEAF
AWARD**





BRITISH AMERICAN TOBACCO BANGLADESH has been recognized as the 'Best End Market' in the Asia Pacific Region for the outstanding achievements across business.

BAT Bangladesh (BATB) has won Golden Leaf Award in recognition of its "consistent delivery of excellence."

For the first time in history, British American Tobacco Bangladesh (BATB) has been awarded the most prestigious 'Golden Leaf Award (GLA)' by BAT Group, in recognition of its consistent delivery of excellence. BATB is one of the fastest-growing companies in the BAT Group and has delivered some great results, becoming market leader by delivering consumer relevant innovations to satisfy consumer needs.

General Manager, Shehzad Munim, said: "The passion of our people to succeed every day enables us to deliver such wonderful numbers."

BAT Group Chairman, Richard Burrows, said: "With consistent volume, market share, net turnover and profit growth, BAT Bangladesh is also a leader in terms of corporate best practice and good governance."

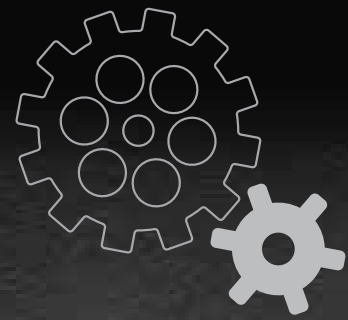


BAT Group Chairman handing over the award to the BATB Managing Director



REGIONAL AWARD

British American Tobacco Bangladesh has been recognized as the 'Best End Market' 2016 in the Asia Pacific Region for the outstanding achievements across business.





The Chairman and Managing Director of BATB are handing over a donation cheque to the Honorable Prime Minister for flood victims.

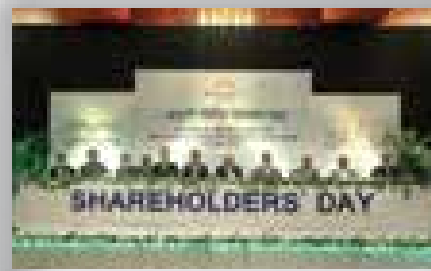




Snapshot



Derby Special Launch



Annual General Meeting



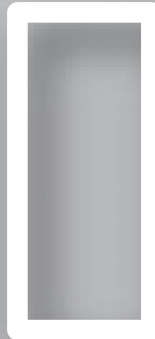
Battle of Minds



Communications Day Roadshow



BATB Olympiad





EH & S Week



Quality Week



Family Day



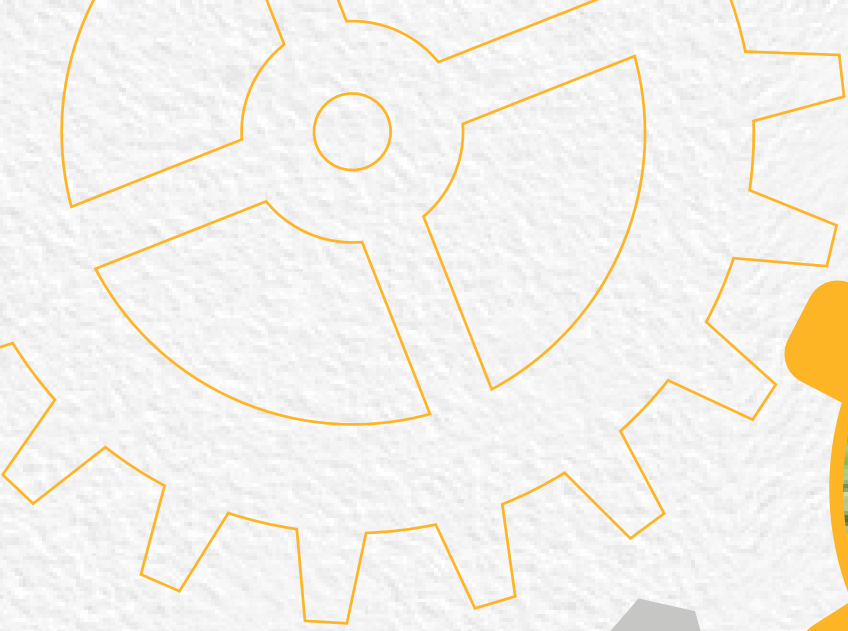
JPGL Switch Launch



RM, SoBC & Data Protection
Policy Training

PEOPLE BRINGING THE DIFFERENCE





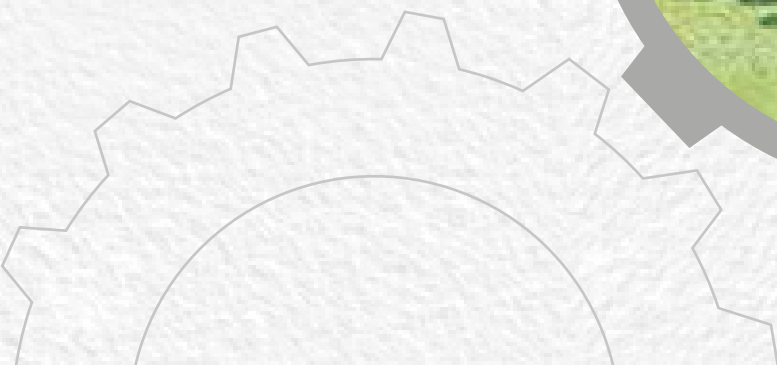
OPERATIONS



MARKETING



FINANCE

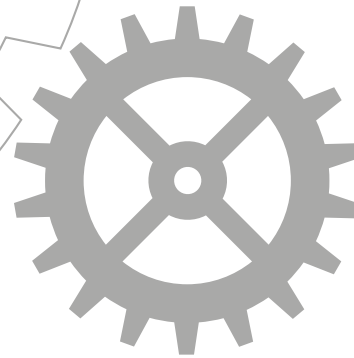


UNRIVALLED PRACTICES IN MANUFACTURING

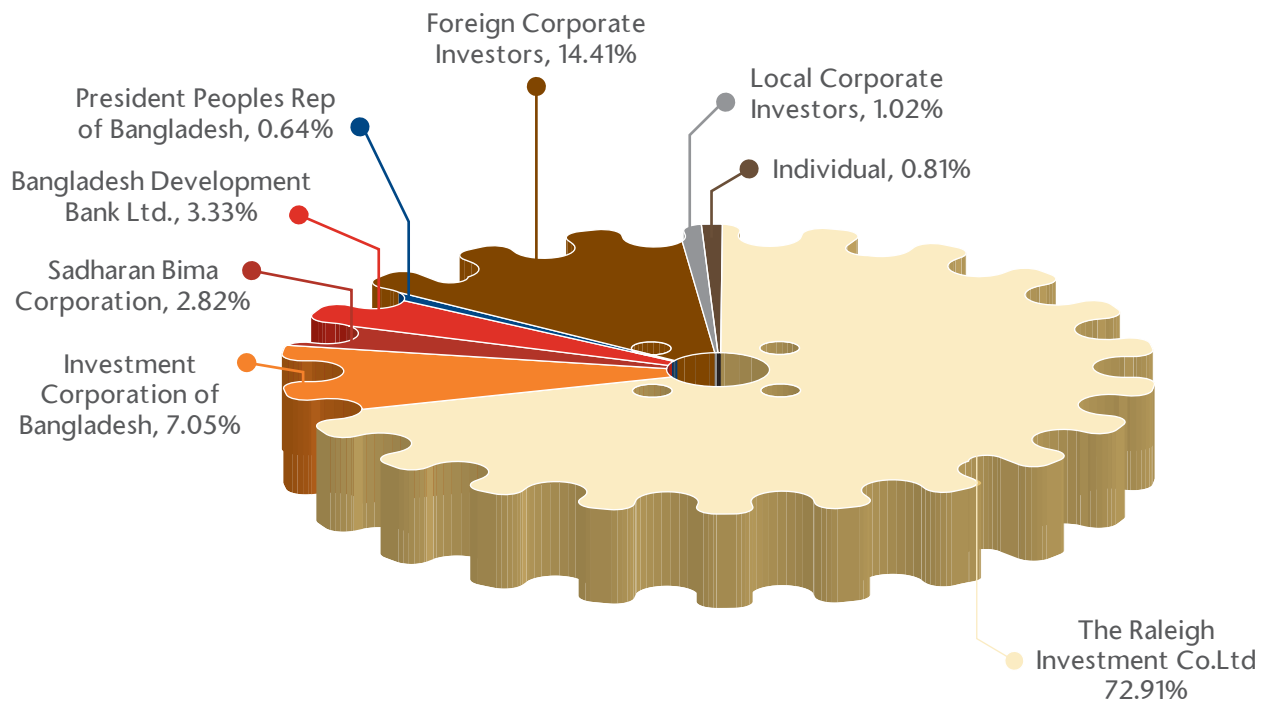
With the sheer resilience and support of the employees, BAT Bangladesh has overcome various challenges to become the biggest factory among all other BAT groups in the global arena. Ensuring safety measures across all production sectors have consistently been one of the top priorities of the organisation, where employees are vigorously trained on safe factory practices. Such resilient safety measures have contributed to the manufacturing team successfully completing 3 years without any accident in its premises.



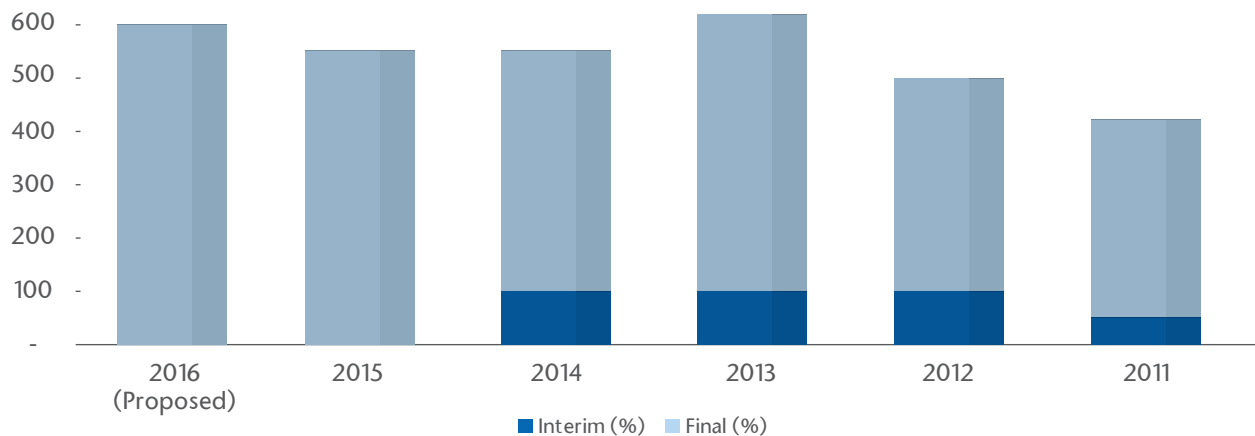
SHAREHOLDER INFORMATION

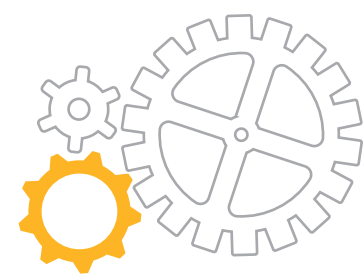


Shareholding Position 31 December 2016:



Year Wise Dividend





Share Performance:

Month	Dhaka Stock Exchange			Chittagong Stock Exchange		
	High (BDT)	Low (BDT)	Close (BDT)	High (BDT)	Low (BDT)	Close (BDT)
January	3,083	2,823	3,083	3,021	2,803	3,021
February	3,073	2,798	2,798	3,050	2,801	2,810
March	2,725	2,403	2,550	2,811	2,434	2,550
April	2,724	2,611	2,679	2,700	2,582	2,640
May	2,706	2,625	2,625	2,700	2,610	2,650
June	2,739	2,674	2,700	2,611	2,611	2,611
July	2,684	2,636	2,641	2,679	2,605	2,679
August	2,650	2,437	2,447	2,655	2,499	2,499
September	2,520	2,440	2,519	2,503	2,430	2,503
October	2,600	2,517	2,567	2,575	2,461	2,575
November	2,556	2,503	2,539	2,590	2,508	2,569
December	2,551	2,483	2,483	2,550	2,430	2,487

Financial Calendar 2016

Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
	Accounts 2015	Record Date	AGM Q1 2016	Dividend Dispatch		H1 2016			Q3 2016		

Company Website

Anyone can get information regarding the Board of Directors, Top Management, key financial information of the Company including price sensitive disclosure. The website also has information about sustainable agricultural initiatives of the Company and Career opportunities for potential applicants.

Investor Relations

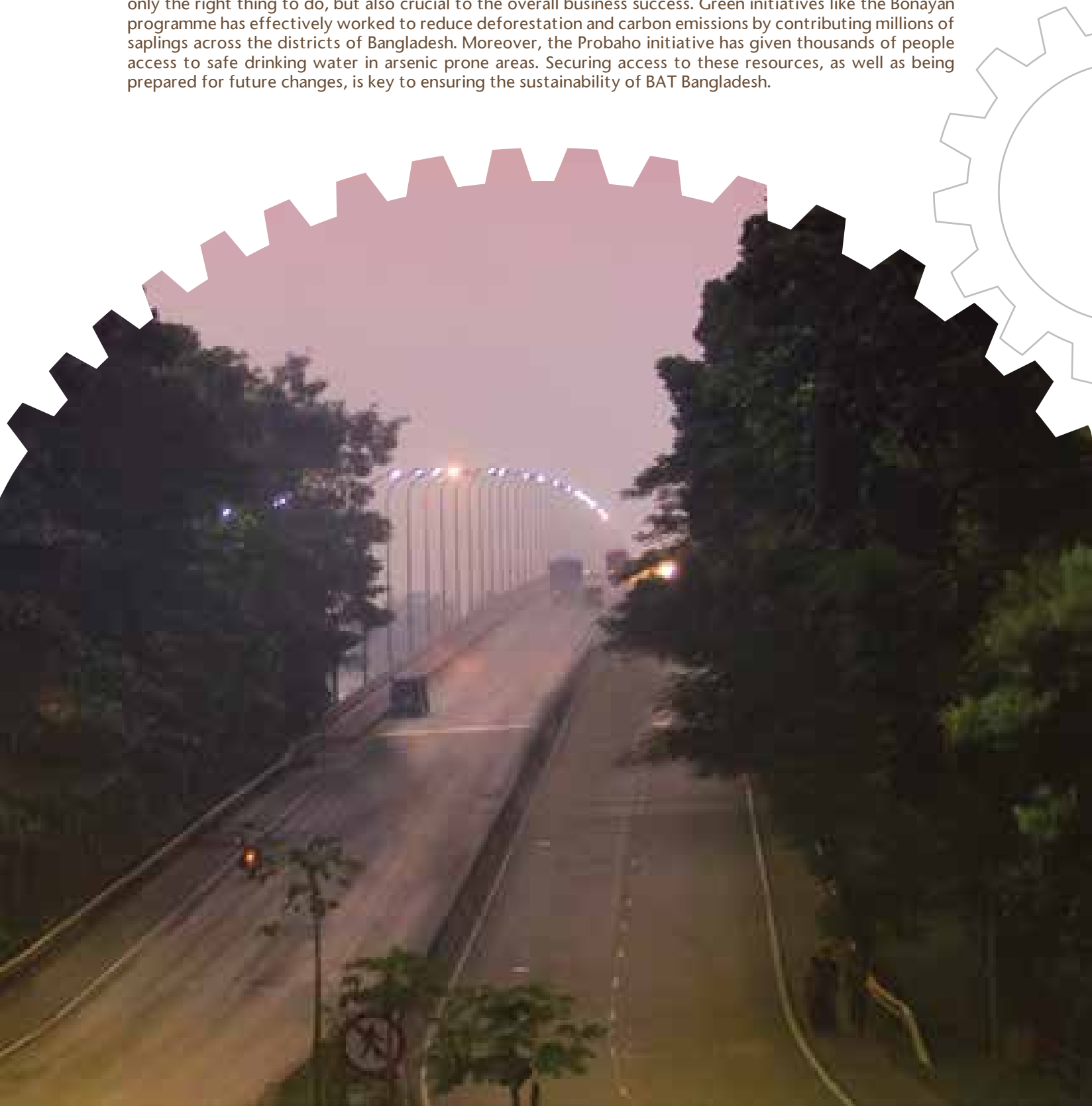
Local and international investors, financial analysts and other members of the professional financial community requiring additional financial information can visit the Investor Relations section of the Company website: www.batbangladesh.com

Shareholder Services

If you have any queries relating to your shareholding, please contact at 01713038440 or mail to share office of BAT Bangladesh at shareoffice@bat.com

TOGETHER FOR CLIMATE CHANGE

British American Tobacco (BAT) Bangladesh understands the adverse effect changing climates can have on tobacco sourcing and product distribution, as well as the communities and landscapes in which it operates. The success of the company's business largely depends on biodiversity as it provides resources like clean water, healthy soils and timber. As such recognising and practicing good environmental management is not only the right thing to do, but also crucial to the overall business success. Green initiatives like the Bonayan programme has effectively worked to reduce deforestation and carbon emissions by contributing millions of saplings across the districts of Bangladesh. Moreover, the Probaho initiative has given thousands of people access to safe drinking water in arsenic prone areas. Securing access to these resources, as well as being prepared for future changes, is key to ensuring the sustainability of BAT Bangladesh.





Rahman Rahman Huq
Chartered Accountants
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Bangladesh

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS of

British American Tobacco Bangladesh Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of British American Tobacco Bangladesh Company Limited ("the Company"), which comprise the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2016 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Emphasis of matter

We draw attention to Note 39.1 to the financial statements where management outlines a BDT 17,806 million retrospective demand by the National Board of Revenue for Value Added Tax and Supplementary Duty on the Company's Pilot and Bristol brands. The matter is currently pending before the Appellate Division for admission hearing. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Auditors

Dhaka, 27 February 2017


British American Tobacco Bangladesh Company Limited

Statement of Financial Position

In thousands of BDT	Note	31 December 2016	31 December 2015
Assets			
Property, plant and equipment	5	15,411,873	13,665,015
Non-current assets		15,411,873	13,665,015
Inventories	6	13,979,180	8,553,377
Trade and other receivables	7	1,062,450	940,758
Advance, deposit and pre-payments	8	3,329,480	4,074,679
Cash and cash equivalents	9	1,564,600	2,357,002
Current assets		19,935,710	15,925,816
Total assets		35,347,583	29,590,831
Equity			
Share capital	10	600,000	600,000
Capital reserve	11	64,896	64,896
Retained earnings	12	18,217,686	13,944,623
Total equity attributable to owners of the company		18,882,582	14,609,519
Liabilities			
Net defined benefit plans	13	800,663	461,230
Deferred tax liabilities	14	2,027,373	2,069,796
Non-current liabilities		2,828,036	2,531,026
Bank overdraft	15	289,572	-
Short term bank loans	16	1,500,000	-
Trade and other payables	17	8,218,406	7,842,726
Current tax liabilities	18	2,499,269	3,500,379
Provisions and accruals	19	1,129,718	1,107,181
Current liabilities		13,636,965	12,450,286
Total liabilities		16,465,001	14,981,312
Total equity and liabilities		35,347,583	29,590,831


The annexed notes 1 to 44 form an integral part of these financial statements.


Golam Mainuddin
Chairman


Shehzad Munim
Managing Director


Md. Mosharraf Hossain Bhuiyan
Director


William Francis Pegel
Finance Director


Md. Azizur Rahman FCS
Company Secretary

As per our report of same date


Rahman Rahman Huq
Chartered Accountants

Dhaka, 27 February 2017

British American Tobacco Bangladesh Company Limited


Statement of Profit or Loss and Other Comprehensive Income

In thousands of BDT	Note	31 December 2016	31 December 2015
Gross turnover		165,633,760	143,711,664
Supplementary duty & VAT		(121,879,985)	(103,816,770)
Net turnover	20	43,753,775	39,894,894
Cost of Sales	21	(23,890,895)	(21,212,511)
Gross profit		19,862,880	18,682,383
Operating expenses	22	(5,936,146)	(5,481,856)
Operating profit		13,926,734	13,200,527
Net financial Income/ (expenses)	23	(36,468)	(122,828)
Non operating Income/ (expenses)	24	(26,708)	37,680
Profit before contribution to WPPF		13,863,558	13,115,379
Contribution to WPPF		(693,178)	(655,767)
Profit before tax		13,170,380	12,459,612
Income tax expense			
Current Tax	25	(5,622,651)	(5,633,340)
Deferred Tax	26	34,733	(952,198)
		(5,587,918)	(6,585,538)
Net Profit for the Year		7,582,462	5,874,074
Other comprehensive income	27	(9,399)	(28,066)
Total comprehensive income		7,573,063	5,846,008
		BDT	BDT
Earnings Per Share		126.37	97.90

The annexed notes 1 to 44 form an integral part of these financial statements.



 Golam Mainuddin
 Chairman



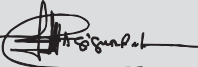
 Shehzad Munim
 Managing Director



 Md. Mosharraf Hossain Bhuiyan ndc
 Director



 William Francis Pegel
 Finance Director



 Md. Azizur Rahman FCS
 Company Secretary

As per our report of same date



 Rahman Rahman Huq
 Chartered Accountants

Dhaka, 27 February 2017

British American Tobacco Bangladesh Company Limited

Statement of Changes in Equity

In thousands of BDT	Share capital	Capital Reserve	Retained Earnings	Total Equity
Balance at 1 January 2016	600,000	64,896	13,944,623	14,609,519
Profit for the year	-	-	7,582,462	7,582,462
Other comprehensive income	-	-	(9,399)	(9,399)
Total comprehensive income	-	-	7,573,063	7,573,063
Dividend paid:				
Final dividend for previous year	-	-	(3,300,000)	(3,300,000)
Interim dividend during the year	-	-	-	-
Balance at 31 December 2016	600,000	64,896	18,217,686	18,882,582
Balance at 1 January 2015	600,000	64,896	10,798,615	11,463,511
Profit for the year	-	-	5,874,074	5,874,074
Other comprehensive income	-	-	(28,066)	(28,066)
Total comprehensive income	-	-	5,846,008	5,846,008
Dividend paid:				
Final dividend for previous year	-	-	(2,700,000)	(2,700,000)
Interim dividend during the year	-	-	-	-
Balance as at 31 December 2015	600,000	64,896	13,944,623	14,609,519

The annexed notes 1 to 44 form an integral part of these financial statements.



British American Tobacco Bangladesh Company Limited

Statement of Cash Flows

In thousands of BDT	For the year ended 31 December	
	2016	2015
Cash flows from operating activities		
Collection from distributors, leaf export and others	165,597,074	143,924,478
Payment for costs and expenses	(28,884,337)	(27,582,631)
Supplementary duty and VAT paid	(125,824,237)	(102,249,859)
Cash generated from operating activities	10,888,500	14,091,988
Income tax paid	(6,623,761)	(4,862,875)
Interest paid	(30,069)	(128,394)
Net cash generated from operating activities	4,234,670	9,100,719
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,550,488)	(2,691,343)
Proceeds from sale of property, plant and equipment	35,591	48,690
Net cash used in investing activities	(3,514,897)	(2,642,653)
Cash flows from financing activities		
Short term loan receipt	1,500,000	-
Short term loan payment	-	(2,800,000)
Dividend paid	(3,301,747)	(2,693,756)
Net cash used in financing activities	(1,801,747)	(5,493,756)
Net increase/(decrease) in cash and cash equivalents	(1,081,974)	964,310
Cash and cash equivalents at 1 January	2,357,002	1,392,692
Cash and cash equivalents at 31 December	1,275,028	2,357,002
Closing cash and cash equivalents have been arrived at as follows:		
Cash and bank balances	1,564,600	2,357,002
Bank overdraft	(289,572)	
	1,275,028	2,357,002

The annexed notes 1 to 44 form an integral part of these financial statements.



British American Tobacco Bangladesh Company Limited

Notes to the financial statements

as at and for the year ended 31 December 2016

1 Reporting entity

1.1 Company profile

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

1.2 Nature of business

The Company manufactures and markets brands including Benson & Hedges, John Player Gold Leaf, Pall Mall, Capstan, Star, Derby, Pilot and Hollywood. The Company has its head office and the cigarette factory in Dhaka, a green leaf threshing plant in Kushtia, a green leaf redrying plant in Manikganj and a number of leaf and sales offices throughout the country.

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 27 February 2017 for publication.

2.3 Reporting period

The financial period of the Company covers one year from 1 January to 31 December and is followed consistently.

Details of the Company's accounting policies including changes during the year are included in note 42, 43, and 44.

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 Taka, unless stated otherwise indicated. Because of these rounding off, in some instance the total may not match the sum of individual balance.

4 Use of estimates and judgements

The preparation of financial statements in conformity with BFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimates and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in these financial statements are stated in the following notes:

- Note 5 - Property, plant and equipment
- Note 6 - Inventories
- Note 13 - Net defined benefit plan
- Note 14 - Deferred tax liabilities
- Note 18 - Current tax liabilities
- Note 19 - Provisions and accruals
- Note 38 - Commitments
- Note 39 - Contingencies

5. Property, plant and equipment

	Freehold building	Freehold land	Furniture and fixtures	IT equipment	Laboratory equipment	Leasehold building	Office equipment	Plant and machinery	Vehicles	Assets under construction	Total
In thousands of BDT											
Cost											
Balance at 1 January 2015	701,241	343,685	323,079	287,057	180,527	376,062	231,244	10,020,205	823,217	4,471,002	17,757,319
Additions	11,153	32,175	20,159	24,752	44,745	240,956	89,537	4,218,551	181,104	1,880,656	6,743,788
Disposals/transfers	(78,872)	-	(76,236)	(36,337)	(16,507)	(32,719)	(32,226)	(29,441)	(130,432)	(4,052,446)	(4,485,216)
Balance at 31 December 2015	633,522	375,860	267,002	275,472	208,765	584,299	288,555	14,209,315	873,889	2,299,212	20,015,891
Balance at 1 January 2016	633,522	375,860	267,002	275,472	208,765	584,299	288,555	14,209,315	873,889	2,299,212	20,015,891
Additions	275,437	-	62,929	42,075	17,277	112,787	282,238	2,088,380	114,986	2,539,238	5,535,347
Disposals/transfers	(3,678)	-	(1,781)	(199)	(1,499)	(12,772)	(11,173)	(380,845)	(83,947)	(2,373,360)	(2,869,254)
Balance at 31 December 2016	905,281	375,860	328,150	317,348	224,543	684,314	559,620	15,916,850	904,928	2,465,090	22,681,984
Accumulated depreciation											
Balance at 1 January 2015	145,606	-	220,960	183,309	110,626	135,470	128,574	4,403,125	411,073	-	5,738,743
Depreciation for the year	17,023	-	25,920	46,762	12,745	9,298	34,567	659,647	155,114	-	961,076
Adjustment for disposal/transfers	(21,540)	-	(70,238)	(33,974)	(16,499)	(20,595)	(31,182)	(26,444)	(128,471)	-	(348,943)
Balance at 31 December 2015	141,089	-	176,642	196,097	106,872	124,173	131,959	5,036,328	437,716	-	6,350,876
Balance at 1 January 2016	141,089	-	176,642	196,097	106,872	124,173	131,959	5,036,328	437,716	-	6,350,876
Depreciation for the year	16,692	-	26,181	48,187	15,836	16,491	51,916	925,648	161,111	-	1,262,062
Adjustment for disposal/transfers	(1,178)	-	(1,591)	(198)	(1,499)	(5,932)	(2,493)	(251,025)	(78,911)	-	(342,827)
Balance at 31 December 2016	156,603	-	201,232	244,086	121,209	134,732	181,382	5,710,951	519,916	-	7,270,111
Carrying amounts											
At 1 January 2015	555,635	343,685	102,119	103,748	69,901	240,592	102,670	5,617,080	412,144	4,471,002	12,018,576
At 31 December 2015	492,433	375,860	90,360	79,375	101,893	460,126	156,596	9,172,987	436,173	2,299,212	13,665,015
At 31 December 2016	748,678	375,860	126,918	73,262	103,334	549,582	378,238	10,205,899	385,012	2,465,090	15,411,873

5.1 Allocation of depreciation

In thousands of BDT	Note	2016	2015
Manufacturing overhead	21.1	908,457	620,783
Operating expenses	22	172,901	186,950
Charge to leaf		180,704	153,342
		1,262,062	961,075

6 Inventories

In thousands of BDT	2016	2015
Inventories in hand	13,220,243	8,085,701
Inventories in transit	758,937	467,676
	13,979,180	8,553,377
Inventories in hand		
Leaf	5,135,824	5,093,475
Wrapping materials	559,749	375,273
Work in process	21,201	24,534
Finished goods	6,981,086	2,147,529
Consumable stores	522,383	444,890
	13,220,243	8,085,701
Inventories in transit		
Leaf	156,921	134,929
Wrapping materials	436,390	317,922
Consumable stores	165,626	14,825
	758,937	467,676

7 Trade and other receivables

In thousands of BDT	2016	2015
Trade receivables	961,068	817,017
Intercompany receivables	35,508	113,091
Sundry receivables	65,874	10,650
	1,062,450	940,758

These are all unsecured and are considered good; as such no provision was required to be made against these receivables.

8 Advances, deposits and prepayments

In thousands of BDT	2016	2015
Advances		
Advance to suppliers	2,650,691	3,016,433
Supplementary duty and VAT	640,863	834,673
Advance to employees	21,604	17,919
	3,313,158	3,869,025
Deposits		
Security deposit	16,322	99,598
	16,322	99,598
Prepayments		
Insurance	-	106,056
	-	106,056
	3,329,480	4,074,679

9 Cash and cash equivalents

In thousands of BDT	2016	2015
Cash in hand	1,117	969
Cash at bank		
Dividend account	40,024	41,787
Foreign currency accounts	1,256,489	754,798
Current accounts	266,970	659,448
Fixed and short term deposits	-	900,000
	1,563,483	2,356,033
Balance at 31 December	1,564,600	2,357,002

All the above balances are held with scheduled and nationalised banks.

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 arrangement

Short term running funded facilities available with the banks amount to BDT 8,496 million (2015: BDT 8,496 million). Facilities of BDT 1,789 million (Bank overdraft of BDT 289 million and Short term loan of BDT 1,500 million) were availed as at 31 December 2016 (2015: Not availed). Facilities are renewable on annual basis.

10 Share capital

In BDT	2016	2015
Authorised:		
60,000,000 Ordinary shares of BDT 10 each	600,000,000	600,000,000
	600,000,000	600,000,000
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
	600,000,000	600,000,000



10.1 Shareholding Position

Name of shareholder	2016			2015		
	No. of shares	Value (BDT)	Percentage	No. of shares	Value (BDT)	Percentage
Raleigh Investment Co. Ltd., UK	43,745,358	437,453,580	72.91%	43,745,358	437,453,580	72.91%
Investment Corporation of Bangladesh	4,232,813	42,328,130	7.05%	4,591,742	45,917,420	7.65%
Sadharan Bima Corporation	1,694,047	16,940,470	2.82%	1,694,047	16,940,470	2.82%
Bangladesh Shilpa Rin Shangstha*	197,376	1,973,760	0.33%	197,376	1,973,760	0.33%
Government of Bangladesh	386,824	3,868,240	0.64%	386,824	3,868,240	0.64%
Others	9,743,582	97,435,820	16.24%	9,384,653	93,846,530	15.64%
	60,000,000	600,000,000	100%	60,000,000	600,000,000	100%

* Current name Bangladesh Development Bank Limited.

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	2016			2015		
	No. of shareholders	Total no. of shares	Percentage of holding	No. of shareholders	Total no. of shares	Percentage of holding
Less than 501 shares	2,680	188,320	0.31%	2,545	181,237	0.30%
501 to 5,000 shares	202	258,815	0.43%	203	261,280	0.44%
5,001 to 10,000 shares	16	121,976	0.20%	18	129,280	0.22%
10,001 to 20,000 shares	24	355,268	0.59%	17	228,206	0.38%
20,001 to 30,000 shares	3	76,244	0.13%	4	98,637	0.16%
30,001 to 40,000 shares	6	207,322	0.35%	6	209,446	0.35%
40,001 to 50,000 shares	2	87,183	0.15%	4	174,402	0.29%
50,001 to 100,000 shares	9	659,227	1.10%	8	576,090	0.96%
100,001 to 1,000,000 shares	16	5,207,633	8.68%	14	4,375,995	7.29%
Over 1,000,000 shares	5	52,838,012	88.06%	6	53,765,427	89.61%
	2,963	60,000,000	100%	2,825	60,000,000	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 Retained earnings

In thousands of BDT	2016	2015
Balance as at 1 January	13,944,623	10,798,615
Total comprehensive income for the year:		
Profit for the year	7,582,462	5,874,074
Other comprehensive income	(9,399)	(28,066)
	21,517,686	16,644,623
Dividends during the year:		
Final dividend for previous year	(3,300,000)	(2,700,000)
Interim dividend during the year	-	-
Balance at 31 December	18,217,686	13,944,623

13. Net defined benefit plans

In thousands of BDT	Note	2016			2015		
		Gratuity fund	Pension fund	Total	Gratuity fund	Pension fund	Total
Defined benefit obligation	13.1	(800,663)	(250,472)	(1,051,135)	(448,320)	(226,810)	(675,130)
Fair value of plan assets	13.2	-	250,472	250,472	-	213,900	213,900
Net surplus/(deficit)		(800,663)	-	(800,663)	(448,320)	(12,910)	(461,230)

13.1 Movement in defined benefit obligation

In thousands of BDT	Gratuity fund	Pension fund	Total
Defined benefit obligation as at 1 January 2016	448,320	226,810	675,130
Current service cost	44,470	30,761	75,231
Interest cost	39,210	-	39,210
Past Service Cost - Plan amendments	272,081	-	-
Benefit paid by the fund	-	(7,099)	(7,099)
Benefit paid directly by the Company	(20,507)	-	(20,507)
Actuarial (gain)/loss	17,089	-	17,089
Defined benefit obligation as at 31 December 2016	800,663	250,472	1,051,135

13.2 Movement in the fair value of plan assets

In thousands of BDT	Gratuity fund	Pension fund	Total
Fair value of plan assets as at 1 January 2016	-	226,810	226,810
Employer's contribution	-	11,520	11,520
Expected return on plan assets	-	19,241	19,241
Benefits paid by the plan	-	(7,099)	(7,099)
Actuarial gain/(loss)	-	-	-
Fair value of plan assets at 31 December 2016	-	250,472	250,472

13.3 Defined benefit plan charge to profit or loss and other comprehensive income in 2016

In thousands of BDT	Gratuity fund	Pension fund	Total
Profit or loss			
Current service costs	44,470	30,761	75,231
Past Service Cost - Plan amendments	272,081	-	272,081
Interest accrued on defined benefit obligation			
	39,210	-	39,210
Expected return on plan assets	-	(19,241)	(19,241)
Net finance expense/(income) for pension plan	39,210	(19,241)	19,969
	355,761	11,520	367,281
Other comprehensive income			
Actuarial (gain)/loss recognised directly in equity	17,089	-	17,089
	17,089	-	17,089

13.4 Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	Gratuity fund	Pension fund
Discount rate	8.5%	9%
Salary escalation rate	11%	11%



14. Deferred tax liabilities

31 December 2016

In thousands of BDT	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
Property, plant and equipment excluding land and AUC	11,673,474	6,241,248	5,432,226
Provision for inventories	(126,286)	-	(126,286)
Provision for gratuity	(800,666)	-	(800,666)
Net temporary difference			4,505,274
Applicable tax rate			45%
Deferred tax liabilities			2,027,373

31 December 2015

In thousands of BDT	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
Property, plant and equipment excluding land and AUC	10,708,353	5,565,429	5,142,924
Provision for inventories	(82,142)	-	(82,142)
Provision for gratuity	(461,235)	-	(461,235)
Net temporary difference			4,599,547
Applicable tax rate			45%
Deferred tax liabilities			2,069,796

15 Bank overdrafts

In thousands of BDT	Note	2016	2015
Standard Chartered Bank	15.1	289,572	-
		289,572	-

15.1 Terms and repayment schedule

The terms and conditions of outstanding overdraft are as follows:

In thousands of BDT	Currency	2016		2015	
		Overdraft limit	Overdraft outstanding	Overdraft limit	Overdraft outstanding
Standard Chartered Bank	BDT	500,000	289,572	500,000	-
		500,000	289,572	500,000	-

The Company is enjoying overdraft facilities from the above mentioned bank mentioned in note 15 for the purpose of meeting working capital requirements, such overdrafts are repayable on demand. The overdrafts were repaid in January 2017.

16 Short term bank loans

In thousands of BDT	Note	2016	2015
Standard Chartered Bank	16.1	1,000,000	-
Commercial Bank of Ceylon PLC	16.1	500,000	-
		1,500,000	-

16.1 Terms and repayment schedule

In thousands of BDT	Currency	2016		2015		
		Year of maturity	Loan limit	Loan outstanding	Loan limit	Loan outstanding
Standard Chartered Bank	BDT	2017	3,100,000	1,000,000	3,600,000	-
Commercial Bank of Ceylon PLC	BDT	2017	636,000	500,000	636,000	-
			3,736,000	1,500,000	4,236,000	-

The Company is enjoying short term loan facilities from Standard Chartered Bank and Commercial Bank of Ceylon PLC mentioned in Note 16 for the purpose of meeting working capital requirements, such short term loans are repayable on maturity. The loans were repaid in January 2017.

17 Trade and other payables

In thousands of BDT	Note	2016	2015
Trade payables		3,281,332	3,405,933
Intercompany payables		3,862,386	3,257,811
Workers' Profit Participation Fund		273,178	10,767
Wages and other benefits		423,769	323,608
Unclaimed dividend	29	40,024	41,771
Sundry payables		337,717	802,836
		8,218,406	7,842,726

18 Current tax liabilities

In thousands of BDT	2016	2015
Balance at 1 January	3,500,379	2,729,914
Provision made during the year	5,622,651	5,633,340
	9,123,030	8,363,254
Advance payment of corporate tax	(6,623,761)	(4,862,875)
Balance at 31 December	2,499,269	3,500,379

19 Provisions and accruals

In thousands of BDT	2016	2015
Provision for expenses	388,164	235,504
Accrued expenses	741,554	871,677
	1,129,718	1,107,181



20. Net turnover

In thousands of BDT			2016	2015
	Unit	Quantity		
Gross turnover from domestic sale	Million sticks	48,340	163,998,007	141,638,593
Supplementary duty and VAT			(121,715,125)	(103,614,216)
			42,282,882	38,024,377
<hr/>				
Gross turnover from tobacco leaf export	Million kg	7.29	1,635,753	2,073,071
Export duty			(164,860)	(202,554)
			1,470,893	1,870,517
<hr/>				
Net turnover			43,753,775	39,894,894

21 Cost of sales

In thousands of BDT	Note	2016	2015
Opening stock of raw materials		5,921,599	5,304,111
Purchase of raw materials		19,149,354	16,940,236
Raw materials available		25,070,953	22,244,347
Closing stock of raw materials		(6,288,885)	(5,921,599)
Raw materials consumption		18,782,068	16,322,748
Opening work in process		24,534	40,078
Closing work in process		(21,201)	(24,534)
		18,785,401	16,338,292
Manufacturing overhead	21.1	5,363,648	4,652,582
Total cost of goods manufactured		24,149,049	20,990,874
Opening stock of finished goods		924,009	688,238
Closing stock of finished goods		(1,626,621)	(924,009)
Total cost of goods sold excluding royalty		23,446,437	20,755,103
Royalty		444,458	457,408
Total cost of sales		23,890,895	21,212,511

21.1 Manufacturing overhead

In thousands of BDT	2016	2015
Salaries and wages	1,445,524	1,134,537
Depreciation	908,457	620,783
Printing and stationery	29,261	17,965
Utilities	368,641	435,983
Repairs and maintenance	1,307,083	1,015,484
Security and safety	114,804	120,576
Rent, services and transportation	846,058	832,211
Insurance	91,900	86,077
Research and development	3,239	2,102
Travelling and training	88,028	94,851
Other expenses	160,653	292,013
	5,363,648	4,652,582

22 Operating expenses

In thousands of BDT	2016	2015
Salaries and wages	1,073,270	793,191
Utilities	49,433	14,133
Rent, services and transportation	452,881	235,187
Repairs and maintenance	195,318	116,648
Depreciation	172,901	186,950
Travelling and training	159,784	236,571
Trade support expenditure	789,153	906,980
Printing and stationery	30,598	31,155
Security and safety	45,393	40,165
Social responsibility	34,516	21,472
Legal, secretarial and professional fee	54,387	18,590
Insurance	9,800	3,907
Audit fee	800	800
Information technology	360,382	311,083
Technical and advisory fee	836,274	978,192
Market research & operational expenditure	1,067,178	1,030,750
Other expenses	604,078	556,082
	5,936,146	5,481,856

23 Net finance income/(expenses)

In thousands of BDT	2016	2015
Interest income	14,029	19,733
Interest expense	(50,497)	(142,561)
	(36,468)	(122,828)

24 Non-operating income/(expenses)

In thousands of BDT	2016	2015
Profit/(loss) on disposal of property, plant and equipment	(111,714)	(5,168)
Other income	85,006	42,848
	(26,708)	37,680

24.1 Non-current assets disposed during the year

In thousands of BDT	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/(loss)	Purchaser/written off
Freehold building	3,678	(1,178)	2,500	-	(2,500)	Written off
Furniture and fixtures	1,781	(1,591)	189	-	(189)	Third party
Laboratory equipment	1,499	(1,499)	-	2	2	Written off
IT equipment	199	(198)	-	-	-	Third party
Leasehold building	12,772	(5,932)	6,840	27	(6,813)	Third party
Office equipment	4,294	(1,375)	2,919	-	(2,919)	Third party
Plant and machinery	380,845	(251,025)	129,820	4,932	(124,888)	Written off
Vehicles	83,947	(78,910)	5,037	30,630	25,593	Employees of the Company
2016 total	489,015	(341,708)	147,305	35,591	(111,714)	
2015 total	390,793	(336,935)	53,858	48,690	(5,168)	

All asset disposals were as per Company policy.

25 Income tax expenses

In thousands of BDT	Note	2016	2015
Current tax	18	5,622,651	5,633,340
Deferred tax expenses/(income)	26	(34,733)	952,198
		5,587,918	6,585,538

25.1 Reconciliation of effective tax rate

		2016		2015	
	%	BDT'000	%	BDT'000	
Profit before tax		13,170,380		12,459,612	
Current tax expense	42.69%	5,622,651	45.21%	5,633,340	
Deferred tax expense	-0.26%	(34,733)	7.64%	952,198	
Total tax expense	42.43%	5,587,918	52.86%	6,585,538	
Expected income tax using applicable tax rate	45.00%	5,926,671	45.00%	5,606,825	
Prior Year adjustment	-0.92%	(121,353)	4.29%	534,952	
Tax on non deductible expenses	-1.39%	(182,667)	-4.08%	(508,437)	
Effective current tax	42.69%	5,622,651	45.21%	5,633,340	
Effective deferred tax	-0.26%	(34,733)	7.64%	952,198	
	42.43%	5,587,918	52.86%	6,585,538	

26 Deferred tax (expense)/income

In thousands of BDT		2016	2015
Deferred tax liabilities at the beginning of the year	14	2,069,796	1,140,562
Deferred tax liabilities at the end of the year	14	2,027,373	2,069,796
		42,423	(929,234)
Deferred tax attributable to actuarial loss recognised directly in equity		(7,690)	(22,964)
Deferred tax (expense)/income recognised directly in profit		34,733	(952,198)

27 Other comprehensive income

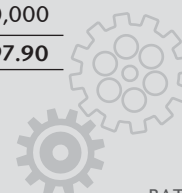
In thousands of BDT		2016	2015
Actuarial gain/(loss) on defined benefit plans		(17,089)	(51,030)
Deferred tax gain/(charge) for actuarial loss on defined benefit plans		7,690	22,964
		(9,399)	(28,066)

28 Earnings per share

28.1 Basic earnings per share

Earnings Per Share (EPS) is calculated in accordance with the Bangladesh Accounting Standard (BAS) 33: Earnings Per Share. The composition of EPS is given below:

	2016	2015
Total profit attributable to shareholders (BDT'000)	7,582,462	5,874,074
Weighted average number of shares outstanding ('000)	60,000	60,000
Earning per share	126.37	97.90



The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. During the year ended 31 December 2016, no ordinary shares were issued or bought back. Therefore, the weighted average number of shares outstanding at 31 December 2016 is the same as at the start of the year i.e. 1 January 2016.

28.2 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.

29 Dividend paid

In thousands of BDT	Note	2016	2015
Opening unclaimed dividend		41,771	35,527
Dividend declared:			
Final dividend for 2015/2014		3,300,000	2,700,000
		3,341,771	2,735,527
Closing unclaimed dividend	29.1	40,024	41,771
Dividend paid		3,301,747	2,693,756

29.1 Ageing analysis of unclaimed dividend

In thousands of BDT	Prior to				Total
	2014	2014	2015	2016	
Unclaimed dividend at 1 January 2016	27,962	4,448	9,361	-	41,771
Unclaimed dividend at 31 December 2016	23,317	4,448	9,361	2,898	40,024

30 Remittances of foreign currency

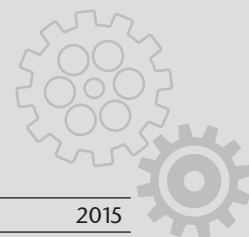
In thousands of USD	2016	2015
Royalty	5,171	4,270
Technical and advisory fee	8,854	7,685
Dividend	27,637	22,691
	41,662	34,646

Royalty comprises amounts incurred for Benson & Hedges and Pall Mall for the year 2014.

Technical and advisory fee comprises amounts incurred for the year 2014. All these fees are remitted after obtaining approval from Bangladesh Investment Development Authority (formerly known as Board of Investment). All of the above remittances made after deduction of withholding tax as per law.

31 Value of imports on Cost, Insurance and Freight (CIF) basis

In thousands of USD	2016	2015
Raw and packing materials	2,492,268	3,083,141
Spares and others	911,441	740,749
Capital goods	1,351,795	1,410,625
	4,755,504	5,234,515



32

In thousands of USD	2016	2015
Value of leaf export earnings received	20,815	26,595

33 Capacity

The Company works on continuous operation basis and given the current installed machine configurations and planned expansions, there is sufficient capacity to meet forecast future demand in a variety of specification (e.g. Filter) and packaging (e.g. Hinge Lid, Shell and Slide) configurations. The Directors regularly review the production capability of the Company and are satisfied that the current and future capacities are adequate. Plans are in place to meet any anticipated future demand.

	2016	2015
Actual production of cigarettes (in million sticks)	50,027	43,046

34 Segment Reporting

The Company is domiciled in Bangladesh. The gross revenue from cigarettes is BDT 164,004 million (2015: BDT 141,638 million). The Company does not have any non current assets that are located outside Bangladesh.

Gross cigarette revenue arising from transactions with a single external customer represented BDT 23,190 million (2015: BDT 16,642 million) of the Company's total revenue.

The Company is a single product business primarily engaged in the manufacturing and sale of cigarettes in Bangladesh and this forms the focus of the Company's internal reporting system. While the Company has clearly differentiated brands, segmentation within a wide portfolio of brands is not part of the regular internally reported financial information to the chief operating decision maker. Therefore, it is not possible to segment the Company's results by brand without a high degree of estimation.

Apart from cigarette manufacturing, the Company exports leaf outside Bangladesh, which contributes less than 10% of gross and net turnover. The break up of cigarette and export sales has been provided in note 20.

35 Consumption of imported and local raw materials

In thousands of BDT	2016		2015	
	Wrapping material	Leaf	Wrapping material	Leaf
Imported:				
Opening stock	245,138	331,307	591,808	479,096
Purchases	4,923,984	972,768	2,104,357	962,252
Consumption	(4,227,802)	(1,037,906)	(2,451,027)	(1,110,041)
Closing stock (a)	941,320	266,169	245,138	331,307
Domestic:				
Opening stock	448,057	4,897,097	39,207	4,194,000
Purchases	4,470,723	8,781,879	5,176,400	8,697,227
Consumption	(4,863,961)	(7,453,234)	(4,767,550)	(6,793,513)
Export	-	(1,199,165)	-	(1,200,617)
Closing stock (b)	54,819	5,026,577	448,057	4,897,097
Closing stock (a+b)	996,139	5,292,746	693,195	5,228,404

36 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

In thousands of BDT	Carrying amount							Total amount
	Note	Held-for-trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and Available for sale receivables	Other financial liabilities	
31 December 2016								
Financial assets not measured at fair value								
Trade and other receivables	7	-	-	-	-	1,062,450	-	1,062,450
Deposits	8	-	-	-	-	16,322	-	16,322
Cash at bank	9	-	-	-	-	1,563,483	-	1,563,483
		-	-	-	-	2,642,255	-	2,642,255
Financial liabilities not measured at fair value								
Trade and other payables	17	-	-	-	-	-	8,218,406	8,218,406
Accrued expenses	19	-	-	-	-	-	741,554	741,554
		-	-	-	-	-	8,959,960	8,959,960
31 December 2015								
Financial assets not measured at fair value								
Trade and other receivables	7	-	-	-	-	940,758	-	940,758
Deposits	8	-	-	-	-	99,598	-	99,598
Cash at bank	9	-	-	-	-	2,356,033	-	2,356,033
		-	-	-	-	3,396,389	-	3,396,389
Financial liabilities not measured at fair value								
Trade and other payables	17	-	-	-	-	-	7,842,726	7,842,726
Accrued expenses	19	-	-	-	-	-	871,677	871,677
		-	-	-	-	-	8,714,403	8,714,403

The Company has not disclosed the fair values for financial instruments because their carrying amounts are a reasonable approximation of fair values

B. Financial risk management

The Company has exposures to the following risks from its use of financial instruments:

- I) Credit risk
- II) Liquidity risk
- III) Market risk

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. This note presents information about the Company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.



I) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other parties.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. The Company's exposure to credit risk on receivables is mainly influenced by customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In thousands of BDT	Note	2016	2015
Trade and other receivables	7	1,062,450	940,758
Deposits	8	16,322	99,598
Cash at bank	9	1,563,483	2,356,033
		2,642,255	3,396,389

b) Ageing of trade and other receivables

At 31 December, the ageing of trade and other receivables that were not impaired were as follows:

In thousands of BDT	2016	2015
Past due 30 days	1,052,671	821,920
Past due 31-90 days	1,925	102,114
Past due 91-180 days	7,310	16,724
Past due over 180 days	544	-
	1,062,450	940,758

II) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities:

31 December 2016

In thousands of BDT	Note	Contractual cash flows						
		Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Trade and other payables	17	8,218,406	8,218,406	5,538,179	1,121,914	1,157,875	400,438	-
Accrued expenses	19	741,554	741,554	741,554	-	-	-	-
		8,959,960	8,959,960	6,279,733	1,121,914	1,157,875	400,438	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

31 December 2015

In thousands of BDT	Note	Contractual cash flows						
		Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Trade and other payables	17	7,842,726	7,842,726	6,407,126	-	1,435,600	-	-
Accrued expenses	19	871,677	871,677	871,677	-	-	-	-
		8,714,403	8,714,403	7,278,803	-	1,435,600	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

III) Market risk

Market risk is the risk that any changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

a) Currency risk/foreign exchange rate risk

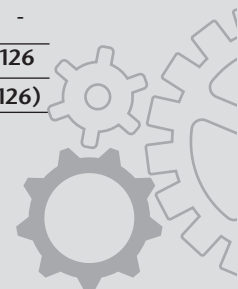
The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United State Dollar (USD), Euro (EUR) and British Pound (GBP). Foreign exchange risk arises from future commercial transactions of recognized assets and liabilities. Management complies with the treasury policy to manage foreign exchange risk against their functional currency.

i) Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

31 December 2016

In thousands	USD	GBP	EUR
Foreign currency denominated assets			
Cash at bank	15,993	-	-
Trade receivables	-	-	-
Intercompany receivables	-	63	-
	15,993	63	-
Foreign currency denominated liabilities			
Trade payables	169	21	126
Intercompany payables	20,506	4,986	-
	20,675	5,007	126
Net exposure	(4,682)	(4,944)	(126)



31 December 2015

In thousands	USD	GBP	EUR
Foreign currency denominated assets			
Cash at bank	9,560	-	-
Trade receivables	393	-	-
Intercompany receivable	1,267	87	-
	11,220	87	-
Foreign currency denominated liabilities			
Trade payables	102	12	245
Intercompany payables	15,304	15,648	7
	15,406	15,660	252
Net exposure	(4,186)	(15,573)	(252)

The following exchange rates are applied at reporting date:

	2016	2015
USD	79.00	78.95
GBP	97.96	118.11
EUR	83.66	87.49

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A reasonably possible strengthening (weakening) of the Taka, as indicated below, against the USD, EUR and GBP at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecasted sales and purchases.

2016

In thousands of BDT	Strengthening profit or (loss)	Weakening profit or (loss)
USD (5 percent movement)	18,494	(18,494)
GBP (5 percent movement)	24,215	(24,215)
EUR (5 percent movement)	527	(527)
	43,236	(43,236)

2015

In thousands of BDT	Strengthening profit or (loss)	Weakening profit or (loss)
USD (5 percent movement)	16,524	(16,524)
GBP (5 percent movement)	91,966	(91,966)
EUR (5 percent movement)	1,102	(1,102)
	109,593	(109,593)

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. At present the Company has no borrowings which is subject to interest rate risk.



37 Related party disclosures

i) Transactions with key management personnel

Key management personnel compensation comprised the following:

In thousands of BDT	2016	2015
Meeting attendance fee	90	80
Meeting expense	3,820	2,475
Remuneration	53,917	49,824
Retirement benefit scheme	5,522	4,124
Medical and welfare	1,085	139
Housing	14,415	13,176
	78,849	69,818

ii) Other related party transactions

The Company carried out a number of transactions with related parties in the normal course of business on arm's length basis. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of BAS 24: Related party disclosures.

In thousands of BDT	Relationship	Transaction values for the		Receivable/ (Payable)	
		year ended 31 December		outstanding as at 31 December	
		2016	2015	2016	2015
Income					
a. Leaf export and sale of goods					
BAT (GLP) Limited	BAT Group company	572,780	894,948	-	20,518
Pakistan Tobacco Company Limited	BAT Group company	125,121	252,927	28,580	82,372
BAT Marketing Nigeria Ltd	BAT Group company	-	261	-	261
		697,901	1,148,136	28,580	103,151
b. Other fee					
Other fee received/to be received from:					
BAT Holdings Limited	Holding company	544	-	544	-
BAT AsPac Service Centre Sdn Bhd	BAT Group company	-	9,940	-	9,940
BAT Japan	BAT Group company	7,401	-	6,384	-
BAT Korea	BAT Group company	3,604	-	-	-
BAT Vietnam	BAT Group company	941	-	-	-
		12,490	9,940	6,928	9,940
Total related party income and balance receivables		710,391	1,158,076	35,508	113,091
Expenses					
c. Procurement of services					
Procurement of information technology, product and other services:					
BASS GSD limited	BAT Group company	410,820	390,694	(499,705)	(242,825)
BAT Holdings Limited	Holding company	111	507	(4,058)	(3,947)
BAT Asia-Pacific Region Limited	BAT Group company	18,957	5,861	(28,905)	(9,948)
BAT AsPac Service Centre Sdn Bhd	BAT Group company	124,558	140,610	(402,851)	(278,293)
BAT PT Export Leaf Indonesia, Malang	BAT Group company	854	-	(854)	-
BAT PT Export Leaf Indonesia, Kartasura	BAT Group company	-	250	(250)	(250)
BAT SAA Service (Private) Limited	BAT Group company	23,622	37,370	-	(8,067)
		578,922	575,292	(936,623)	(543,330)

In thousands of BDT	Relationship	Transaction values for the		Receivable/ (Payable)	
		year ended 31 December		outstanding as at 31 December	
		2016	2015	2016	2015
d. Purchase of leaf & goods					
Purchase of leaf and wrapping materials from:					
BAT Singapore (Private) limited	BAT Group company	518,597	209,062	(184,301)	(129,016)
BAT (GLP) Limited*	BAT Group company	409,082	371,023	92,048	140,593
BAT Marketing (Singapore) Private Ltd	BAT Group company	-	12,465	-	(3,053)
BAT (Supply Chain WE) Ltd.*	BAT Group company	-	590	-	147
		927,679	593,140	(92,253)	8,671
e. Royalty					
Royalty paid/payable to:					
BAT Holdings Limited**	Holding company	444,458	457,408	(901,866)	(828,490)
		444,458	457,408	(901,866)	(828,490)
f. Technical and advisory fee					
Payment of fees for technical and advisory support services to:					
BAT Investments Ltd**	Holding company	836,274	978,192	(1,814,467)	(1,753,830)
		836,274	978,192	(1,814,467)	(1,753,830)
g. Purchase of equipment					
Purchase of equipment from:					
BAT Manufacturing Australia Pty Ltd.*	BAT Group company	-	55,438	-	4,486
Pakistan Tobacco Company Limited	BAT Group company	119,443	-	(25,129)	-
BAT Colombia S.A.S*	BAT Group company	21,285	-	-	21,118
Tabacalera Hondurena S.A.*	BAT Group company	44,162	-	-	44,634
Tobacco Importers & Manufacturers Sdn.Bhd, Malaysia	BAT Group company	180,658	91	10,566	(91)
		365,548	55,529	(14,563)	70,147
Total related party expenses and outstanding balances		3,152,881	2,659,561	(3,759,772)	(3,046,832)

*Advance paid.

**Closing balance consists of royalty and technical & advisory fee of 2015 and 2016.

38 Commitments

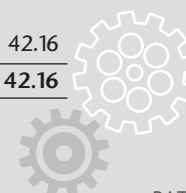
38.1 Capital expenditure

	31 December	31 December
In millions of BDT	2016	2015
Authorised but not provided for	567.04	435.75

39 Contingencies

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

	31 December	31 December
In millions of BDT	2016	2015
Letter of credit		
Citibank N.A.	1,056.91	366.79
Commercial Bank of Ceylon	131.63	22.52
The Hongkong and Shanghai Banking Corporation	234.77	61.54
Standard Chartered Bank	743.77	317.78
	2,167.09	768.63
Bank Guarantee		
Standard Chartered Bank	37.75	42.16
	37.75	42.16





39.1 Litigation

The Company has various claims and legal actions arising in the ordinary course of business. Management believes that there is strong defense against each of these claims and legal actions.

In particular, in November 2013, the Company received a retrospective notice of imposition and realisation of VAT and Supplementary Duty on low price category brands (Pilot & Bristol) from the National Board of Revenue (NBR) alleging to have evaded tax by selling in the low price segments rather than the mid-tier segments. The claim was for approximately BDT 19,240 million, which has subsequently been reduced to approximately BDT 17,806 million by an order of the High Court Division. A portion of the original claim has been reduced by the High Court as being time-barred.

Management believes that the claim is unfounded and has been engaging with all the relevant stakeholders concerning this unfounded demand based on the opinion from the Ministry of Law. No provision has been made for this claim based on Legal Opinion. The issue is currently pending before the Appellate Division for admission hearing. We hope that this matter will soon be settled in accordance with law.

40 Other disclosures

40.1 Number of employees

The number of regular permanent employees receiving remuneration of Tk. 36,000 or above per annum at reporting date was as follows:

	31 December 2016	31 December 2015
Number of employees	1,476	1,400

In addition, there was a varying number of seasonal and temporary workers working throughout the year, as required.

40.2 Comparatives and rearrangement

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current financial statements.

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged and reclassified whenever considered necessary to conform to current year's presentation.

41 Events after the reporting period

The Board of Directors of the Company recommended 600% (BDT 60 per share) cash dividend amounting to BDT 3,600 million for 2016 at the board meeting held on 27 February 2017. The dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company. The financial statements for the year ended 31 December 2016 do not include the effect of the cash dividend which will be accounted for in the period when shareholders' right to receive payment is established.

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

42 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention.



43 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages:

- A. Property, plant and equipment
- B. Financial instruments
- C. Share capital
- D. Impairment
- E. Lease
- F. Inventories
- G. Employee benefits
- H. Provisions
- I. Contingencies
- J. Revenue
- K. Income tax expense
- L. Foreign currency transactions
- M. Finance income and expenses
- N. Earnings per share (EPS)
- O. Statement of cash flows
- P. Dividends
- Q. Materiality and aggregation
- R. Events after the reporting period
- S. Going concern

A. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Buildings constructed by the Company on leasehold land are capitalised and included under the category of leasehold property.

(ii) Subsequent costs

Subsequent to initial recognition, cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other repair and maintenance expenses are charged in the statement of profit or loss and other comprehensive income as they are incurred.

(iii) Depreciation

All items of property, plant and equipment have been depreciated on straight line basis. Depreciation on additions are charged from the month of acquisition. On disposal of an asset, depreciation is charged up to the month prior to the disposal. No depreciation is charged for land and assets under construction. The Company is following this policy consistently from past years.

The estimated useful lives and the rates of residual value of property, plant and equipment for the current and comparative years are as follows:

Categories	Useful life in years		Residual value	
	2016	2015	2016	2015
Freehold building	40	40	1%	1%
Leasehold building	Maximum 40 years, depreciation rates based on a case by case basis	Maximum 40 years, depreciation rates based on a case by case basis	0%	0%
Plant and machinery	5 / 10 / 14.3	5 / 10 / 14.3	0% / 1%	0% / 1%
Laboratory equipment	10	10	0%	0%
Office equipment	5 / 10	5 / 10	0%	0%
Furniture and fixtures	3 / 5 / 10	3 / 5 / 10	0%	0%
Vehicles	4 / 5	4 / 5	1%	1%
IT equipment	3 / 5	3 / 5	0%	0%

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate. No significant adjustment in respect of items of property, plant and equipment was done in the twelve-month period ended 31 December 2016.

(iv) Assets under construction

Assets under construction represent the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use at reporting date and these are stated at cost.

(v) Impairment

The carrying amount of the entity's non-financial assets, other than inventories and deferred tax assets (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

(vi) Retirement and disposals

An asset is derecognised on disposal or when no further economic benefits are expected from its use. Gain or loss on disposal of an asset is determined as the difference of net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income/expense in the statement of profit or loss and other comprehensive income.



B. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-derivative financial instruments comprise deposits, trade and other receivables, cash and cash equivalents, trade and other payables, intercompany payables, share capital and interest-bearing borrowings.

(i) Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company's financial assets comprise trade and other receivables, deposits and cash and cash equivalents.

a) Trade and other receivables

Trade and other receivables consist of unpaid bills receivable from customers and other parties. Trade and other receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowances for doubtful receivables at the year end, which is made at the discretion of the management.

b) Deposits

Deposits are measured at payment value.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks and fixed deposits receipt which are held and available for use by the Company without any restriction, except for the dividend account. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at financial institutions and short-term highly liquid investments with maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Financial liabilities

The Company initially recognises financial liabilities in its statement of financial position when the Company becomes a party to the contractual provisions of the liability. The Company recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company's financial liabilities comprise trade and other payables.

a) Trade and other payables

Trade and other payables are recognised when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits. Trade and other payable are recognised initially at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost using the effective interest method.

(iii) Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

C. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

D. Impairment

i) Recognition

Financial assets not carried at fair value through profit or loss and receivables are assessed at each reporting date to determine whether there is objective evidence that any particular asset is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The carrying value of the non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

ii) Calculation of recoverable amount

The recoverable amount of asset is the greater of its net selling price or its value in use. The latter is determined by discounting the estimated future cash flows to a present value using a discount rate which reflects the current market assessment of the time value of money and risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

iii) Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

E Lease

Operating lease

All leases other than those which meet the definition of finance lease are treated as operating lease and are recognised in the statement of profit and loss. Payments made under operating leases are recognised in profit or loss. For non-cancellable operating leases payments are recognised on a straight line basis over the term of the lease.



F. Inventories

Raw materials and finished goods inventories are measured at the lower of cost and net realisable value. Spare parts are valued at cost.

The cost of inventories, except goods in transit, is measured based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Material in transit represents the cost incurred up to the date of the statement of financial position for the items that were not received till to the date of reporting. Inventory losses and abnormal losses are recognised as expenses.

G. Employee benefits

(i) Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined benefits plans

a) Management Gratuity Scheme

The Company operates an unfunded gratuity scheme for the management employees who joined the Company up to February 2013. Members of this scheme become eligible to receive gratuity on completion of 5 years of continuous services with the Company.

b) Management Pension Fund

The Company operates a funded pension scheme for the management employees who joined the company from 1 January 1987 to 31 August 2007. Members of this fund become eligible to receive pension on completion of 5 years of continuous service with the Company. The fund is managed by a Board of Trustees.

Present value of defined benefit obligation and the fair value of the plan assets were determined by professional actuary for both the funds. Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost and mutually compatible actuarial assumptions about demographic and financial variables were used. The difference between fair value of the plan assets and present value of obligation is recognised as a liability or an asset in the statement of financial position. In respect of any actuarial gains or losses arising from actuarial valuation, it is fully recognised in the other comprehensive income.

iii) Defined contributions plan

a) Management Gratuity Scheme

The Company operates a funded gratuity scheme for the management employees who joined the Company from 1 March 2013 and onwards. The Company contributes 15% of basic salary as contribution to the fund for the management employees from the date of joining. The fund is managed by a Board of Trustees. Members of this fund become eligible to receive gratuity on completion of 5 years of continuous services with the Company.

b) Employee Gratuity Scheme

The Company operates funded gratuity scheme for the non-management employees whereby the Company

contributes 15% of basic salary as contribution to the fund for the non management employees from the date of joining. The Fund is managed by a Board of Trustees. Members of this fund become eligible to receive gratuity on completion of 5 years of continuous services with the Company.

c) Provident Fund

The Company operates a provident fund for all the employees irrespective of date of joining the Company. Members, on confirmation, in regular employment of the Company, are required by the Company to join the provident fund to which members contribute 10% of their basic salaries and the Company makes a matching contribution. The Fund is managed by a Board of Trustees. Members become eligible to receive the Company's contribution on completion of 5 years of continuous services with the Company.

d) Worker's Profit Participation Fund

The Company operates fund for workers as "Workers' Profit Participation Fund" and 5% of the profit before charging such expense has been transferred to this fund as per section 234 of Bangladesh Labour Act 2006 (amended in 2013).

The Company recognises a contribution to the defined contribution plan as an expense when an employee has rendered services in exchange for the contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

H. Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

I. Contingencies

Contingent liability

Contingent liability is a possible obligation that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company discloses contingent liability in the financial statements. A provision is recognised in the period in which the recognition criteria of provision is met.

Contingent asset

Contingent asset is a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

J. Revenue

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT), Supplementary Duty (SD), Export Duty and Health Surcharge.

Gross turnover comprises domestic sales of cigarettes, export of leaf and includes SD, VAT, Export Duty and Health Surcharge paid to the Government of Bangladesh.

K. Income tax expense

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income tax, if any. Current tax assets/liabilities are offset if certain criteria are met. It is measured using tax rates enacted or substantively enacted at the reporting period. The applicable tax rate for the Company is currently 45%.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improve.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.


L. Foreign currency transactions

Transactions in foreign currencies are translated to Bangladesh Taka at the exchange rate prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of statement of financial position. Foreign currency differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income as per BAS 21: The Effects of Changes in Foreign Exchange Rates.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transactions.

M. Finance income and expenses





Finance income comprises interest on financial deposits with banks. Finance income is recognised on an accrual basis and shown under statement of profit or loss and other comprehensive income. Finance costs comprise interest expense on overdraft and bank charges.

N. Earnings per share (EPS)

The Company presents its basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares at the reporting date.

O. Statement of cash flows

Cash flows from operating activities have been presented under direct method as per BAS 7: Statement of Cash Flows.

P. Dividends

Final dividend distribution to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared and paid.

Q. Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

R. Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

S. Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason management continues to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business.

44. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted. However, the Company has not early applied the following new standards in preparing these financial statements.

(i) BFRS 9 Financial Instruments

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39: Financial Instruments: Recognition and

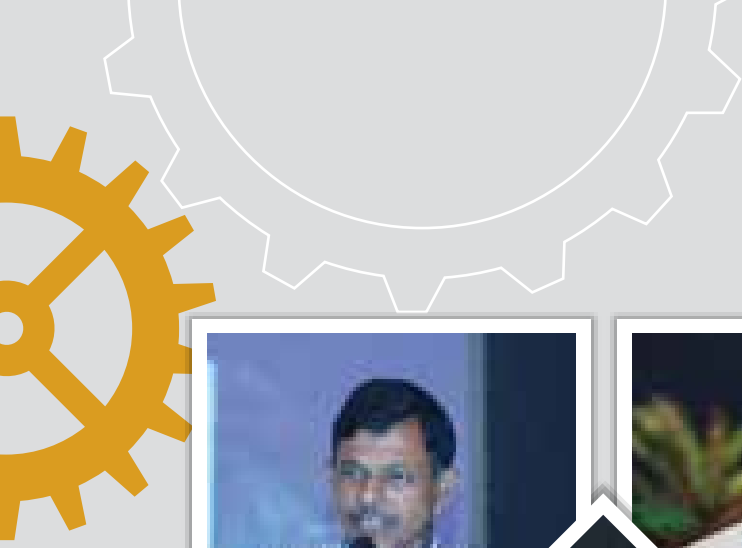
Measurement. BFRS 9 includes revised guidance on the classification and measurement of the financial instruments, a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is currently assessing the potential impact of BFRS 9 on its financial statements.

(ii) BFRS 15 Revenue from Contracts with Customers

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing recognition guidance, including BAS 18: Revenue, BAS 11: Construction Contracts and BFRI 13: Customer Loyalty Programmes. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is currently assessing the potential impact of BFRS 15 on its financial statements.

SHAREHOLDERS







৪৪ তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড-এর ৪৪ তম বার্ষিক সাধারণ সভা নিম্নলিখিত আলোচ্যসূচী সম্পাদনকল্পে আগামী ১৯ এপ্রিল, ২০১৭ রোজ বুধবার সকাল ১০:৩০ মিনিটে সোনারগাঁও হোটেল, ১০৭ কাজী নজরুল ইসলাম এভিনিউ, কারওয়ান বাজার ঢাকা-১২১৫-এর বলরুমে অনুষ্ঠিত হবে:

১. ডিসেম্বর ৩১, ২০১৬ তারিখে সমাপ্ত বছরের আর্থিক বিবরণী, পরিচালকমণ্ডলীর প্রতিবেদন এবং নিরীক্ষকবৃন্দের প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।
২. ডিসেম্বর ৩১, ২০১৬ তারিখে সমাপ্ত বছরের নগদ লভ্যাংশ অনুমোদন।
৩. পরিচালকমণ্ডলীর নির্বাচন।
৪. ২০১৭ সালের জন্য বিধিবদ্ধ নিরীক্ষক নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ।

বোর্ডের সিদ্ধান্তক্রমে

SD/-

২৭ ফেব্রুয়ারী ২০১৭

মোঃ আজিজুর রহমান এফসিএস
কোম্পানি সচিব

দ্রষ্টব্য:

- যে সকল শেয়ারহোল্ডারগণের নাম কোম্পানির সদস্য বহি কিংবা ডিপোজিটরি বহিতে রেকর্ড ডেটে (২১ মার্চ, ২০১৭) বৈধভাবে লিপিবদ্ধ থাকবে, উক্ত শেয়ারহোল্ডারগণ বার্ষিক সাধারণ সভায় যোগদান এবং লভ্যাংশ প্রাপ্তির যোগ্য বলে বিবেচিত হবেন।
- যদি কোনো শেয়ারহোল্ডার প্রতিনিধি নিয়োগ করতে চান, তবে উক্ত শেয়ারহোল্ডারকে অবশ্যই স্ট্যাম্পসহ (২০ টাকা) প্রতিনিধিপত্র কোম্পানির রেজিস্টার্ড অফিসে ১৬ এপ্রিল, ২০১৭ তারিখ সকাল ১০:৩০ মিনিটের মধ্যে জমা দিতে হবে।
- শুধুমাত্র শেয়ারহোল্ডারগণ অথবা তাদের আইনানুগ মনোনীত প্রতিনিধিরাই এই সভায় অংশ নিতে পারবেন।
- শুধুমাত্র বিজ্ঞপ্তির সাথে পাঠানো হাজিরা স্লিপ প্রদর্শনের পর সভায় প্রবেশের অধিকার দেয়া হবে।
- কুরিয়ার সার্ভিসের মাধ্যমে পাঠানো বার্ষিক প্রতিবেদন ২০১৬ যদি কোন কারণে না পৌঁছায়, সদস্যগণ তা কোম্পানির শেয়ার অফিস থেকে ১৬ এপ্রিল ২০১৭ তারিখের মধ্যে সংগ্রহ করতে পারবেন। বার্ষিক সাধারণ সভা স্থলে কোন বার্ষিক প্রতিবেদন সরবরাহ করা হবে না। এছাড়া ও বার্ষিক প্রতিবেদন কোম্পানির ওয়েব সাইট www.batbangladesh.com এ ইনভেস্টমেন্ট রিলেশন্স শাখায় পাওয়া যাবে।
- সভায় শিশুদের প্রবেশাধিকার নেই।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/ কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।



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ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড শেয়ারহোল্ডারদের প্রতি স্বতন্ত্র নিরীক্ষকের প্রতিবেদন

আর্থিক বিবরণী সমূহের উপর প্রতিবেদন

আমরা ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড এর আর্থিক বিবরণীসমূহ নিরীক্ষা করেছি যার মধ্যে রয়েছে ৩১ ডিসেম্বর ২০১৬ তারিখের আর্থিক অবস্থার বিবরণী, উক্ত তারিখে সমাপ্ত বছরের জন্য লাভ-ক্ষতি ও অন্যান্য বিশদ আয়ের বিবরণী, মালিকানা স্বত্বের পরিবর্তন বিবরণী, নগদ অর্থপ্রবাহ বিবরণী এবং গুরুত্বপূর্ণ হিসাবরক্ষণ নীতির সারাংশ ও অন্যান্য ব্যাখ্যামূলক তথ্য।

আর্থিক বিবরণীতে ব্যবস্থাপনা কর্তৃপক্ষের দায়িত্ব

বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস), কোম্পানি আইন ১৯৯৪, সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ বিধিমালা ১৯৮৭ এবং অন্যান্য আইন ও বিধানের সাথে সঙ্গতি রেখে এসব আর্থিক বিবরণী প্রস্তুতকরণ ও সুষ্ঠুভাবে উপস্থাপন ব্যবস্থাপনা কর্তৃপক্ষের দায়িত্ব। এছাড়াও ব্যবস্থাপনা কর্তৃপক্ষ অভ্যন্তরীণ নিয়ন্ত্রণের মাধ্যমে বঙ্গগত ত্রুটিবিচ্যুতি মুক্ত আর্থিক বিবরণী উপস্থাপনা নিশ্চিত করে।

নিরীক্ষকের দায়িত্ব

আমাদের দায়িত্ব হচ্ছে, আমাদের নিরীক্ষার ওপর ভিত্তি করে এই আর্থিক প্রতিবেদনের উপর মতামত প্রকাশ করা। আমাদের এই নিরীক্ষা বাংলাদেশ স্ট্যান্ডার্ডস অন অডিটিং (বিএসএ) এর নীতিমালা অনুসারে পরিচালনা করা হয়েছে। এ নীতিমালা অনুসারে আমাদেরকে সংশ্লিষ্ট নৈতিক শর্তসমূহ মেনে চলতে হয় এবং আর্থিক বিবরণীসমূহ বঙ্গগত অসঙ্গতি থেকে মুক্ত কি না সেই মর্মে যৌক্তিক নিশ্চয়তা অর্জনের লক্ষে নিরীক্ষা পরিকল্পনা ও পরিচালনা করতে হয়।

একটি নিরীক্ষার প্রধান কার্যাবলির মধ্যে রয়েছে আর্থিক প্রতিবেদনের অর্থের অংক সংক্রান্ত উপাত্ত ও ব্যাখ্যাসমূহের যথেষ্ট প্রমাণাদি সংগ্রহ করা। নিরীক্ষায় কোন কার্যপদ্ধতি অনুসরণ করা হবে তা নির্ভর করে আমাদের বিচার-বিবেচনার ওপর এবং, সেই সাথে আর্থিক বিবরণীসমূহে প্রতারণা বা ভুলের কারণে সৃষ্ট কোন বঙ্গগত অসঙ্গতির ঝুঁকি মূল্যায়নের উপর। এ সকল ঝুঁকি নির্ধারণের ক্ষেত্রে আমরা কোম্পানির আর্থিক প্রতিবেদন প্রস্তুতকরণ ও উপস্থাপনের জন্য প্রাসঙ্গিক অভ্যন্তরীণ নিয়ন্ত্রণ বিবেচনা করি, যা আমাদের পরিস্থিতির উপর নির্ভর করে নিরীক্ষার পছন্দ নির্বাচনের ক্ষেত্রেও সহযোগিতা করে। তবে এক্ষেত্রে অভ্যন্তরীণ নিয়ন্ত্রণের যথার্থতা নিয়ে মতামত প্রকাশ করা এর উদ্দেশ্য নয়। নিরীক্ষায়, হিসাবরক্ষণে ব্যবহৃত পছন্দসমূহের যথার্থতা এবং ব্যবস্থাপনা কর্তৃক নির্ধারিত আনুমানিকতার যৌক্তিক অংশসমূহ নিশ্চিত করা হয় এবং আর্থিক প্রতিবেদনের প্রকাশনার মানদণ্ড বিচার করা হয়।

আমরা বিশ্বাস করি, আমরা যেসব নিরীক্ষা প্রমাণাদি পেয়েছি সেগুলো আমাদের নিরীক্ষা মতামতের ভিত্তি গঠনে যথেষ্ট ও যথার্থ।

মতামত

আমাদের মতে, আর্থিক বিবরণীসমূহ বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস) অনুযায়ী ৩১ ডিসেম্বর ২০১৬ তারিখে কোম্পানির আর্থিক অবস্থা এবং সেই তারিখে সমাপ্ত বছরের আর্থিক কর্মকাণ্ডের ফলাফল ও নগদ অর্থপ্রবাহের সত্য ও নিরপেক্ষ চিত্র প্রদান করে।

গুরুত্বপূর্ণ বিষয়

আমরা আর্থিক বিবরণীর টাকা ৩৯.১ এর প্রতি দৃষ্টি আকর্ষণ করি যেখানে ব্যবস্থাপনা কর্তৃপক্ষ জাতীয় রাজস্ব বোর্ড কর্তৃক উত্থাপিত কোম্পানির পাইলট ও ব্রিস্টল ব্র্যান্ডের ওপর ১৭,৮০৬ মিলিয়ন টাকার ভ্যাট ও সম্পূর্ণক শুল্কের ভূতাপেক্ষ দাবি সম্পর্কে ব্যাখ্যা করে। বিষয়টি বর্তমানে আপীল বিভাগে অ্যাডমিশন শুনানির জন্য অপেক্ষমান রয়েছে। এ ব্যাপারটি আমাদের মতামতকে প্রভাবিত করছে না।

প্রযোজ্য অন্যান্য আইন ও বিধির ওপর প্রতিবেদন

কোম্পানি আইন ১৯৯৪ এবং সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ বিধিমালা ১৯৮৭ অনুযায়ী আমরা আরও উল্লেখ করছি যে -
ক) আমাদের জানামতে এই নিরীক্ষাকার্যের জন্য প্রয়োজনীয় যাবতীয় তথ্যাদি ও ব্যাখ্যাসমূহ আমরা পেয়েছি এবং যথাযথভাবে যাচাই করেছি,
খ) আমাদের অভিমত ও পরীক্ষণ অনুযায়ী, কোম্পানি কর্তৃক হিসাবরক্ষণের জন্য আইন অনুযায়ী যথাযথ বই সংরক্ষণ করা হয়ে থাকে,
গ) কোম্পানির আর্থিক অবস্থার বিবরণী এবং লাভ-ক্ষতি ও অন্যান্য বিশদ আয়ের বিবরণী হিসাবরক্ষণ বইয়ের সাথে সঙ্গতিপূর্ণ, এবং
ঘ) যাবতীয় ব্যয় সংঘটিত হয়েছে কোম্পানির ব্যবসায়িক উদ্দেশ্যে।

রহমান রহমান হক

চার্টার্ড একাউন্ট্যান্টস

ঢাকা, ২৭ ফেব্রুয়ারি ২০১৭

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড
আর্থিক অবস্থার বিবরণী

টাকা '০০০	টাকা	৩১ ডিসেম্বর ২০১৬	৩১ ডিসেম্বর ২০১৫
সম্পদ			
সম্পত্তি, কারখানা এবং যন্ত্রপাতি	৫	১৫,৪১১,৮৭৩	১৩,৬৬৫,০১৫
স্থায়ী সম্পদ		১৫,৪১১,৮৭৩	১৩,৬৬৫,০১৫
মজুদ পণ্য	৬	১৩,৯৭৯,১৮০	৮,৫৫৩,৩৭৭
বাণিজ্য ও অন্যান্য প্রাপ্য	৭	১,০৬২,৪৫০	৯৪০,৭৫৮
অগ্রিম, জমা ও অগ্রিম পরিশোধ	৮	৩,৩২৯,৪৮০	৪,০৭৪,৬৭৯
নগদ অর্থ ও নগদ সমতুল্য	৯	১,৫৬৪,৬০০	২,৩৫৭,০০২
চলতি সম্পদ		১৯,৯৩৫,৭১০	১৫,৯২৫,৮১৬
মোট সম্পদ		৩৫,৩৪৭,৫৮৩	২৯,৫৯০,৮৩১
মালিকানা স্বত্ব			
শেয়ার মূলধন	১০	৬০০,০০০	৬০০,০০০
সংরক্ষিত মূলধন তহবিল	১১	৬৪,৮৯৬	৬৪,৮৯৬
সংরক্ষিত মুনাফা তহবিল	১২	১৮,২১৭,৬৮৬	১৩,৯৪৪,৬২৩
কোম্পানির স্বত্বাধিকারীর ওপর আরোপিত মালিকানা স্বত্ব		১৮,৮৮২,৫৮২	১৪,৬০৯,৫১৯
দায়			
নিট নির্ধারিত বেনিফিট পরিকল্পনা	১৩	৮০০,৬৬৩	৪৬১,২৩০
বিলম্বিত কর দায়	১৪	২,০২৭,৩৭৩	২,০৬৯,৭৯৬
মোট দীর্ঘমেয়াদি দায়		২,৮২৮,০৩৬	২,৫৩১,০২৬
ব্যাংক জমাতিরিক্ত	১৫	২৮৯,৫৭২	-
স্বল্প মেয়াদি ব্যাংক ঋণ	১৬	১,৫০০,০০০	-
ব্যবসা ও অন্যান্য প্রদেয়	১৭	৮,২১৮,৪০৬	৭,৮৪২,৭২৬
চলতি আয়কর এর দায়	১৮	২,৪৯৯,২৬৯	৩,৫০০,৩৭৯
সঞ্চিতি ও প্রদেয়	১৯	১,১২৯,৭১৮	১,১০৭,১৮১
চলতি দায়		১৩,৬৩৬,৯৬৫	১২,৪৫০,২৮৬
মোট দায়		১৬,৪৬৫,০০১	১৪,৯৮১,৩১২
মোট মালিকানা স্বত্ব ও দায়		৩৫,৩৪৭,৫৮৩	২৯,৫৯০,৮৩১

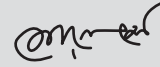
সংযোজিত ১-৪৪ টীকাসমূহ এই আর্থিক বিবরণীর অবিচ্ছেদ্য অংশ।



গোলাম মইন উদ্দিন
চেয়ারম্যান



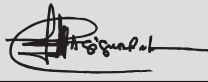
শেহজাদ মুনিম
ব্যবস্থাপনা পরিচালক



মোঃ শোশাররফ হোসেন ঝুইয়া এন ডি সি
পরিচালক



উইলিয়াম ফ্রান্সিস পেগেল
অর্থ পরিচালক



মোঃ আজিজুর রহমান এফ সি এস
কোম্পানি সচিব

আমাদের একই তারিখের প্রতিবেদন অনুযায়ী প্রস্তুতকৃত।



রহমান রহমান হক
চার্টার্ড একাউন্ট্যান্ট

টাকা, ২৭ ফেব্রুয়ারি ২০১৭

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

লাভ ও ক্ষতি এবং অন্যান্য সম্মিলিত আয়ের বিবরণী

টাকা '০০০	টাকা	৩১ ডিসেম্বর তারিখে সমাপ্ত বছরের জন্য	
		২০১৬	২০১৫
মোট বিক্রয়		১৬৫,৬৩৩,৭৬০	১৪৩,৭১১,৬৬৪
সম্পূরক শুল্ক ও মূল্য সংযোজন কর		(১২১,৮৭৯,৯৮৫)	(১০৩,৮১৬,৭৭০)
নিট বিক্রয়লব্ধ অর্থ	২০	৪৩,৭৫৩,৭৭৫	৩৯,৮৯৪,৮৯৪
বিক্রিত পণ্যের ব্যয়	২১	(২৩,৮৯০,৮৯৫)	(২১,২১২,৫১১)
মোট মুনাফা		১৯,৮৬২,৮৮০	১৮,৬৮২,৩৮৩
পরিচালন ব্যয়	২২	(৫,৯৩৬,১৪৬)	(৫,৪৮১,৮৫৬)
পরিচালন মুনাফা		১৩,৯২৬,৭৩৪	১৩,২০০,৫২৭
নিট আর্থিক আয়/ (ব্যয়)	২৩	(৩৬,৪৬৮)	(১২২,৮২৮)
অ-পরিচালন আয়/ (ব্যয়)	২৪	(২৬,৭০৮)	৩৭,৬৮০
শ্রমিকের অংশগ্রহণ তহবিল পূর্ব মুনাফা		১৩,৮৬৩,৫৫৮	১৩,১১৫,৩৭৯
শ্রমিকের অংশগ্রহণ তহবিল		(৬৯৩,১৭৮)	(৬৫৫,৭৬৭)
আয়কর পূর্ব মুনাফা		১৩,১৭০,৩৮০	১২,৪৫৯,৬১২
আয়কর সংক্রান্ত ব্যয়			
চলতি আয়কর	২৫	(৫,৬২২,৬৫১)	(৫,৬৩৩,৩৪০)
বিলম্বিত আয়কর	২৬	৩৪,৭৩৩	(৯৫২,১৯৮)
		(৫,৫৮৭,৯১৮)	(৬,৫৮৫,৫৩৮)
বছরের নিট মুনাফা		৭,৫৮২,৪৬২	৫,৮৭৪,০৭৪
অন্যান্য সম্মিলিত আয়	২৭	(৯,৩৯৯)	(২৮,০৬৬)
সর্বমোট সম্মিলিত বাৎসরিক আয়		৭,৫৭৩,০৬৩	৫,৮৪৬,০০৮
		টাকা	টাকা
শেয়ার প্রতি আয়		১২৬.৩৭	৯৭.৯০

সংযোজিত ১-৪৪ টাকাসমূহ এই আর্থিক বিবরণীর অবিচ্ছেদ্য অংশ।

গোলাম মইন উদ্দিন
চেয়ারম্যান

উইলিয়াম ফ্রান্সিস পেগেল
অর্থ পরিচালক

ঢাকা, ২৭ ফেব্রুয়ারি ২০১৭

শেহজাদ মুনিম
ব্যবস্থাপনা পরিচালক

মোঃ আজিজুর রহমান
কোম্পানি সচিব

মোঃ মোশাররফ হোসেন জুইয়া এন ডি সি
পরিচালক

আমাদের একই তারিখের প্রতিবেদন অনুযায়ী প্রস্তুতকৃত।

রহমান রহমান হক
চার্টার্ড একাউন্ট্যান্ট

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড
মালিকানা স্বত্বের পরিবর্তন বিবরণী

টাকা '০০০	শেয়ার মূলধন	সংরক্ষিত মূলধন তহবিল	সংরক্ষিত মুনাফা তহবিল	মোট
১ জানুয়ারি ২০১৬ সালের ব্যালেন্স	৬০০,০০০	৬৪,৮৯৬	১৩,৯৪৪,৬২৩	১৪,৬০৯,৫১৯
সম্মিলিত বাৎসরিক আয় ২০১৬	-	-	৭,৫৮২,৪৬২	৭,৫৮২,৪৬২
অন্যান্য সম্মিলিত আয়	-	-	(৯,৩৯৯)	(৯,৩৯৯)
সর্বমোট সম্মিলিত বাৎসরিক আয়	-	-	৭,৫৭৩,০৬৩	৭,৫৭৩,০৬৩
পরিশোধকৃত লভ্যাংশ				
চূড়ান্ত লভ্যাংশ ২০১৫	-	-	(৩,৩০০,০০০)	(৩,৩০০,০০০)
অন্তর্বর্তীকালীন লভ্যাংশ ২০১৬	-	-	-	-
৩১ ডিসেম্বর ২০১৬ সালের ব্যালেন্স	৬০০,০০০	৬৪,৮৯৬	১৮,২১৭,৬৮৬	১৮,৮৮২,৫৮২
১ জানুয়ারি ২০১৫ সালের ব্যালেন্স	৬০০,০০০	৬৪,৮৯৬	১০,৭৯৮,৬১৫	১১,৪৬৩,৫১১
সম্মিলিত বাৎসরিক আয় ২০১৫	-	-	৫,৮৭৪,০৭৪	৫,৮৭৪,০৭৪
অন্যান্য সম্মিলিত আয়	-	-	(২৮,০৬৬)	(২৮,০৬৬)
সর্বমোট সম্মিলিত বাৎসরিক আয়	-	-	৫,৮৪৬,০০৮	৫,৮৪৬,০০৮
পরিশোধকৃত লভ্যাংশ				
চূড়ান্ত লভ্যাংশ ২০১৪	-	-	(২,৭০০,০০০)	(২,৭০০,০০০)
অন্তর্বর্তীকালীন লভ্যাংশ ২০১৫	-	-	-	-
৩১ ডিসেম্বর ২০১৫ সালের ব্যালেন্স	৬০০,০০০	৬৪,৮৯৬	১৩,৯৪৪,৬২৩	১৪,৬০৯,৫১৯

সংযোজিত ১-৪৪ টীকাসমূহ এই আর্থিক বিবরণীর অবিচ্ছেদ্য অংশ।



ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

নগদ অর্থ প্রবাহের বিবরণী

টাকা '০০০	৩১ ডিসেম্বর তারিখে সমাপ্ত বছরের জন্য	
	২০১৬	২০১৫
পরিচালনা কার্যক্রম থেকে নগদ অর্থ প্রবাহ		
পরিবেশক, তামাক রপ্তানি এবং অন্যান্য আয় থেকে লব্ধ	১৬৫,৫৯৭,০৭৪	১৪৩,৯২৪,৪৭৮
মূল্য এবং খরচাদি পরিশোধ	(২৮,৮৮৪,৩৩৭)	(২৭,৫৮২,৬৩১)
সম্পূরক শুল্ক এবং মূল্য সংযোজন কর প্রদান	(১২৫,৮২৪,২৩৭)	(১০২,২৪৯,৮৫৯)
পরিচালনা কার্যক্রম থেকে প্রাপ্ত নগদ অর্থ	১০,৮৮৮,৫০০	১৪,০৯১,৯৮৮
পরিশোধকৃত আয়কর	(৬,৬২৩,৭৬১)	(৪,৮৬২,৮৭৫)
পরিশোধকৃত সুদ	(৩০,০৬৯)	(১২৮,৩৯৪)
পরিচালনা কার্যক্রম থেকে নগদ অর্থ	৪,২৩৪,৬৭০	৯,১০০,৭১৯
বিনিয়োগ কার্যক্রম থেকে নগদ অর্থ প্রবাহ		
সম্পত্তি, কারখানা ও যন্ত্রপাতি ক্রয়	(৩,৫৫০,৪৮৮)	(২,৬৯১,৩৪৩)
সম্পত্তি, কারখানা ও যন্ত্রপাতি বিক্রয়লব্ধ আয়	৩৫,৫৯১	৪৮,৬৯০
বিনিয়োগ কার্যক্রমে নগদ অর্থের ব্যবহার	(৩,৫১৪,৮৯৭)	(২,৬৪২,৬৫৩)
আর্থিক কার্যক্রম থেকে নগদ অর্থ প্রবাহ		
স্বল্প মেয়াদি ব্যাংক লোন প্রাপ্তি	১,৫০০,০০০	-
স্বল্প মেয়াদি ব্যাংক লোন পরিশোধ	-	(২,৮০০,০০০)
পরিশোধকৃত লভ্যাংশ	(৩,৩০১,৭৪৭)	(২,৬৯৩,৭৫৬)
আর্থিক কার্যক্রমে নগদ অর্থের ব্যবহার	(১,৮০১,৭৪৭)	(৫,৪৯৩,৭৫৬)
বছরের নিট নগদ অর্থ ও নগদ সমতুল্য সম্পদের বৃদ্ধি/(হ্রাস)	(১,০৮১,৯৭৪)	৯৬৪,৩১০
বছরের প্রারম্ভিক নগদ অর্থ ও নগদ সমতুল্য সম্পদ	২,৩৫৭,০০২	১,৩৯২,৬৯২
বছরের সমাপনী নগদ অর্থ ও অর্থসদৃশ সম্পদ	১,২৭৫,০২৮	২,৩৫৭,০০২
বছরের সমাপনী নগদ অর্থ ও নগদ সমতুল্য সম্পদ নিম্ন লিখিত ভাবে উপনীত হয়েছে		
নগদ ও ব্যাংক ব্যালেন্স	১,৫৬৪,৬০০	২,৩৫৭,০০২
ব্যাংক জমাতিরিক্ত	(২৮৯,৫৭২)	-
	১,২৭৫,০২৮	২,৩৫৭,০০২

সংযোজিত ১-৪৪ টীকাসমূহ এই আর্থিক বিবরণীর অবিচ্ছেদ্য অংশ।

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

হিসাব সংক্রান্ত টীকা

ডিসেম্বর ৩১, ২০১৬ তারিখে সমাপ্ত বছরের জন্য

১. প্রতিষ্ঠানের আইনগত রূপ এবং ব্যবসার ধরণ

১.১ কোম্পানি প্রোফাইল

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড একটি পাবলিক লিমিটেড কোম্পানি যা বাংলাদেশে নিবন্ধিত এবং এর শেয়ার ঢাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জসমূহে তালিকাভুক্ত। কোম্পানির রেজিস্ট্রিকৃত কার্যালয় হচ্ছে নিউ ডিওএইচএস রোড, মহাখালী, ঢাকা-১২০৬, বাংলাদেশ।

১.২ ব্যবসার ধরণ

এই কোম্পানি বিভিন্ন সিগারেট ব্র্যান্ড যেমন: বেনসন অ্যান্ড হেজেস, জন প্লেয়ার গোল্ড লিফ, পাল মাল, ক্যাপস্টান, স্টার, ডার্বি, পাইলট এবং হলিউড সিগারেট উৎপাদন এবং বাজারজাত করে থাকে।

কোম্পানির প্রধান কার্যালয় এবং সিগারেট তৈরির কারখানা ঢাকায় অবস্থিত কুষ্টিয়াতে গ্রিনলিফ প্রেসিং প্ল্যান্ট, মানিকগঞ্জে গ্রিনলিফ রিড্রাইং প্ল্যান্ট এবং দেশজুড়ে বেশ কয়েকটি লিফ এবং সেলস অফিস রয়েছে।

২. প্রস্তুতকরণের ভিত্তি

২.১ হিসাবরক্ষণের কাঠামো/সঙ্গতি

এই আর্থিক প্রতিবেদনটি বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস), কোম্পানি অ্যাক্ট ১৯৯৪, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ রুলস ১৯৮৭ এবং অন্যান্য আইন ও বিধানের সাথে সঙ্গতি বজায় রেখে প্রস্তুত করা হয়েছে। বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ রুলস ১৯৮৭ তে নির্দেশিত বিধি অনুযায়ী পরিচালনা কর্মকাণ্ডের নগদ অর্থ প্রবাহের হিসাব করা হয়েছে।

২.২ অনুমোদন

পরিচালনা পর্ষদ কর্তৃক এই আর্থিক বিবরণীসমূহ ২৭ ফেব্রুয়ারি, ২০১৭ তারিখে অনুমোদিত।

২.৩ প্রতিবেদনের সময়কাল

এই কোম্পানির আর্থিক হিসাবকাল ১ জানুয়ারি থেকে ৩১ ডিসেম্বর যা ধারাবাহিকভাবে অনুসরণ করা হচ্ছে। কোম্পানীর হিসাবরক্ষণের নীতিমালার বিশদ বিবরণ এবং এদের পরিবর্তন টীকা ৪২, ৪৩ এবং ৪৪ এ বর্ণনা করা হয়েছে।

৩. বিবরণীর আর্থিক মূল্যায়নের একক

এই আর্থিক বিবরণীটি বাংলাদেশী টাকার মানদণ্ডে হিসাব করা হয়েছে। আর্থিক বিবরণীতে প্রদর্শিত সকল অর্থমূল্য দশমিক যুক্ত সংখ্যার ক্ষেত্রে নিকটবর্তী পূর্ণ সংখ্যা ব্যবহার করা হয়েছে। পূর্ণ সংখ্যা ব্যবহার করার কারণে কিছু কিছু ক্ষেত্রে প্রদর্শিত যোগফল আলাদা করে প্রতিটি সংখ্যার যোগফল এর চেয়ে ভিন্ন হতে পারে।

৪. অনুমিতির ব্যবহার এবং মূল্যায়ন

বিএফআরএস অনুসারে এই আর্থিক বিবরণী প্রস্তুতিতে হিসাবরক্ষণ নীতিতে দায়, আয় এবং খরচের ব্যবহারিক নীতির মূল্যায়ন, হিসাব এবং অনুমিতির আশ্রয় নেয়া হয়েছে। বাস্তবিক হিসাব এসব নিরীক্ষিত হিসাব থেকে ভিন্ন হতে পারে।

এ সকল মূল হিসাব ও অনুমিতিগুলো একটি চলমান প্রক্রিয়ায় পুনঃপর্যবেক্ষণ করা যায়। হিসাবের অনুমিতিগুলো তখনই চিহ্নিত করা হয় যে সময়ে অনুমিতিগুলো পুনর্মূল্যায়ন করা হয়।

নির্দিষ্টভাবে, হিসাবরক্ষণ নীতি প্রয়োগে হিসাব সম্পর্কিত স্বীকৃত পরিমানের গুরুত্বপূর্ণ তথ্য এবং সিদ্ধান্তে সবচেয়ে উল্লেখযোগ্য প্রভাব এই আর্থিক বিবৃতির নিম্নলিখিত নোট উল্লেখ করা হলো

- নোট ৫- সম্পত্তি, কারখানা ও যন্ত্রপাতি
- নোট ৬- মজুদ পণ্য
- নোট ১০- নীতি নির্ধারিত বেনিফিট পরিকল্পনা
- নোট ১৪- বিলম্বিত কর দায়
- নোট ১৮- চলতি কর দায়
- নোট ১৯- সঞ্চিতি ও প্রদেয়
- নোট ৩৮- অঙ্গিকার
- নোট ৩৯- ঘটনা সাপেক্ষ দায়

৫. সম্পত্তি, কারখানা ও যন্ত্রপাতি

সর্বমোট	নির্মাণাধীন সম্পদ	যানবাহন	কারখানা ও যন্ত্রাদি	অফিস সরঞ্জাম	ইজারাধীন ভবন	লাবরেটের সরঞ্জাম	আই. টি. সরঞ্জাম	আসবাবপত্রাদি	লাপেরাজ ভূমি	লাপেরাজ ভবন	সর্বমোট
১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০
১ জানুয়ারি ২০১৫ তারিখের ব্যালেন্স	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০
৩১ ডিসেম্বর ২০১৫ তারিখের ব্যালেন্স	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০
১ জানুয়ারি ২০১৬ তারিখের ব্যালেন্স	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০
৩১ ডিসেম্বর ২০১৬ তারিখের ব্যালেন্স	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০	১৫৭,৩০০

৫.১ আবেচনের বন্টন

২০১৬	২০১৫
১৫৭,৩০০	১৫৭,৩০০
১ জানুয়ারি ২০১৫	১৫৭,৩০০
৩১ ডিসেম্বর ২০১৫	১৫৭,৩০০
৩১ ডিসেম্বর ২০১৬	১৫৭,৩০০

২০১৬	২০১৫
১৫৭,৩০০	১৫৭,৩০০
১ জানুয়ারি ২০১৫	১৫৭,৩০০
৩১ ডিসেম্বর ২০১৫	১৫৭,৩০০
৩১ ডিসেম্বর ২০১৬	১৫৭,৩০০

৬ মজুদ পণ্য

টাকা '০০০	২০১৬	২০১৫
হাতে মজুদ	১০,২২০,২৪০	৮,০৮৫,৯০১
ট্রানজিটে মজুদ	৭৫৮,৯০৭	৪৬৭,৬৭৬
	১০,৯৭৯,১৮০	৮,৫৫৩,৫৭৭
হাতে মজুদ		
তামাক পাতা	৫,১০৫,৮২৪	৫,০৯৩,৪৭৫
মোড়ক সামগ্রী	৫৫৯,৭৪৯	৩৭৫,২৭০
প্রক্রিয়াধীন কাজ	২১,২০১	২৪,৫০৪
উৎপাদিত পণ্য	৬,৯৮১,০৮৬	২,১৪৭,৫২৯
ভোগ্য মালামাল	৫২২,৩৮০	৪৪৪,৮৯০
	১০,২২০,২৪০	৮,০৮৫,৯০১
ট্রানজিটে মজুদ		
তামাক পাতা	১৫৬,৯২১	১০৪,৯২৯
মোড়ক সামগ্রী	৪০৬,৩৯০	৩১৭,৯২২
ভোগ্য মালামাল	১৬৫,৬২৬	১৪,৮২৫
	৭৫৮,৯৩৭	৪৬৭,৬৭৬

৭ বাণিজ্য এবং অন্যান্য প্রাপ্য

টাকা '০০০	২০১৬	২০১৫
বাণিজ্যিক দেনাদার	৯৬১,০৬৮	৮১৭,০১৭
আন্তঃকোম্পানি দেনাদার	৩৫,৫০৮	১১৩,০৯১
অন্যান্য প্রাপ্য	৬৫,৮৭৪	১০,৬৫০
	১,০৬২,৪৫০	৯৪০,৭৫৮

উক্ত প্রাপ্যগুলো জামানত বিহীন কিন্তু আদায়যোগ্য বলে বিবেচিত বিধায় উক্ত পাওনার বিপরীতে কোনো সঞ্চিতি রাখা হয়নি।

৮ অগ্রিম, জমা এবং অগ্রিম পরিশোধ

টাকা '০০০	২০১৬	২০১৫
অগ্রিম		
সরবরাহকারীদেরকে অগ্রিম প্রদান	২,৬৫০,৬৯১	৩,০১৬,৪৩৩
সম্পূরক শুল্ক ও মূল্য সংযোজন কর	৬৪০,৮৬৩	৮৩৪,৬৭৩
কর্মচারীদেরকে অগ্রিম প্রদান	২১,৬০৪	১৭,৯১৯
	৩,৩১৩,১৫৮	৩,৮৬৯,০২৫
জমা		
নিরাপত্তা জামানত	১৬,৩২২	৯৯,৫৯৮
	১৬,৩২২	৯৯,৫৯৮
অগ্রিম পরিশোধ		
ইন্সুরেন্স	-	১০৬,০৫৬
	-	১০৬,০৫৬
	৩,৩২৯,৪৮০	৪,০৭৪,৬৭৯

৯ নগদ অর্থ ও নগদ সমতুল্য

টাকা '০০০	২০১৬	২০১৫
নগদ অর্থ	১,১১৭	৯৬৯
ব্যাংকে জমা		
লভ্যাংশ হিসাব	৪০,০২৪	৪১,৭৮৭
বৈদেশিক মুদ্রার হিসাব	১,২৫৬,৪৮৯	৭৫৪,৭৯৮
চলতি হিসাব	২৬৬,৯৭০	৬৫৯,৪৪৮
স্থায়ী এবং স্বল্পমেয়াদী আমানত	-	৯০০,০০০
	১,৫৬৩,৪৮৩	২,৩৫৬,০৩৩
৩১ ডিসেম্বর তারিখের ব্যালেন্স	১,৫৬৪,৬০০	২,৩৫৭,০০২

উপরে উল্লেখ্য নগদ অর্থ সমূহ তফসিলি ও রাষ্ট্রায়ত্ত্ব ব্যাংকে জমা রাখা আছে।

৯.১ সংরক্ষিত নগদ অর্থ

লভ্যাংশ হিসাবের অর্থ শুধুমাত্র শেয়ার হোল্ডারদের লভ্যাংশ প্রদানের জন্য ব্যবহৃত হয়। লভ্যাংশ প্রদানের সময়ই এ হিসাবের অর্থ আদান প্রদান হয়।

৯.২ ব্যাংকিং সুবিধা ব্যবস্থা

ব্যাংকের মাধ্যমে টাকা ৮,৪৯৬ মিলিয়ন টাকা (২০১৫ : ৮,৪৯৬ মিলিয়ন টাকা) স্বল্প মেয়াদি চলতি তহবিল সংগ্রহের ব্যবস্থা রয়েছে। ৩১ শে ডিসেম্বর ২০১৬ তারিখ পর্যন্ত মোট ১,৭৮৯ মিলিয়ন টাকা (ব্যাংক থেকে অতিরিক্ত অর্থ ২৮৯ মিলিয়ন টাকা এবং স্বল্প মেয়াদি ঋণ ১,৫০০ মিলিয়ন টাকা) স্বল্প মেয়াদি চলতি তহবিল সুবিধা গ্রহন করা হয়। স্বল্প মেয়াদি চলতি তহবিল সুবিধা প্রতি বছর নবায়ন করা হয়।

১০ শেয়ার মূলধন

টাকা	২০১৬	২০১৫
অনুমোদিত		
৬০,০০০,০০০ সাধারণ শেয়ার প্রতিটি ১০ টাকা মূল্যের	৬০০,০০০,০০০	৬০০,০০০,০০০
	৬০০,০০০,০০০	৬০০,০০০,০০০
ইস্যুকৃত, গৃহীত এবং পরিশোধিত:		
নগদে ইস্যুকৃত		
৩ টি সাধারণ শেয়ার প্রতিটি ১০ টাকা মূল্যের	৩০	৩০
নগদ ব্যতীত ইস্যুর জন্য বিবেচিত		
৫৯,৯৯৯,৯৯৭ টি সাধারণ শেয়ার প্রতিটি ১০ টাকা মূল্যের	৫৯৯,৯৯৯,৯৭০	৫৯৯,৯৯৯,৯৭০
	৬০০,০০০,০০০	৬০০,০০০,০০০



১০.১ শেয়ারহোল্ডিং অবস্থান

শেয়ার হোল্ডারদের নাম	২০১৬		২০১৫		শতাংশ
	শেয়ারের সংখ্যা	মূল্য (টাকা)	শেয়ারের সংখ্যা	মূল্য (টাকা)	
রেলি ইনভেস্টমেন্ট কোং লিঃ ইউকে	৪৩,৭৪৫,৩৫৮	৪৩৭,৪৫৩,৫৮০	৪৩,৭৪৫,৩৫৮	৪৩৭,৪৫৩,৫৮০	৭২.৯১%
ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ	৪,২০২,৮১৩	৪২,০২৮,১০০	৪,৫৯১,৭৪২	৪৫,৯১৭,৪২০	৭.৬৫%
সাধারণ বীমা কর্পোরেশন	১,৬৯৪,০৪৭	১৬,৯৪০,৪৭০	১,৬৯৪,০৪৭	১৬,৯৪০,৪৭০	২.৮২%
বাংলাদেশ শিল্প ঋণ সংস্থা*	১৯৭,৩৭৬	১,৯৭৩,৭৬০	১৯৭,৩৭৬	১,৯৭৩,৭৬০	০.৩৩%
বাংলাদেশ সরকার	৩৮৬,৮২৪	৩,৮৬৮,২৪০	৩৮৬,৮২৪	৩,৮৬৮,২৪০	০.৬৪%
অন্যান্য	৯,৭৪৩,৫৮২	৯৭,৪৩৫,৫৮২	৯,৭৪৩,৫৮২	৯৭,৪৩৫,৫৮২	১৫.৬৪%
	৬০,০০০,০০০	৬০০,০০০,০০০	৬০,০০০,০০০	৬০০,০০০,০০০	১০০%

* বর্তমান নাম বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিঃ

১০.২ শেয়ার বন্টনসূচি

লিস্টিং রুলের চাহিদা অনুযায়ী উল্লিখিত শেয়ারের বন্টনসূচি ৩১ ডিসেম্বর ২০১৬ পর্যন্ত দেওয়া হলো:

শেয়ার সংখ্যা	২০১৬		২০১৫		শতকরা হার
	শেয়ার হোল্ডারের সংখ্যা	মোট শেয়ার সংখ্যা	শেয়ার হোল্ডারের সংখ্যা	মোট শেয়ার সংখ্যা	
৫০১ এর কম শেয়ার	২,৬৮০	১৮৮,৩২০	২,৫৪৫	১৮১,২৩৭	০.৩০%
৫০১ থেকে ৫,০০০ শেয়ার	২০২	২৫৮,৭১৫	২০৩	২৬১,২৮০	০.৪৪%
৫,০০১ থেকে ১০,০০০ শেয়ার	১৬	১২১,৯৭৬	১৭	১২৯,২৮০	০.২২%
১০,০০১ থেকে ২০,০০০ শেয়ার	২৪	৩৫৫,২৬৭	১৫	২২৮,২০৬	০.৩৮%
২০,০০১ থেকে ৩০,০০০ শেয়ার	৩	৭৬,২৪৪	৪	৯৮,৬৩৭	০.১৬%
৩০,০০১ থেকে ৪০,০০০ শেয়ার	৬	২০৩,২২২	৬	২০৯,৪৪৬	০.৩৫%
৪০,০০১ থেকে ৫০,০০০ শেয়ার	২	৩৭,৫৭৭	৪	১৭৪,৪০২	০.২৯%
৫০,০০১ থেকে ১০০,০০০ শেয়ার	৯	৬৫৯,২২২	৭	৫৭৬,০৯০	০.৯৬%
১০০,০০১ থেকে ১,০০০,০০০ শেয়ার	১৬	৫,২০৭,৬৩৩	১৫	৪,৩৭৫,৯৯৫	৭.২৯%
১,০০০,০০০ শেয়ারের বেশি	৫	২১,৫০৬,৩০৭	৬	৫৩,৭৬৫,৪২৭	৮৯.৬১%
	২,৯৬৩	৬০,০০০,০০০	২,৫৭৫	৬০,০০০,০০০	১০০%



১১ সংরক্ষিত মূলধন তহবিল

সংরক্ষিত মূলধন তহবিল বলতে ৬৪.৯০ মিলিয়ন টাকা অপ্রত্যাশনযোগ্য সংরক্ষিত তহবিলকে বোঝায় যা বাংলাদেশ ব্যাংক কর্তৃক সংজ্ঞায়িত এবং নির্দেশিত সম্পদ, কারখানা ও যন্ত্রপাতির ওপর ৯০% কর পরবর্তী লভ্যাংশ। ১৯৯৩ সাল থেকে উল্লিখিত সম্পদ, কারখানা ও যন্ত্রপাতির বিক্রয় থেকে লভ্যাংশের ওপর বিশেষ মজুদ তহবিল সৃষ্টির চাহিদা তুলে নেওয়া হয়েছে।

১২ সংরক্ষিত মুনাফা তহবিল

টাকা '০০০	২০১৬	২০১৫
১ জানুয়ারি তারিখের ব্যালেন্স	১৩,৯৪৪,৬২৩	১০,৭৯৮,৬১৫
চলতি বছরের সম্মিলিত আয়:		
চলতি বছরের মুনাফা	৭,৫৮২,৪৬২	৫,৮৭৪,০৭৪
অন্যান্য সম্মিলিত আয়	(৯,৩৯৯)	(২৮,০৬৬)
	২১,৫১৭,৬৮৬	১৬,৬৪৪,৬২৩
চলতি বছরের লভ্যাংশ সমূহ:		
পূর্ববর্তী বছরের চূড়ান্ত লভ্যাংশ	(৩,৩০০,০০০)	(২,৭০০,০০০)
চলতি বছরের অন্তর্বর্তীকালীন লভ্যাংশ	-	-
৩১ ডিসেম্বর তারিখের ব্যালেন্স	১৮,২১৭,৬৮৬	১৩,৯৪৪,৬২৩

১৩. নীট নির্ধারিত বেনিফিট পরিকল্পনা

টাকা '০০০	নোট	২০১৬			২০১৫		
		গ্র্যাচুয়িটি তহবিল	পেনশন তহবিল	সর্বমোট	গ্র্যাচুয়িটি তহবিল	পেনশন তহবিল	সর্বমোট
নির্ধারিত বেনিফিটের দায়	১৩.১	(৮০০,৬৬৩)	(২৫০,৪৭২)	(১,০৫১,১৩৫)	(৪৪৮,৩২০)	(২২৬,৮১০)	(৬৭৫,১৩০)
পরিকল্পিত সম্পত্তির							
ন্যায়্য মূল্য	১৩.২	-	২৫০,৪৭২	২৫০,৪৭২	-	২১৩,৯০০	২১৩,৯০০
নীট উদ্বৃত্ত/(ঘাটতি)		(৮০০,৬৬৩)	-	(৮০০,৬৬৩)	(৪৪৮,৩২০)	(১২,৯১০)	(৪৬১,২৩০)

১৩.১ নির্ধারিত বেনিফিটের দায়ের গতিবিধি

টাকা '০০০	গ্র্যাচুয়িটি তহবিল	পেনশন তহবিল	সর্বমোট
নির্ধারিত বেনিফিটের দায় ১ জানুয়ারি ২০১৬ তারিখে	৪৪৮,৩২০	২২৬,৮১০	৬৭৫,১৩০
চলতি সেবা ব্যয়	৪৪,৪৭০	৩০,৭৬১	৭৫,২৩১
সুদের ব্যয়	৩৯,২১০	-	৩৯,২১০
পূর্বের সেবা ব্যয়- পরিকল্পনা সংশোধন	২৭২,০৮১	-	-
তহবিল হতে সুবিধা প্রদান	-	(৭,০৯৯)	(৭,০৯৯)
কোম্পানি হতে সুবিধা প্রদান	(২০,৫০৭)	-	(২০,৫০৭)
এ্যাকচুরিয়াল (লাভ)/ক্ষতি	১৭,০৮৯	-	১৭,০৮৯
নির্ধারিত বেনিফিটের দায় ৩১ ডিসেম্বর ২০১৬ তারিখে	৮০০,৬৬৩	২৫০,৪৭২	১,০৫১,১৩৫



১৩.২ পরিকল্পিত সম্পত্তির ন্যায্য মূল্যের গতিবিধি

টাকা '০০০	গ্র্যাচুয়িটি তহবিল	পেনশন তহবিল	সর্বমোট
পরিকল্পনা সম্পত্তি ন্যায্য মূল্য ১ জানুয়ারি ২০১৬	-	২২৬,৮১০	২২৬,৮১০
কর্মচারীদের টাঁদা	-	১১,৫২০	১১,৫২০
পরিকল্পনা সম্পত্তির প্রত্যাশিত রিটার্ন	-	১৯,২৪১	১৯,২৪১
পরিকল্পনা অনুযায়ী সুবিধা প্রদান	-	(৭,০৯৯)	(৭,০৯৯)
এ্যাকচুয়িয়াল (লাভ)/ক্ষতি	-	-	-
পরিকল্পনা সম্পত্তি ন্যায্যমূল্য ৩১ ডিসেম্বর ২০১৬	-	২৫০,৪৭২	২৫০,৪৭২

১৩.৩ ২০১৬ সালের জন্য লাভ/ক্ষতি এবং অন্যান্য সম্মিলিত আয় হিসাবে পরিকল্পিত নির্ধারিত বেনিফিটের ব্যয়

টাকা '০০০	গ্র্যাচুয়িটি তহবিল	পেনশন তহবিল	সর্বমোট
লাভ/ক্ষতি			
চলতি সেবা ব্যয়	৪৪,৪৭০	৩০,৭৬১	৭৫,২৩১
পূর্বের সেবা ব্যয়-পরিকল্পনা সংশোধন	২৭২,০৮১	-	২৭২,০৮১
নির্ধারিত বেনিফিট দায়ের বকেয়া সুদ	৩৯,২১০	-	৩৯,২১০
পরিকল্পনা সম্পত্তির প্রত্যাশিত রিটার্ন	-	(১৯,২৪১)	(১৯,২৪১)
প্ল্যানের জন্য নীট আর্থিক খরচ (আয়)	৩৯,২১০	(১৯,২৪১)	১৯,৯৬৯
	৩৫৫,৭৬১	১১,৫২০	৩৬৭,২৮১
অন্যান্য সম্মিলিত আয়			
মালিকানা স্বত্বে সরাসরি স্বীকৃত এ্যাকচুয়িয়াল (লাভ)/ক্ষতি	১৭,০৮৯	-	১৭,০৮৯
	১৭,০৮৯	-	১৭,০৮৯

১৩.৪ এ্যাকচুয়িয়াল অনুমান সমূহ

প্রতিবেদনের তারিখের প্রধান এ্যাকচুয়িয়াল অনুমান সমূহ নিম্ন রূপ

	গ্র্যাচুইটি তহবিল	পেনশন তহবিল
ডিসকাউন্টের হার	৮.৫%	৯%
বেতনের বার্ষিক বৃদ্ধির হার	১১%	১১%



১৪. বিলম্বিত করের দায়

৩১ ডিসেম্বর, ২০১৬

টাকা '০০০	প্রতিবেদনের তারিখে চলমান		করারোপ যোগ্য/কর্তন যোগ্য অস্থায়ী পার্থক্য
	পরিমাণ	করের ভিত্তি	
নির্মাণাধীন সম্পদ ও জমি ব্যতীত সম্পত্তি কারখানা এবং যন্ত্রপাতি	১১,৬৭৩,৪৭৪	৬,২৪১,২৪৮	৫,৪৩২,২২৬
মজুদের সঞ্চিতি	(১২৬,২৮৬)	-	(১২৬,২৮৬)
গ্র্যাচুইটির সঞ্চিতি	(৮০০,৬৬৬)	-	(৮০০,৬৬৬)
নীট অস্থায়ী ব্যবধান			৪,৫০৫,২৭৪
প্রযোজ্য করের হার			৪৫%
বিলম্বিত করের দায়			২,০২৭,০৭০

৩১ ডিসেম্বর, ২০১৫

টাকা '০০০	প্রতিবেদনের তারিখে চলমান		করারোপ যোগ্য/ কর্তন যোগ্য অস্থায়ী পার্থক্য
	পরিমাণ	করের ভিত্তি	
নির্মাণাধীন সম্পদ ও জমি ব্যতীত সম্পত্তি কারখানা এবং যন্ত্রপাতি	১০,৭০৮,৩৫০	৫,৫৬৫,৪২৯	৫,১৪২,৯২৪
মজুদের সঞ্চিতি	(৮২,১৪২)	-	(৮২,১৪২)
গ্র্যাচুইটির সঞ্চিতি	(৪৬১,২০৫)	-	(৪৬১,২০৫)
নীট অস্থায়ী ব্যবধান			৪,৫৯৯,৫৪৭
প্রযোজ্য করের হার			৪৫%
বিলম্বিত করের দায়			২,০৬৯,৭৯৬

১৫ ব্যাংক জমাতিরিক্ত

টাকা '০০০	নোট	২০১৬	২০১৫
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	১৫.১	২৮৯,৫৭২	-
		২৮৯,৫৭২	-

১৫.১ শর্তাবলী ও পরিশোধ তালিকা

ব্যাংক থেকে নেওয়া অতিরিক্ত অর্থ পরিশোধের শর্ত ও তালিকা নিম্নরূপঃ

টাকা '০০০	মুদ্রা	২০১৬		২০১৫	
		অতিরিক্ত অর্থ	অতিরিক্ত অর্থ	অতিরিক্ত অর্থ	অতিরিক্ত অর্থ
		সুবিধার সীমা	সুবিধা	সুবিধার সীমা	সুবিধা
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	টাকা	৫০০,০০০	২৮৯,৫৭২	৫০০,০০০	-
		৫০০,০০০	২৮৯,৫৭২	৫০০,০০০	-

চলতি মূলধনের চাহিদা মেটানোর জন্য কোম্পানি বর্তমানে ১৫ নাম্বার নোটে দেওয়া উপরে উল্লেখিত ব্যাংক থেকে জমাতিরিক্ত উত্তোলনের সুবিধা ভোগ করছে এই ধরনের সুবিধা ব্যাংক এর চাহিদা সাপেক্ষে তাৎক্ষণিক ফেরৎ যোগ্য। এই অতিরিক্ত অর্থ সুবিধা ১ জানুয়ারি ২০১৭ সালে পরিশোধ করা হয়েছে।

১৬ স্বল্পমেয়াদী ব্যাংক ঋণ

টাকা '০০০	নোট	২০১৬	২০১৫
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	১৬.১	১,০০০,০০০	-
কমার্শিয়াল ব্যাংক অব সিলন পি এল সি	১৬.১	৫০০,০০০	-
		১,৫০০,০০০	-

১৬.১ শর্তাবলী ও পরিশোধের সময়সীমা

টাকা '০০০	মুদ্রা	২০১৬		২০১৫		
		পরিশোধের সময়	ঋণের সীমা	ঋণের পরিমাণ	ঋণের সীমা	ঋণের পরিমাণ
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	টাকা	২০১৭	৩,১০০,০০০	১,০০০,০০০	৩,৬০০,০০০	-
কমার্শিয়াল ব্যাংক অব সিলন পি এল সি	টাকা	২০১৭	৬৩৬,০০০	৫০০,০০০	৬৩৬,০০০	-
			৩,৭৩৬,০০০	১,৫০০,০০০	৪,২৩৬,০০০	-

চলতি মূলধনের চাহিদা মেটানোর জন্য কোম্পানী বর্তমানে ১৬ নম্বর নোটে দেওয়া উপরে উল্লেখিত স্ট্যান্ডার্ড চার্টার্ড ব্যাংক এবং কমার্শিয়াল ব্যাংক অব সিলন পি এল সি থেকে স্বল্পকালীন ঋণ সুবিধা ভোগ করছে এই ধরনের স্বল্পকালীন ঋণ সুবিধা ম্যাচ্যুরিটি সাপেক্ষে ফেরৎ যোগ্য। এই ঋণ ১ জানুয়ারি ২০১৭ সালে পরিশোধ করা হয়েছে।

১৭. ব্যবসা ও অন্যান্য প্রদেয়

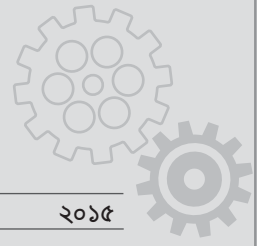
টাকা '০০০	২০১৬	২০১৫
বাণিজ্যিক পাওনাদার	৩,২৮১,৩৩২	৩,৪০৫,৯৩৩
আন্তঃকোম্পানি পাওনাদার	৩,৮৬২,৩৮৬	৩,২৫৭,৮১১
মুনাফায় শ্রমিকদের অংশীদারিত্ব তহবিল	২৭৩,১৭৮	১০,৭৬৭
মজুরি এবং অন্যান্য সুবিধা	৪২৩,৭৬৯	৩২৩,৬০৮
অদাবীকৃত লভ্যাংশ (টাকা ২৯)	৪০,০২৪	৪১,৭৭১
বিবিধ প্রদেয়	৩৩৭,৭১৭	৮০২,৮৩৬
	৮,২১৮,৪০৬	৭,৮৪২,৭২৬

১৮. চলতি আয়কর প্রদেয়

টাকা '০০০	২০১৬	২০১৫
প্রারম্ভিক জের	৩,৫০০,৩৭৯	২,৭২৯,৯১৪
চলতি বছরের সংরক্ষণ	৫,৬২২,৬৫১	৫,৬৩৩,৩৪০
	৯,১২৩,০৩০	৮,৩৬৩,২৫৪
অগ্রিম কর্পোরেট কর পরিশোধ	(৬,৬২৩,৭৬১)	(৪,৮৬২,৮৭৫)
সমাপনী জের	২,৪৯৯,২৬৯	৩,৫০০,৩৭৯

১৯. সঞ্চিতি ও প্রদেয়

টাকা '০০০	২০১৬	২০১৫
সংরক্ষিত ব্যয়	৩৮৮,১৬৪	২৩৫,৫০৪
বকেয়া ব্যয়	৭৪১,৫৫৪	৮৭১,৬৭৭
	১,১২৯,৭১৮	১,১০৭,১৮১



২০. নিট বিক্রয়

টাকা '০০০			২০১৬	২০১৫
	একক	পরিমাণ		
দেশজ বিক্রয়	মিলিয়ন স্টিক	৪৮,৩৪০	১৬০,৯৯৮,০০৭	১৪১,৬৩৮,৫৯০
সম্পূরক শুষ্ক এবং মূল্য সংযোজন কর			(১২১,৭১৫,১২৫)	(১০০,৬১৪,২১৬)
			৪২,২৮২,৮৮২	৩৮,০২৪,৩৭৭
তামাক পাতা রপ্তানি থেকে আয়	মিলিয়ন কেজি	৭.২৯	১,৬৩৫,৭৫৩	২০৭০০৭১
রপ্তানি কর			(১৬৪,৮৬০)	(২০২,৫৫৪)
			১,৪৭০,৮৯৩	১,৮৭০,৫১৭
নিট বিক্রয়			৪৩,৭৫৩,৭৭৫	৩৯,৮৯৪,৮৯৪

২১. বিক্রিত পণ্যের ব্যয়

টাকা '০০০	নোট	২০১৬	২০১৫
প্রারম্ভিক কাঁচামাল মজুদ		৫,৯২১,৫৯৯	৫,৩০৪,১১১
কাঁচামাল ক্রয়		১৯,১৪৯,৩৫৪	১৬,৯৪০,২৩৬
ব্যবহারযোগ্য কাঁচামাল		২৫,০৭০,৯৫৩	২২,২৪৪,৩৪৭
সমাপনী কাঁচামাল মজুদ		(৬,২৮৮,৮৮৫)	(৫,৯২১,৫৯৯)
ব্যবহৃত কাঁচামাল		১৮,৭৮২,০৬৮	১৬,৩২২,৭৪৮
প্রারম্ভিক চলমান কাজ		২৪,৫৩৪	৪০,০৭৮
সমাপনী চলমান কাজ		(২১,২০১)	(২৪,৫৩৪)
		১৮,৭৮৫,৪০১	১৬,৩৩৮,২৯২
উৎপাদন উপরি ব্যয়	২১.১	৫,৩৬৩,৬৪৮	৪,৬৫২,৫৮২
পন্য উৎপাদনে সর্বমোট খরচ		২৪,১৪৯,০৪৯	২০,৯৯০,৮৭৪
প্রারম্ভিক তৈরীকৃত পণ্য মজুদ		৯২৪,০০৯	৬৮৮,২৩৮
সমাপনী তৈরীকৃত পণ্য মজুদ		(১,৬২৬,৬২১)	(৯২৪,০০৯)
রয়্যালটি বাদে বিক্রয় লব্ধ পণ্যের খরচ		২৩,৪৪৬,৪৩৭	২০,৭৫৫,১০৩
রয়্যালটি		৪৪৪,৪৫৮	৪৫৭,৪০৮
সর্বমোট বিক্রিত পণ্যের ব্যয়		২৩,৮৯০,৮৯৫	২১,২১২,৫১১

২১.১ উৎপাদন উপরি ব্যয়

টাকা '০০০	২০১৬	২০১৫
বেতন ও মজুরি	১,৪৪৫,৫২৪	১,১৩৪,৫৩৭
অবচয়	৯০৮,৪৫৭	৬২০,৭৮৩
প্রিন্টিং এন্ড স্টেশনারি	২৯,২৬১	১৭,৯৬৫
বিদ্যুৎ ও জ্বালানী	৩৬৮,৬৪১	৪৩৫,৯৮৩
মেরামত ও রক্ষণাবেক্ষণ	১,৩০৭,০৮৩	১,০১৫,৪৮৪
নিরাপত্তা সেবা	১১৪,৮০৪	১২০,৫৭৬
ভাড়া, সেবা ও বিপণন খরচ	৮৪৬,০৫৮	৮৩২,২১১
বীমা	৯১,৯০০	৮৬,০৭৭
গবেষণা ও উন্নয়ন	৩,২৩৯	২,১০২
ভ্রমণ ও প্রশিক্ষণ	৮৮,০২৮	৯৪,৮৫১
অন্যান্য ব্যয়	১৬০,৬৫৩	২৯২,০১৩
	৫,৩৬৩,৬৪৮	৪,৬৫২,৫৮২

২২ পরিচালন ব্যয়

টাকা '০০০	২০১৬	২০১৫
বেতন ও মজুরি	১,০৭৩,২৭০	৭৯৩,১৯১
বিদ্যুৎ ও জ্বালানী	৪৯,৪৩৩	১৪,১৩৩
ভাড়া,সেবা ও বিপণন খরচ	৪৫২,৮৮১	২৩৫,১৮৭
মেরামত ও রক্ষণাবেক্ষণ	১৯৫,৩১৮	১১৬,৬৪৮
অবচয়	১৭২,৯০১	১৮৬,৯৫০
যানবাহন ও প্রশিক্ষণ খাতে ব্যয়	১৫৯,৭৮৪	২৩৬,৫৭১
ব্যবসা সহায়তা খরচ	৭৮৯,১৫৩	৯০৬,৯৮০
প্রিন্টিং ও স্টেশনারী	৩০,৫৯৮	৩১,১৫৫
নিরাপত্তা সেবা	৪৫,৩৯৩	৪০,১৬৫
সামাজিক দায়বদ্ধতা	৩৪,৫১৬	২১,৪৭২
আইন, সাচিবিক ও পেশাগত ফি	৫৪,৩৮৭	১৮,৫৯০
বীমা	৯,৮০০	৩,৯০৭
নিরীক্ষণ ফি	৮০০	৮০০
তথ্য প্রযুক্তি	৩৬০,৩৮২	৩১১,০৮৩
কারিগরী ও পরামর্শ সহায়তা ফি	৮৩৬,২৭৪	৯৭৮,১৯২
বাজার গবেষণা ও পরিচালনা ব্যয়	১,০৬৭,১৭৮	১,০৩০,৭৫০
অন্যান্য ব্যয়	৬০৪,০৭৮	৫৫৬,০৮২
	৫,৯৩৬,১৪৬	৫,৪৮১,৮৫৬

২৩ নীট আর্থিক আয়/ (ব্যয়)

টাকা '০০০	২০১৬	২০১৫
সুদ বাবদ আয়	১৪,০২৯	১৯,৭৩৩
সুদ বাবদ ব্যয়	(৫০,৪৯৭)	(১৪২,৫৬১)
	(৩৬,৪৬৮)	(১২২,৮২৮)

২৪ অ-পরিচালন আয়/ (খরচ)

টাকা '০০০	২০১৬	২০১৫
সম্পত্তি, কারখানা এবং যন্ত্রপাতির নিস্পত্তিজনিত লাভ বা (ক্ষতি)	(১১১,৭১৪)	(৫,১৬৮)
অন্যান্য আয়	৮৫,০০৬	৪২,৮৪৮
	(২৬,৭০৮)	৩৭,৬৮০



২৪.১ চলতি বছরের স্থায়ী সম্পত্তি বিক্রয়

টাকা '০০০	খরচ	সঞ্চিত অবচয়	অবলিখিত মূল্য	বিক্রয়	(লাভ)/ ক্ষতি	ক্রোডা/বিক্রয়
লাখেরাজ ভবন	৩,৬৭৮	(১,১৭৮)	২,৫০০	-	(২,৫০০)	বিক্রয়
আসবাবপত্রাদি	১,৭৮১	(১,৫৯১)	১৮৯	-	(১৮৯)	তৃতীয় পক্ষ
ল্যাবরেটরি সরঞ্জাম	১,৪৯৯	(১,৪৯৯)	-	২	২	বিক্রয়
আই. টি. সরঞ্জাম	১৯৯	(১৯৮)	-	-	-	তৃতীয় পক্ষ
ইজারাধীন ভবন	১২,৭৭২	(৫,৯৩২)	৬,৮৪০	২৭	(৬,৮১৩)	তৃতীয় পক্ষ
অফিস সরঞ্জাম	৪,২৯৪	(১,৩৭৫)	২,৯১৯	-	(২,৯১৯)	তৃতীয় পক্ষ
কারখানা ও যন্ত্রাদি	৩৮০,৮৪৫	(২৫১,০২৫)	১২৯,৮২০	৪,৯৩২	(১২৪,৮৮৮)	বিক্রয়
যানবাহন	৮৩,৯৪৭	(৭৮,৯১০)	৫,০৩৭	৩০,৬৩০	২৫,৫৯৩	কোম্পানির কর্মচারী বৃন্দ
২০১৬ সর্বমোট	৪৮৯,০১৫	(৩৪১,৭০৮)	১৪৭,৩০৫	৩৫,৫৯১	(১১১,৭১৪)	
২০১৫ সর্বমোট	৩৯০,৭৯৩	(৩৩৬,৯৩৫)	৫৩,৮৫৮	৪৮,৬৯০	(৫,১৬৮)	

কোম্পানির পলিসি অনুযায়ী সকল সম্পত্তি বিক্রয় করা হয়

২৫ আয়কর খরচ

টাকা '০০০	নোট	২০১৬	২০১৫
চলতি কর	১৮	৫,৬২২,৬৫১	৫,৬৩৩,৩৪০
বিলম্বিত কর ব্যয়/(আয়)	২৬	(৩৪,৭৩৩)	৯৫২,১৯৮
		৫,৫৮৭,৯১৮	৬,৫৮৫,৫৩৮

২৫.১ কার্যকরী কর হার সমন্বয়

		২০১৬		২০১৫	
	%	টাকা '০০০	%	টাকা '০০০	
কর পূর্ব লাভ		১৩,১৭০,৩৮০		১২,৪৫৯,৬১২	
চলতি কর ব্যয়	৪২.৬৯%	৫,৬২২,৬৫১	৪৫.২১%	৫,৬৩৩,৩৪০	
বিলম্বিত কর ব্যয়	-০.২৬%	(৩৪,৭৩৩)	৭.৬৪%	৯৫২,১৯৮	
মোট কর ব্যয়	৪২.৪৩%	৫,৫৮৭,৯১৮	৫২.৮৬%	৬,৫৮৫,৫৩৮	
প্রযোজ্য কর হার অনুযায়ী সম্ভাব্য আয়কর	৪৫.০০%	৫,৯২৬,৬৭১	৪৫.০০%	৫,৬০৬,৮২৫	
পূর্ববর্তী বছরের সমন্বয়	-০.৯২%	(১২১,৩৫৩)	৪.২৯%	৫৩৪,৯৫২	
অ-কর্তন যোগ্য ব্যয়ের উপর কর	-১.৩৯%	(১৮২,৬৬৭)	-৪.০৮%	(৫০৮,৪৩৭)	
কার্যকরী চলতি কর	৪২.৬৯%	৫,৬২২,৬৫১	৪৫.২১%	৫,৬৩৩,৩৪০	
কার্যকরী বিলম্বিত কর	-০.২৬%	(৩৪,৭৩৩)	৭.৬৪%	৯৫২,১৯৮	
		৪২.৪৩%	৫,৫৮৭,৯১৮	৫২.৮৬%	৬,৫৮৫,৫৩৮

২৬ বিলম্বিত করের (খরচ)/আয়

টাকা '০০০		২০১৬	২০১৫
বছরের শুরুতে বিলম্বিত করের দায়	১৪	২,০৬৯,৭৯৬	১,১৪০,৫৬২
বছরের শেষে বিলম্বিত করের দায়	১৪	২,০২৭,৩৭৩	২,০৬৯,৭৯৬
		৪২,৪২৩	(৯২৯,২৩৪)
মালিকানাভুক্ত সরাসরি স্বীকৃত বিলম্বিত করের আরোপ যোগ্য এ্যাকচ্যুরিয়াল ক্ষতি		(৭,৬৯০)	(২২,৯৬৪)
মুনাফায় সরাসরি স্বীকৃত বিলম্বিত করের (খরচ)/আয়		৩৪,৭৩৩	(৯৫২,১৯৮)

২৭ অন্যান্য সম্মিলিত আয়

টাকা '০০০	২০১৬	২০১৫
পরিকল্পিত নির্ধারিত বেনিফিটের এ্যাকচুয়িয়াল লাভ / (ক্ষতি)	(১৭,০৮৯)	(৫১,০৩০)
পরিকল্পিত নির্ধারিত বেনিফিট প্ল্যানের জন্য বিলম্বিত করের লাভ / (ক্ষতি)	৭,৬৯০	২২,৯৬৪
	(৯,৩৯৯)	(২৮,০৬৬)

২৮ শেয়ার প্রতি আয়

২৮.১ প্রতি শেয়ারে মৌলিক আয়

বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ডস্ (বিএএস) ৩৩: শেয়ার প্রতি আয় অনুযায়ী প্রতি শেয়ারে মৌলিক আয় হিসাব করা হয়েছে। শেয়ার প্রতি আয়ের সমন্বয় নিচে দেওয়া হলো:

	২০১৬	২০১৫
চলতি বছরের মোট সম্মিলিত আয়	৭,৫৮২,৪৬২	৫,৮৭৪,০৭৪
পরিমাপ কৃত গড় পরিশোধিত শেয়ারের সংখ্যা	৬০,০০০	৬০,০০০
শেয়ার প্রতি আয়	১২৬.৩৭	৯৭.৯০

পরিমাপ কৃত গড় সাধারণ পরিশোধিত শেয়ার সংখ্যা বছরের শুরুতে পরিশোধিত সাধারণ গড় শেয়ার সংখ্যার সমান যেটি সমন্বয় করা হয়েছে একটি টাইম ওয়েটিং ফ্যাক্টর দ্বারা যাতে এই সময়ের মধ্যে নতুন ভাবে ইস্যু করা শেয়ার এবং কোম্পানি কর্তৃক ক্রয়কৃত নিজ শেয়ার বিবেচনা করা হয়েছে। ৩১ ডিসেম্বর ২০১৬ সাল থেকে পূর্ববর্তী ১ বছর কোন সাধারণ শেয়ার নতুন করে ইস্যু করা অথবা কিনে নেয়া হয়নি বিধায় মূল্যায়ন কৃত গড় শেয়ারের পরিমাণ ৩১ ডিসেম্বর ২০১৬ তারিখে পরিমাপ কৃত গড় শেয়ারের পরিমাণ গত ১ জানুয়ারি ২০১৬ তারিখে শুরু হওয়া বছরের সমান।

২৮.২ প্রতি শেয়ারে মিশ্র আয়

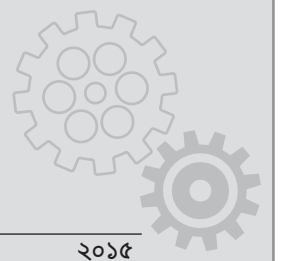
এ বছরে মিশ্রণের কোনো সুযোগ ছিল না বলে শেয়ার প্রতি মিশ্র আয় হিসাব করার প্রয়োজন নেই।

২৯ প্রদত্ত লভ্যাংশ

টাকা '০০০	নোট	২০১৬	২০১৫
অদাবিকৃত লভ্যাংশের প্রারম্ভিক জের		৪১,৭৭১	৩৫,৫২৭
ঘোষণাকৃত লভ্যাংশ			
চূড়ান্ত লভ্যাংশ ২০১৫/২০১৪		৩,৩০০,০০০	২,৭০০,০০০
		৩,৩৪১,৭৭১	২,৭৩৫,৫২৭
অদাবিকৃত লভ্যাংশের সমাপনী জের	২৯.১	৪০,০২৪	৪১,৭৭১
প্রদত্ত লভ্যাংশ		৩,৩০১,৭৪৭	২,৬৯৩,৭৫৬

২৯.১ অদাবিকৃত লভ্যাংশের সময় পর্যালোচনা

টাকা '০০০	২০১৪ এর পূর্বের	২০১৪	২০১৫	২০১৬	নোট
অদাবিকৃত লভ্যাংশ ১ জানুয়ারি ২০১৬	২৭,৯৬২	৪,৪৪৮	৯,৩৬১	-	৪১,৭৭১
অদাবিকৃত লভ্যাংশ ৩১ ডিসেম্বর ২০১৬	২৩,৩১৭	৪,৪৪৮	৯,৩৬১	২,৮৯৮	৪০,০২৪



৩০ প্রত্যাশযোগ্য বৈদেশিক মুদ্রা

ইউএসডি '০০০	২০১৬	২০১৫
রয়্যালটি	৫,১৭১	৪,২৭০
কারিগরি ও পরামর্শ ফি	৮,৮৫৪	৭,৬৮৫
লভ্যাংশ	২৭,৬৩৭	২২,৬৯১
	৪১,৬৬২	৩৪,৬৪৬

রয়্যালটি খরচের ভিতর ২০১৪ সালের বেনসন এন্ড হেজেস এবং পাল মাল এর জন্য প্রদত্ত অর্থ।

কারিগরি ও পরামর্শ ফি এর মধ্যে রয়েছে এর জন্য ২০১৪ সালে প্রদত্ত অর্থ যার জন্য বাংলাদেশ ইনভেস্টমেন্ট ডেভেলপমেন্ট অথরিটি (পূর্বতন নাম বোর্ড অব ইনভেস্টমেন্ট) থেকে অনুমোদন নেওয়া হয়েছে। উপরে উল্লেখিত সকল খরিত অর্থ থেকে নিয়ম অনুযায়ী ট্যাক্স কর্তন করা হয়েছে।

৩১ আদমানীকৃত পণ্যের সিআইএফ (CIF) এর ভিত্তিতে মূল্য

ইউএসডি '০০০	২০১৬	২০১৫
কার্টামাল ও প্যাকেজিং উপাদান	২,৪৯২,২৬৮	৩,০৮৩,১৪১
অতিরিক্ত ও অন্যান্য	৯১১,৪৪১	৭৪০,৭৪৯
প্রধান পণ্য	১,৩৫১,৭৯৫	১,৪১০,৬২৫
	৪,৭৫৫,৫০৪	৫,২৩৪,৫১৫

৩২

ইউএসডি '০০০	২০১৬	২০১৫
রপ্তানি থেকে অর্জিত আয়	২০,৮১৫	২৬,৫৯৫

৩৩ উৎপাদন ক্ষমতা

কোম্পানিতে অব্যাহত উৎপাদনের ভিত্তিতে কাজ হয় এবং বর্তমানে স্থাপিত বিভিন্ন ধরনের মেশিন সব ধরনের উৎপাদন ক্ষমতা (যেমন: ফিল্টার) এবং প্যাকেজিং সামগ্রী (যেমন: হিন্জ লিড, শেল ও স্লাইড) আছে। ভবিষ্যতের চাহিদা মেটানোর লক্ষ্যে পরিচালকগণ নিয়মিত উৎপাদন ক্ষমতা পর্যালোচনা করে থাকেন। ভবিষ্যতে উদ্ভূত যেকোন প্রয়োজন মেটানোর জন্য পর্যাপ্ত পরিকল্পনা রয়েছে।

	২০১৬	২০১৫
সিগারেটের প্রকৃত উৎপাদন (মিলিয়ন স্টিক)	৫০,০২৭	৪৩,০৪৬

৩৪ সেগমেন্ট প্রতিবেদন

প্রতিষ্ঠানটির কার্যক্রম বাংলাদেশভিত্তিক। গ্রাহকদের কাছ থেকে সিগারেট বিক্রয় থেকে উপার্জিত আয়ের পরিমাণ ১৬৪,০০৪ মিলিয়ন টাকা (২০১৫: ১৪১,৬৩৮ মিলিয়ন টাকা)। বাংলাদেশের বাইরে প্রতিষ্ঠানটির কোনো স্থায়ী সম্পত্তি নেই। কোন একক বহির্গামী গ্রাহকের সাথে লেনদেনের মাধ্যমে মোট সিগারেট বিক্রির আয় কোম্পানির মোট রাজস্ব আয়ের মধ্যে ২৩,১৯০ মিলিয়ন টাকা (২০১৫ : ১৬,৬৪২ মিলিয়ন টাকা)

প্রতিষ্ঠানটির প্রাথমিক কর্মকাণ্ডের আওতায় রয়েছে বাংলাদেশে সিগারেট উৎপাদন এবং বিক্রয়। এর আওতায় প্রতিষ্ঠানটির অভ্যন্তরীণ প্রতিবেদন প্রকাশিত হয়। যদিও প্রতিষ্ঠানটির ব্র্যান্ডসমূহের মধ্যে পার্থক্য করা হয়, প্রধান নির্বাহী সিদ্ধান্তগ্রহণকারীর কাছে পরিবেশিত অভ্যন্তরীণ প্রতিবেদনে এই পার্থক্য উল্লেখ করা থাকে না। সেহেতু, উচ্চ পর্যায়ের প্রাক্কলন ছাড়া ব্র্যান্ডের ওপর ভিত্তি করে প্রতিষ্ঠানের ফলাফল ভাগ করা সম্ভব নয়।

সিগারেট উৎপাদন ছাড়াও প্রতিষ্ঠানটি বাংলাদেশের বাইরে তামাক পাতা রপ্তানি করে। এই রপ্তানি মোট এবং নীট আয়ের ১০% এরও কম অবদান রাখে। তবে সিগারেট এবং রপ্তানির বিশদ বিবরণী টাকা ২০ এ প্রদত্ত রয়েছে।

৩৫ আমদানিকৃত এবং স্থানীয় কাঁচামালের ব্যবহার



টাকা '০০০	২০১৬		২০১৫	
	মোড়ক সামগ্রী	লিফ	মোড়ক সামগ্রী	লিফ
আমদানিকৃত:				
প্রারম্ভিক মজুদ	২৪৫,১৩৮	৩৩১,৩০৭	৫৯১,৮০৮	৪৭৯,০৯৬
ক্রয়	৪,৯২৩,৯৮৪	৯৭২,৭৬৮	২,১০৪,৩৫৭	৯৬২,২৫২
ব্যবহার	(৪,২২৭,৮০২)	(১,০৩৭,৯০৬)	(২,৪৫১,০২৭)	(১,১১০,০৪১)
সমাপনী মজুদ (ক)	৯৪১,৩২০	২৬৬,১৬৯	২৪৫,১৩৮	৩৩১,৩০৭
স্থানীয়:				
প্রারম্ভিক মজুদ	৪৪৮,০৫৭	৪,৮৯৭,০৯৭	৩৯,২০৭	৪,১৯৪,০০০
ক্রয়	৪,৪৭০,৭২০	৮,৭৮১,৮৭৯	৫,১৭৬,৪০০	৮,৬৯৭,২২৭
ব্যবহার	(৪,৮৬৩,৯৬১)	(৭,৪৫৩,২৩৪)	(৪,৭৬৭,৫৫০)	(৬,৭৯৩,৫১৩)
রপ্তানি	-	(১,১৯৯,১৬৫)	-	(১,২০০,৬১৭)
সমাপনী মজুদ (খ)	৫৪,৮১৯	৫,০২৬,৫৭৭	৪৪৮,০৫৭	৪,৮৯৭,০৯৭
সমাপনী মজুদ (ক+খ)	৯৯৬,১৩৯	৫,২৯২,৭৪৬	৬৯৩,১৯৫	৫,২২৮,৪০৪

৩৬ আর্থিক উপাদানসমূহ- ফেয়ার ভ্যালুজ এবং ঝুঁকি ব্যবস্থাপনা

ক. হিসাববিজ্ঞান শ্রেণীবিভাগ এবং ফেয়ার ভ্যালুজ

নিম্নে বর্ণিত ছক যেখানে প্রযোজ্য সেখানে আর্থিক সম্পদ এবং আর্থিক দায়ের চলতি পরিমাণ এবং ফেয়ার ভ্যালুজ দেখানো হয়েছে। এখানে আর্থিক সম্পদ ও দায়ের ক্ষেত্রে ফেয়ার ভ্যালুজ তথ্য অন্তর্ভুক্ত করা হয় নি যদি চলতি পরিমাণ ফেয়ার ভ্যালুজ যথার্থ অনুমান হয়ে থাকে।

টাকা '০০০	চলমান পরিমাণ							
	ফেয়ার ভ্যালুতে				অন্যান্য			
	বিক্রয়ের নোট	ফেয়ার ভ্যালুতে জন্য গৃহীত	ফেয়ার ভ্যালুতে মনোনিত	হেজিং ইন্সট্রুমেন্ট	পরিপক্বতা পর্যন্ত গৃহীত	ধার এবং পাওনাসমূহ	বিক্রয়ের জন্য লভ্য	আর্থিক দায়সমূহ
৩১ ডিসেম্বর ২০১৬								
ফেয়ার ভ্যালুতে হিসাব না করা আর্থিক সম্পদ								
বানিজ্য এবং অন্যান্য প্রাপ্য সমূহ	৭	-	-	-	-	১,০৬২,৪৫০	-	১,০৬২,৪৫০
আমানত সমূহ	৮	-	-	-	-	১৬,৩২২	-	১৬,৩২২
ব্যাংকে নগদ অর্থ	৯	-	-	-	-	১,৫৬৩,৪৮৩	-	১,৫৬৩,৪৮৩
						২,৬৪২,২৫৫		২,৬৪২,২৫৫
ফেয়ার ভ্যালুতে হিসাব না করা আর্থিক দায়								
বানিজ্য এবং অন্যান্য প্রদেয়সমূহ	১৭	-	-	-	-	-	৮,২১৮,৪০৬	৮,২১৮,৪০৬
বকেয়া খরচ	১৯	-	-	-	-	-	৭৪১,৫৫৪	৭৪১,৫৫৪
							৮,৯৫৯,৯৬০	৮,৯৫৯,৯৬০
৩১ ডিসেম্বর ২০১৫								
ফেয়ার ভ্যালুতে হিসাব না করা আর্থিক সম্পদ								
বানিজ্য এবং অন্যান্য প্রাপ্য সমূহ	৭	-	-	-	-	৯৪০,৭৫৮	-	৯৪০,৭৫৮
আমানত সমূহ	৮	-	-	-	-	৯৯,৫৯৮	-	৯৯,৫৯৮
ব্যাংকে নগদ অর্থ	৯	-	-	-	-	২,৩৫৬,০৩৩	-	২,৩৫৬,০৩৩
						৩,৩৯৬,৩৮৯		৩,৩৯৬,৩৮৯
ফেয়ার ভ্যালুতে হিসাব না করা আর্থিক দায়								
বানিজ্য এবং অন্যান্য প্রদেয়সমূহ	১৭	-	-	-	-	-	৭,৮৪২,৭২৬	৭,৮৪২,৭২৬
বকেয়া খরচ	১৯	-	-	-	-	-	৮৭১,৬৭৭	৮৭১,৬৭৭
							৮,৭১৪,৪০৩	৮,৭১৪,৪০৩

আর্থিক সম্পদের ক্ষেত্রে কোম্পানি তাদের ফেয়ার ভ্যালুজ প্রকাশ করেনি কারণ তাদের চলমান পরিমাণসমূহই ফেয়ার ভ্যালুজ যথার্থ ন্যায্য অনুমান



খ. আর্থিক ঝুঁকি ব্যবস্থাপনা

আর্থিক ইন্সট্রুমেন্ট ব্যবহারের ক্ষেত্রে কোম্পানি নিম্নুক্ত ঝুঁকির সম্মুখীন হতে পারে

- I) আমানত ঝুঁকি
- II) তারল্য ঝুঁকি
- III) বাজার ঝুঁকি

কোম্পানির সার্বিক ঝুঁকি ব্যবস্থাপনা অবকাঠামো নির্মাণ এবং পরিদর্শনের দায়িত্ব বোর্ড অব ডিরেক্টরের কাছে থাকে। কোম্পানির ঝুঁকি ব্যবস্থাপনা নীতিমালা প্রতিষ্ঠা করা হয় কোম্পানি যেসব ঝুঁকির মুখোমুখি হয় তা চিহ্নিত এবং বিশ্লেষণ করা, যথাযত ঝুঁকির মাত্রা এবং নিয়ন্ত্রন প্রতিষ্ঠা করা এবং পরিসীমা ঝুঁকি ও আনুগত্য নিরীক্ষন করতে। ঝুঁকি ব্যবস্থাপনা নীতিমালা, প্রক্রিয়া এবং ব্যবস্থা নিয়মিত নিরীক্ষা করা হয় বাজার ব্যবস্থা এবং কোম্পানি কার্যক্রম যাচাই করার উদ্দেশ্যে। এই নোট কোম্পানির নিম্নোক্ত ঝুঁকিগুলো, কোম্পানীর উদ্দেশ্য, নীতিমালা এবং ঝুঁকি পরিমাপ ও ব্যবস্থাপনা এবং কোম্পানীর পুঁজি ব্যবস্থাপনা সম্পর্কে তথ্য প্রদান করে।

I) আমানত ঝুঁকি

আমানত ঝুঁকি হল কোম্পানির সেই জাতীয় আর্থিক ক্ষতির ঝুঁকি যদি কোনো কাস্টমার অথবা আর্থিক উপকরণের বিপক্ষ কোনো পার্টি তাদের চুক্তির বাধ্যবাধকতাসমূহ পূরণ করতে ব্যর্থ হয় এবং মূলত তৈরি হয় কাস্টমার এবং অন্যান্য পার্টির কাছে থেকে প্রাপ্য সমূহ থেকে। ব্যবস্থাপনার কিছু আমানত নীতিমালা রয়েছে এবং আমানত ঝুঁকিতে পড়ার সম্ভাবনার বিষয়টি নিয়মিত পর্যবেক্ষন করা হয়। আমানত ঝুঁকি পর্যবেক্ষনের ক্ষেত্রে প্রাপ্যসমূহ তাদের রিস্ক প্রোফাইল অনুসারে শ্রেণীভুক্ত করা হয়, তাদের আইনী অবস্থা, আর্থিক পরিস্থিতি, এজিং প্রোফাইল ইত্যাদি। কোম্পানির প্রাপ্য সমূহের উপর আমানত ঝুঁকিতে পড়ার সম্ভাবনা অনেকাংশেই কাস্টমারদের দ্বারা প্রভাবিত। আমানত ঝুঁকিতে পড়ার সর্বোচ্চ সম্ভাবনা প্রকাশিত হয় প্রত্যেকটি আর্থিক সম্পদের চলতি পরিমানসমূহ যা আর্থিক পজিশনের স্টেটমেন্টে উল্লেখ করা হয়।

ক) আমানত ঝুঁকিতে পড়ার সম্ভাবনা

আর্থিক সম্পদের চলতি পরিমানেই সর্বোচ্চ আমানত ঝুঁকির বিষয়টি প্রকাশিত হয়। রিপোর্টিং ডেটে সর্বোচ্চ আমানত ঝুঁকির পরিমান ছিল:

টাকা '০০০	নোট	২০১৬	২০১৫
বানিজ্য এবং অন্যান্য প্রাপ্যসমূহ	৭	১,০৬২,৪৫০	৯৪০,৭৫৮
আমানতসমূহ	৮	১৬,৩২২	৯৯,৫৯৮
ব্যাংকে থাকা অর্থ	৯	১,৫৬৩,৪৮৩	২,৩৫৬,০৩৩
		২,৬৪২,২৫৫	৩,৩৯৬,৩৮৯

খ. বানিজ্য এবং অন্যান্য প্রাপ্যসমূহের বয়সসীমা

৩১ ডিসেম্বর তারিখে যেসব বানিজ্য এবং অন্যান্য প্রাপ্যসমূহ ক্ষতিগ্রস্থ হয়নি সেগুলো নিচে উল্লেখ করা হল:

টাকা '০০০	২০১৬	২০১৫
অতীতকালীন বাকি ৩০ দিন	১,০৫২,৬৭১	৮২১,৯২০
অতীতকালীন বাকি ৩১-৯০ দিন	১,৯২৫	১০২,১১৪
অতীতকালীন বাকি ৯১-১৮০ দিন	৭,৩১০	১৬,৭২৪
অতীতকালীন বাকি ১৮০ দিনের বেশি	৫৪৪	-
	১,০৬২,৪৫০	৯৪০,৭৫৮

II) তারল্য ঝুঁকি

তারল্য ঝুঁকি হল সেই সমস্ত ঝুঁকি যখন কোম্পানি তার আর্থিক দায় সমূহ পূরণ করতে অসুবিধার সম্মুখীন হবে যেগুলো পূরণ করা হয় অর্থ অথবা অন্যান্য আর্থিক সম্পদ প্রদানের মাধ্যমে। তারল্য ব্যবস্থাপনায় কোম্পানির অ্যাপ্রোচ এটা নিশ্চিত করা যে যতদুর সম্ভব তার কাছে যথেষ্ট পরিমাণ তরল অর্থ থাকবে তার যখন দায় বাকি থাকবে তা পূরণ করার জন্য যেকোনো সাধারণ এবং বিপজ্জনক অবস্থায় কোনো ধরনের গ্রহনঅযোগ্য ক্ষতি তৈরী অথবা কোম্পানীর সুনামের ক্ষেত্রে কোনো ধরনের প্রভাব না ফেলে। সাধারণভাবে কোম্পানী নিশ্চিত করে যে তাদের কাছে যথেষ্ট পরিমাণ অর্থ এবং অর্থ সমপরিমানের সম্পদ রয়েছে পরিচালনা ব্যয় নির্বাহের জন্য আর্থিক বাধ্যবাধকতাসহ ক্যাশ ফ্লো পূর্বাভাস তৈরী করে টাইম লাইন অব পেমেন্টের ভিত্তিতে আর্থিক বাধ্যবাধকতা প্রদান এবং সেই অনুসারে যথেষ্ট পরিমাণে তারল্য/ফান্ড যোগাড় করা হবে যাতে ডিউ ডেটের ভেতর প্রত্যাশিত পেমেন্ট করা যাবে। তার ওপর কোম্পানির বিভিন্ন বানিজ্যিক ব্যাংকের সাথে স্বল্পকালীন ঋণ সুবিধা রয়েছে পেমেন্ট অব অবলিগেশন প্রদান করার জন্য সেই সময়ে যখন কোম্পানির স্বল্প পরিমাণ অর্থ রয়েছে প্রয়োজনীয় পেমেন্টের জন্য। তারল্য প্রবাহ অনুমানের মাধ্যমে আগেই প্রয়োজন সমূহ নির্ধারণ করা হয় এবং ব্যাংকের সাথে ক্রেডিট লাইন সম্পর্কে আলোচনা করা হয়।

নিচে উল্লেখ্য বিষয়গুলো হল আর্থিক দায়ের চুক্তিভিত্তিক পরিপক্বতাসমূহ:

৩১ ডিসেম্বর ২০১৬

টাকা '০০০	নোট	চুক্তিভিত্তিক নগদ প্রবাহ						
		চলতি পরিমাণ	সর্বমোট	৬ মাস বা তার কম	৬ - ১২ মাস	১ - ২ বছর	২ - ৫ বছর	৫ বছর থেকে বেশি
বানিজ্য এবং অন্যান্য প্রদেয়সমূহ	১৭	৮,২১৮,৪০৬	৮,২১৮,৪০৬	৫,৫০৮,১৭৯	১,১২১,৯১৪	১,১৫৭,৮৭৫	৪০০,৪৩৮	-
জমা খরচসমূহ	১৯	৭৪১,৫৫৪	৭৪১,৫৫৪	৭৪১,৫৫৪	-	-	-	-
		৮,৯৫৯,৯৬০	৮,৯৫৯,৯৬০	৬,২৪৯,৭৩৩	১,১২১,৯১৪	১,১৫৭,৮৭৫	৪০০,৪৩৮	-

এটা আশা করা যায়না যে নগদ প্রবাহ যা পরিপক্বতা বিশ্লেষণে অন্তর্ভুক্ত সেটা যথেষ্ট আগে ঘটতে পারে অথবা যথেষ্ট আলাদা পরিমাণে হতে পারে।

৩১ ডিসেম্বর ২০১৫

টাকা '০০০	নোট	চুক্তিভিত্তিক নগদ প্রবাহ						
		চলতি পরিমাণ	সর্বমোট	৬ মাস বা তার কম	৬ - ১২ মাস	১ - ২ বছর	২ - ৫ বছর	৫ বছর থেকে বেশি
বানিজ্য এবং অন্যান্য প্রদেয়সমূহ	১৭	৭,৮৪২,৭২৬	৭,৮৪২,৭২৬	৬,৪০৭,১২৬	-	১,৪৩৫,৬০০	-	-
জমা খরচসমূহ	১৯	৮৭১,৬৭৭	৮৭১,৬৭৭	৮৭১,৬৭৭	-	-	-	-
		৮,৭১৪,৪০৩	৮,৭১৪,৪০৩	৭,২৭৮,৮০৩	-	১,৪৩৫,৬০০	-	-

এটা আশা করা যায়না যে নগদ প্রবাহ যা পরিপক্বতা বিশ্লেষণে অন্তর্ভুক্ত সেটা যথেষ্ট আগে ঘটতে পারে অথবা যথেষ্ট আলাদা পরিমাণে হতে পারে।

III) বাজার ঝুঁকি

বাজার ঝুঁকি হচ্ছে সেই ধরনের ঝুঁকি যা বাজার মূল্যের কোনো ধরনের পরিবর্তন যেমন বৈদেশিক মুদ্রার বিনিময় হার এবং সুদের হার কোম্পানির আয় অথবা তার আর্থিক উপকরণসমূহের হোল্ডিং মূল্যের উপর প্রভাব ফেলবে। বাজার ঝুঁকি ব্যবস্থাপনার উদ্দেশ্য হল মুনাফা বাড়ানোর পাশাপাশি বাজার ঝুঁকিতে পড়ার সম্ভাবনা কমিয়ে গ্রহযোগ্য মাত্রায় রাখা।

ক. মুদ্রা ঝুঁকি/ বৈদেশিক মুদ্রা বিনিময় হার ঝুঁকি

কোম্পানি বিভিন্ন দেশের মুদ্রার প্রভাবে বৈদেশিক মুদ্রা বিনিময় হার ঝুঁকির মুখোমুখি হতে পারে, প্রাথমিকভাবে ইউনাইটেড স্টেট ডলার (ইউএসডি), ইউরো (ইউএআর) এবং ব্রিটিশ পাউন্ড (জিবিপি)। বৈদেশিক মুদ্রা বিনিময় হার ঝুঁকির সৃষ্টি হয় ভবিষ্যত স্বীকৃত সম্পদ এবং দায়ের বিনিময়ের মাধ্যমে। ব্যবস্থাপনা ট্রেজারী নীতিমালা মেনে চলে বৈদেশিক মুদ্রা বিনিময় ঝুঁকি তাদের ফাংশনাল কারেন্সির বিপরীতে ব্যবস্থাপনার উদ্দেশ্যে।

অ. মুদ্রা ঝুঁকির মুখোমুখি

কোম্পানির বৈদেশিক মুদ্রা ঝুঁকির মুখোমুখি হওয়ার বিষয়টা ছিল নিচে উল্লেখিত পরিমানের অনুরূপ:

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টাকা '০০০	ইউএসডি (ডলার)	জিবিপি (পাউন্ড)	ইইউআর (ইউরো)
বৈদেশিক মুদ্রা আখ্যাত সম্পদ			
ব্যাংকে থাকা নগদ অর্থ	১৫,৯৯৩	-	-
বাণিজ্য দেনাদার	-	-	-
আন্তঃকোম্পানি দেনাদার	-	৬৩	-
	১৫,৯৯৩	৬৩	-
বৈদেশিক মুদ্রা আখ্যাত দায়সমূহ			
বানিজ্যিক পাওনাদার	১৬৯	২১	১২৬
আন্তঃকোম্পানি পাওনাদার	২০,৫০৬	৪,৯৮৬	-
	২০,৬৭৫	৫,০০৭	১২৬
নেট এক্সপোজার	(৪,৬৮২)	(৪,৯৪৪)	(১২৬)

৩১ ডিসেম্বর ২০১৫

টাকা '০০০	ইউএসডি (ডলার)	জিবিপি (পাউন্ড)	ইইউআর (ইউরো)
বৈদেশিক মুদ্রা আখ্যাত সম্পদ			
ব্যাংকে থাকা নগদ অর্থ	৯,৫৬০	-	-
বাণিজ্য দেনাদার	৩৯৩	-	-
আন্তঃকোম্পানি দেনাদার	১,২৬৭	৮৭	-
	১১,২২০	৮৭	-
বৈদেশিক মুদ্রা আখ্যাত দায়সমূহ			
বানিজ্যিক পাওনাদার	১০২	১২	২৪৫
আন্তঃকোম্পানি পাওনাদার	১৫,৩০৪	১৫,৬৪৮	৭
	১৫,৪০৬	১৫,৬৬০	২৫২
নেট এক্সপোজার	(৪,১৮৬)	(১৫,৫৭৩)	(২৫২)

নিচে উল্লেখিত বিনিময় হারগুলো রিপোর্টিং তারিখে প্রয়োগ করা হয়েছে:

	২০১৬	২০১৫
ইউ.এস.ডি (ডলার)	৭৯.০০	৭৮.৯৫
জি.বি.পি(পাউন্ড)	৯৭.৯৬	১১৮.১১
ই.ইউ.আর(ইউরো)	৮৩.৬৬	৮৭.৪৯

আ. বৈদেশিক মুদ্রা খরচের ক্ষেত্রে বৈদেশিক বিনিময় হার সংবেদনশীলতা বিশ্লেষণ

নিচে প্রদর্শিত পরিমান অনুযায়ী প্রতিবেদনের তারিখে ইউ.এস.ডি(ডলার), জি.বি.পি(পাউন্ড), ই.ইউ.আর(ইউরো)-এর বিপরীতে টাকা শক্তিশালী অথবা দুর্বল করা ইকুইটি এবং লাভ অথবা ক্ষতি বাড়ায়/কমায়। এই বিশ্লেষণ করা হয়েছে বৈদেশিক মুদ্রা বিনিময় হারের তারতম্যের ভিত্তিতে যা কোম্পানি তার রিপোর্টিং তারিখে যুক্তিসম্মতভাবে সম্ভব বলে মনে করেছিল। এই বিশ্লেষণ অনুমান করে যে অন্য সকল চলক, বিশেষত সুদের হার অপরিবর্তনীয় এবং অনুমিত ভবিষ্যতের বেচাকেনায় কোন ধরনের প্রভাব থাকবে না।

২০১৬

টাকা '০০০	শক্তিশালী	দূর্বল
	লাভ অথবা (ক্ষতি)	লাভ অথবা (ক্ষতি)
ইউ.এস.ডি (৫ শতাংশ মুভমেন্ট)	১৮,৪৯৪	(১৮,৪৯৪)
জি.বি.পি, (৫ শতাংশ মুভমেন্ট)	২৪,২১৫	(২৪,২১৫)
ই.ইউ.আর (৫ শতাংশ মুভমেন্ট)	৫২৭	(৫২৭)
	৪৩,২৩৬	(৪৩,২৩৬)

২০১৫

টাকা '০০০	শক্তিশালী	দূর্বল
	লাভ অথবা (ক্ষতি)	লাভ অথবা (ক্ষতি)
ইউ.এস.ডি (৫ শতাংশ মুভমেন্ট)	১৬,৫২৪	(১৬,৫২৪)
জি.বি.পি, (৫ শতাংশ মুভমেন্ট)	৯১,৯৬৬	(৯১,৯৬৬)
ই.ইউ.আর (৫ শতাংশ মুভমেন্ট)	১,১০২	(১,১০২)
	১০৯,৫৯৩	(১০৯,৫৯৩)

খ. সুদের হার ঝুঁকি

সুদের হার ঝুঁকি সেই ধরনের ঝুঁকি যা তৈরী হয় ধারের উপর সুদের হারের পরিবর্তনের কারণে। বর্তমানে কোম্পানির কোনো ধরনের ধার নেই যার ফলে সুদের হার তৈরী হবে।

৩৭ সংশ্লিষ্ট পার্টির সাথে লেনদেন

i) প্রধান কর্মকর্তাদের সহীত লেনদেন

প্রধান কর্মকর্তাদের সহীত লেনদেন নিম্নরূপ:

টাকা '০০০	২০১৬	২০১৫
উপস্থিতি সম্মানী	৯০	৮০
মিটিং বাবদ ব্যয়	৩,৮২০	২,৪৭৫
বেতন	৫৩,৯১৭	৪৯,৮২৪
অবসরকালীন ভাতা	৫,৫২২	৪,১২৪
চিকিৎসা এবং কল্যাণমূলক ভাতা	১,০৮৫	১৩৯
গৃহসংস্থান	১৪,৪১৫	১৩,১৭৬
	৭৮,৮৪৯	৬৯,৮১৮

ii) অন্যান্য পার্টির সাথে লেনদেন

কোম্পানি সংশ্লিষ্ট পার্টিসমূহের সাথে ব্যবসার প্রয়োজনে যথার্থ মূল্যে বিভিন্ন লেনদেন পরিচালনা করেছে। এ সমস্ত পার্টির নাম, লেনদেনের প্রকৃতি এবং তাদের প্রকৃত মূল্য বিএএস ২৪: সংশ্লিষ্ট পার্টি তথ্যাদি এর আওতায় দেখানো হয়েছে:

টাকা '০০০	সম্পর্ক	লেনদেনের পরিমাণ		প্রাপ্য/(প্রদেয়) বকেয়া	
		৩১ শে ডিসেম্বর		৩১ শে ডিসেম্বর	
		২০১৬	২০১৫	২০১৬	২০১৫
আয়					
ক. লিফ রপ্তানি এবং পন্য বিক্রয়					
বিএটি (জিএলপি) লিমিটেড	বিএটি গ্রুপ কোম্পানি	৫৭২,৭৮০	৮৯৪,৯৪৮	-	২০,৫১৮
পাকিস্তান টোব্যাকো কোম্পানি লিমিটেড	বিএটি গ্রুপ কোম্পানি	১২৫,১২১	২৫২,৯২৭	২৮,৫৮০	৮২,৩৭২
বিএটি মার্কেটিং নাইজেরিয়া লিমিটেড	বিএটি গ্রুপ কোম্পানি	-	২৬১	-	২৬১
		৬৯৭,৯০১	১,১৪৮,১৩৬	২৮,৫৮০	১০৩,১৫১



টাকা' ০০০	সম্পর্ক	লেনদেনের পরিমাণ ৩১ শে ডিসেম্বর		প্রাপ্য/(প্রদেয়) বকেয়া ৩১ শে ডিসেম্বর	
		২০১৬	২০১৫	২০১৬	২০১৫
খ. অন্যান্য ফি					
অন্যান্য ফি গৃহিত/ গৃহিত হবে					
বিএটি হোল্ডিংস লিমিটেড	হোল্ডিং কোম্পানি	৫৪৪	-	৫৪৪	-
বিএটি এ্যাসপেক সার্ভিস সেন্টার এস ডি এন বি এইচ ডি	বিএটি গ্রুপ কোম্পানি	-	৯,৯৪০	-	৯,৯৪০
বিএটি জাপান	বিএটি গ্রুপ কোম্পানি	৭,৪০১	-	৬,৩৮৪	-
বিএটি কোরিয়া	বিএটি গ্রুপ কোম্পানি	৩,৬০৪	-	-	-
বিএটি ভিয়েতনাম	বিএটি গ্রুপ কোম্পানি	৯৪১	-	-	-
		১২,৪৯০	৯,৯৪০	৬,৯২৮	৯,৯৪০
মোট আয় এবং দেনাদারের জের		৭১০,৩৯১	১,১৫৮,০৭৬	৩৫,৫০৮	১১৩,০৯১

টাকা' ০০০	সম্পর্ক	লেনদেনের পরিমাণ ৩১ শে ডিসেম্বর		প্রাপ্য/(প্রদেয়) বকেয়া ৩১ শে ডিসেম্বর	
		২০১৬	২০১৫	২০১৬	২০১৫
ব্যয়					
গ. পণ্য আহরণ					
তথ্য প্রযুক্তি, পণ্য ও অন্যান্য সেবা আহরণ:					
বিএএসএস জিএসডি ইউটেক	বিএটি গ্রুপ কোম্পানি	৪১০,৮২০	৩৯০,৬৯৪	(৪৯৯,৭০৫)	(২৪২,৮২৫)
বিএটি হোল্ডিংস লিমিটেড	হোল্ডিং কোম্পানি	১১১	৫০৭	(৪,০৫৮)	(৩,৯৪৭)
বিএটি এশিয়া প্যাসিফিক রিজিয়ন লিমিটেড	বিএটি গ্রুপ কোম্পানি	১৮,৯৫৭	৫,৮৬১	(২৮,৯০৫)	(৯,৯৪৮)
বিএটি এ্যাসপেক সার্ভিস সেন্টার এস ডি এন বি এইচ ডি	বিএটি গ্রুপ কোম্পানি	১২৪,৫৫৮	১৪০,৬১০	(৪০২,৮৫১)	(২৭৮,২৯৩)
বিএটি এক্সপোর্ট লিফ ইন্দোনেশিয়া, মালাং	বিএটি গ্রুপ কোম্পানি	৮৫৪	-	(৮৫৪)	-
বিএটি এক্সপোর্ট লিফ ইন্দোনেশিয়া, কাটাগুরা	বিএটি গ্রুপ কোম্পানি	-	২৫০	(২৫০)	(২৫০)
বিএটি এস এস এ সার্ভিস (প্রাইভেট) লিঃ	বিএটি গ্রুপ কোম্পানি	২৩,৬২২	৩৭,৩৭০	-	(৮,০৬৭)
		৫৭৮,৯২২	৫৭৫,২৯২	(৯৩৬,৬২৩)	(৫৪৩,৩৩০)
ঘ. তামাক ও পণ্য ক্রয়					
লিফ ও মোড়ক সামগ্রী ক্রয়:					
বিএটি সিংগাপুর (প্রাইভেট) লিঃ	বিএটি গ্রুপ কোম্পানি	৫১৮,৫৯৭	২০৯,০৬২	(১৮৪,৩০১)	(১২৯,০১৬)
বিএটি (জিএলপি) লিমিটেড*	বিএটি গ্রুপ কোম্পানি	৪০৯,০৮২	৩৭১,০২৩	৯২,০৪৮	১৪০,৫৯৩
বিএটি মার্কেটিং (সিঙ্গাপুর) প্রাইভেট লিমিটেড	বিএটি গ্রুপ কোম্পানি	-	১২,৪৬৫	-	(৩,০৫৩)
বিএটি সাপ্লাই চেইন ডাব্লিউ ই লিমিটেড*	বিএটি গ্রুপ কোম্পানি	-	৫৯০	-	১৪৭
		৯২৭,৬৭৯	৫৯৩,১৪০	(৯২,২৫৩)	৮,৬৭১
ঙ. রয়্যালটি					
রয়্যালটি প্রাপ্য/প্রদেয়:					
বিএটি হোল্ডিংস লিমিটেড**	হোল্ডিং কোম্পানি	৪৪৪,৪৫৮	৪৫৭,৪০৮	(৯০১,৮৬৬)	(৮২৮,৪৯০)
		৪৪৪,৪৫৮	৪৫৭,৪০৮	(৯০১,৮৬৬)	(৮২৮,৪৯০)
চ. কারিগরি ও উপদেষ্টা ফি					
কারিগরি ও উপদেষ্টা সেবা গ্রহণ ফি:					
বিএটি ইনভেস্টমেন্ট লিমিটেড**	হোল্ডিং কোম্পানি	৮৩৬,২৭৪	৯৭৮,১৯২	(১,৮১৪,৪৬৭)	(১,৭৫৩,৮৩০)
		৮৩৬,২৭৪	৯৭৮,১৯২	(১,৮১৪,৪৬৭)	(১,৭৫৩,৮৩০)
ছ. যন্ত্রপাতি ক্রয়					
যন্ত্রপাতি ক্রয়:					
বিএটি ম্যানুফ্যাকচারিং অস্ট্রেলিয়া প্রাইভেট লিঃ*	বিএটি গ্রুপ কোম্পানি	-	৫৫,৪৩৮	-	৪,৪৮৬
পাকিস্তান টেবাকো কোম্পানি লিঃ	বিএটি গ্রুপ কোম্পানি	১১৯,৪৪৩	-	(২৫,১২৯)	-
বিএটি কলম্বিয়া এস এ এস*	বিএটি গ্রুপ কোম্পানি	২১,২৮৫	-	-	২১,১১৮
টোবাকোরেরা হোল্ডার্স এস এ*	বিএটি গ্রুপ কোম্পানি	৪৪,১৬২	-	-	৪৪,৬৩৪
টোবাকো ইমপোর্টার এবং ম্যানুফ্যাকচারার এস ডি এন বি এইচ ডি, মালয়শিয়া	বিএটি গ্রুপ কোম্পানি	১৮০,৬৫৮	৯১	১০,৫৬৬	(৯১)
		৩৬৫,৫৪৮	৫৫,৫২৯	(১৪,৫৬৩)	৭০,১৪৭
মোট ব্যয় এবং পাওনাদারের জের		৩,১৫২,৮৮১	২,৬৫৯,৫৬১	(৩,৭৫৯,৭৭২)	(৩,০৪৬,৮৩২)

* অগ্রিম প্রদান

** সমাপনী ব্যালেন্সটি ২০১৫ ও ২০১৬ সালের রয়্যালটি কারিগরি এবং সহযোগিতা ফির সময়

৩৮ আঙ্গিকার সমূহ

৩৮.১ মূলধনায়িত ব্যয়

	৩১ ডিসেম্বর	৩১ ডিসেম্বর
মিলিয়ন টাকা	২০১৬	২০১৫
অনুমোদিত কিন্তু সরবরাহ করা হয়নি	৫৬৭.০৪	৪৩৫.৭৫

৩৯ দায়

কোম্পানির সম্ভাব্য দায় সমূহের লেটার অফ ক্রেডিট এবং ব্যাংক গ্যারান্টি হিসাবে নিম্নে বর্ণিত তৃতীয় পক্ষ সমূহ অন্তর্ভুক্ত:

	৩১ ডিসেম্বর	৩১ ডিসেম্বর
মিলিয়ন টাকা	২০১৬	২০১৫
লেটার অফ ক্রেডিট		
সিটি ব্যাংক এন.এ	১,০৫৬.৯১	৩৬৬.৭৯
কমার্শিয়াল ব্যাংক অব সিলন	১৩১.৬৩	২২.৫২
দ্যা হংকং এন্ড সাংহাই ব্যাংকিং কর্পোরেশন	২৩৪.৭৭	৬১.৫৪
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	৭৪৩.৭৭	৩১৭.৭৮
	২,১৬৭.০৯	৭৬৮.৬৩
ব্যাংক গ্যারান্টি		
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	৩৭.৭৫	৪২.১৬
	৩৭.৭৫	৪২.১৬

৩৯.১ আইনী প্রক্রিয়া

ব্যবসায়ের সাধারণ প্রক্রিয়ায় কোম্পানি বিভিন্ন দাবি দাওয়া এবং আইনী বিষয়ে জড়িত। কোম্পানির ম্যানেজমেন্ট বিশ্বাস করে যে, সংশ্লিষ্ট দাবি দাওয়ার আইনী বিষয়ে কোম্পানি দৃঢ় অবস্থায় রয়েছে।

বিশেষত ২০১৩ সালের নভেম্বর মাসে কোম্পানি মাঝারি মূল্যস্তরের সিগারেটের পরিবর্তে স্বল্প মূল্যস্তরের সিগারেট বিক্রয়ের মাধ্যমে কর ফাঁকির অভিযোগ জাতীয় রাজস্ব বোর্ড থেকে কোম্পানির স্বল্প মূল্যস্তরের সিগারেটের (পাইলট ও ব্রিস্টল) ওপর প্রায় ১৯,২৪০ মিলিয়ন টাকা ভ্যাট এবং সম্পূর্ণক শুল্ক ধার্য হওয়ার ভূতাপেক্ষ নোটিশ পায়, যা পরবর্তিতে হাইকোর্ট ডিভিশনের আদেশের মাধ্যমে কমে দাঁড়ায় ১৭,৮০৬ মিলিয়ন টাকা। সময়োজীর্ণ দাবির কারণে হাইকোর্ট ডিভিশনের এক আদেশের মাধ্যমে মূল দাবি থেকে একটি অংশ কমানো হয়।

কোম্পানির ম্যানেজমেন্ট উল্লেখিত বিষয়ে আইন মন্ত্রণালয়ের মতামতের উপর ভিত্তি করে বিশ্বাস করে যে, এই দাবীটি ভিত্তিহীন এবং গোড়া থেকেই কোম্পানি সংশ্লিষ্ট সকল কর্তৃপক্ষকে উক্ত বিষয়টি অবহিত করে আসছে। সংশ্লিষ্ট আইনী মতামতের উপর ভিত্তি করে কোন সঞ্চিতি এই দাবীর পক্ষে তৈরী করা হয়নি। বিষয়টি বর্তমানে এপিলেট ডিভিশনে এ্যাডমিশন শুনানীর জন্য অপেক্ষমান রয়েছে। কোম্পানি বিশ্বাস করে যে আইন অনুসারে বিষয়টির দ্রুত নিষ্পত্তি ঘটবে।

৪০ অন্যান্য লেনদেন

৪০.১ কর্মচারীর সংখ্যা

রিপোর্টিং এর তারিখে ৩৬,০০০ টাকা অথবা তদোধ বেতনভুক্ত বার্ষিক কর্মচারীর সংখ্যা নিচে দেওয়া হলো

	৩১ ডিসেম্বর	৩১ ডিসেম্বর
	২০১৬	২০১৫
কর্মচারীর সংখ্যা	১,৪৭৬	১,৪০০

এছাড়াও প্রয়োজন অনুসারে বছর ব্যাপি পরিবর্তনশীল অনির্দিষ্ট সংখ্যক মৌসুমী ও চুক্তি ভিত্তিক ব্যক্তি কর্মে নিয়োজিত রয়েছে।

৪০.২ কমপ্যারিটিভিস্ এবং রিঅ্যারেঞ্জমেন্ট

সংখ্যাগত তথ্যের ক্ষেত্রে সকল তুলনামূলক তথ্য এই আর্থিক প্রতিবেদনে প্রকাশ করা হয়েছে এবং আখ্যানধর্মী এবং বর্ণনামূলক তথ্যের ক্ষেত্রেও যেগুলো প্রাসঙ্গিক বর্তমান আর্থিক প্রতিবেদন বোর্ডের ক্ষেত্রে জরুরী সেগুলোও প্রকাশ করা হয়েছে।

তুলনার স্বার্থে বিগত বছরের কিছু জরুরী প্রাসঙ্গিক ব্যালাল পুনর্বিদ্যন্ত ও পুনর্শ্রেণীবিভাজন করা হয়েছে যখনই এগুলো বর্তমান বছরের প্রেজেন্টেশনের ক্ষেত্রে জরুরী বলে মনে করা হয়েছে।

৪১ রিপোর্টিং সময়কালের পরবর্তী ঘটনাবলী

কোম্পানির বোর্ড অব ডিরেক্টর বিগত ২৭ ফেব্রুয়ারি ২০১৭ তারিখে অনুষ্ঠিত বোর্ড সভায় ৬০০% (টাকা ৬০ প্রতি শেয়ার) নগদ লভ্যাংশ ঘোষণা করে যার মোট পরিমাণ ৩,৬০০ মিলিয়ন টাকা। এই লভ্যাংশ আগামী বার্ষিক সাধারণ সভায় চূড়ান্ত অনুমোদনের জন্য অপেক্ষমান। এই আর্থিক ঘোষণা ৩১ ডিসেম্বর ২০১৬ তে শেষ হয়েছে এবং নগদ লভ্যাংশের উপর শেয়ার হোল্ডারদের পরবর্তী লভ্যাংশ পাওয়ার দাবী প্রতিষ্ঠিত হওয়ার পরের কোন প্রভাব পরবে না।

আর্থিক প্রতিবেদনে উল্লেখ্য অর্থের পরিমাণসমূহ রিপোর্টিং পিরিয়ড শেষ হওয়ার পরবর্তী ঘটনাবলীর জন্য অ্যাডজাস্ট করা হয় যেগুলো প্রমাণ দেয় সেই অবস্থ সম্পর্কে যা রিপোর্টিং পিরিয়ডের শেষে ছিল। সেইসব ঘটনাবলীর জন্য আর্থিক প্রতিবেদনে কোনো অ্যাডজাস্টমেন্ট দেয়া হয়না যেগুলো এমন কোনো পরিস্থিতি সম্পর্কে বলে যা রিপোর্টিং পিরিয়ডের শেষে ঘটেছে।

৪২ পরিমাপের ভিত্তি

বার্ষিক আর্থিক প্রতিবেদন তৈরী করা হয়েছে ঐতিহাসিক খরচ সমন্বয়ের ভিত্তিতে এবং চলমান ব্যবসায়িক সত্তা ধারণার ভিত্তিতে।

৪৩ উল্লেখযোগ্য হিসাবরক্ষন নিয়মাবলী

এখানে উল্লেখিত হিসাবরক্ষন নিয়মাবলী আর্থিক বিবৃতির সকল সময়কালের জন্য কোম্পানি ধারাবাহিকভাবে প্রয়োগ করেছে। নিচে উল্লেখযোগ্য হিসাবরক্ষন নিয়মাবলী ইনডেক্স আকারে দেয়া হয়েছে যার বিস্তারিত বিবরণ পরবর্তী পেজগুলোতে পাওয়া যাবে।

- ক সম্পদ, কারখানা এবং যন্ত্রপাতি
- খ আর্থিক সরঞ্জাম
- গ শেয়ার মূলধন
- ঘ আনতি
- ঙ ইজারা
- চ মজুদ পণ্য
- ছ কর্মচারী সুবিধাসমূহ
- জ সঞ্চিতি
- ঝ সত্তাব্য
- ঞ বিক্রয় আয়
- ট আয়কর খরচ
- ঠ বৈদেশিক মুদ্রা লেনদেন সমূহ
- ড ফাইন্যান্স আয় ও ব্যয়
- ঢ শেয়ার প্রতি আয় (ইপিএস)
- ণ নগদ প্রবাহ বিবৃতি
- ত লভ্যাংশ
- থ ম্যাটেরিয়ালিটি এবং অ্যাগরিগেসন
- দ প্রতিবেদন প্রস্তুত পরবর্তী ঘটনাবলী
- ধ চলমান ব্যবসায়িক সত্তা ধারণা





ক সম্পদ, কারখানা এবং যন্ত্রপাতি

i) স্বীকৃতি এবং পরিমাপ

সম্পদ, কারখানা এবং যন্ত্রপাতির মূল্য নির্ধারণ করা হয় পুঞ্জিভূত অবচয় এবং পুঞ্জিভূত ইমপেয়ারমেন্ট লস যদি থাকে সেগুলো বাদ দেয়ার পর।

মূল্যের ভেতর কোনো সম্পদ অর্জন করতে এবং সেই সম্পদকে যে কাজের জন্য আনা হয়েছিল সেই কাজের উপযোগী করে তোলা, সেগুলো খুলে ফেলা ও অপসারণ করা এবং লোকেশনটাকে আবার পূর্বের অবস্থায় নেয়ার জন্য প্রয়োজনীয় সকল খরচ অন্তর্ভুক্ত। নির্মানাধীন সম্পদের ভেতর যে সম্পদ, কারখানা এবং যন্ত্রপাতি এখনও ব্যবহার উপযোগী নয় সেগুলো অর্জন অথবা নির্মানের খরচ অন্তর্ভুক্ত যেগুলো মূল্যের ভেতরেও অন্তর্ভুক্ত। লিজ করা জমির ওপর কোম্পানি নির্মিত ভবন মূলধন হিসেবে গণ্য করা হয় এবং লিজহোল্ড শ্রপাটিও ক্যাটাগরিতে গণ্য করা হয়।

ii) পরবর্তী/ উত্তরকালীন খরচসমূহ

কোনো সম্পদ, কারখানা এবং যন্ত্রপাতির কোনো অংশ পরিবর্তনের খরচ সেগুলো পরিবহনের/চলমান খরচের ভেতর অন্তর্ভুক্ত থাকে যদি এ পরিবর্তিত অংশের সম্ভাব্য ভবিষ্যত অর্থনৈতিক সুবিধা সমূহ কোম্পানির কাছে আসে এবং তার খরচ বিশ্বস্তভাবে পরিমাপ করা যায়। সম্পদ, কারখানা এবং যন্ত্রপাতি প্রতিদিন সার্ভিসিংয়ের খরচ এবং অন্যান্য আয় লাভ ক্ষতি বিবৃতিতে উল্লেখ করা হয়।

iii) অবচয়

অবচয় লাভ-ক্ষতি এবং অন্যান্য কম্প্রহেনসিভ ইনকাম/ সর্বাঙ্গিন আয় বিবরণীতে স্ট্রেইট লাইন বেসিসে সম্পদ, কারখানা এবং যন্ত্রপাতির প্রতিটি অংশের আনুমানিক ব্যবহারযোগ্য সময় ধরে স্বীকৃত হয়। ভূমি অবচয়িত হয়না।

নতুন যন্ত্রপাতির উপর অবচয় ধার্য করা হয় তা যে মাস থেকে ব্যবহার শুরু করা হয়েছে তখন থেকে। কোন সম্পদ ধ্বংস/বাতিল করা হলে সেক্ষেত্রে অবচয় ধার্য করা হয় যে মাসে তা ধ্বংস/বাতিল করা হয়েছে তার আগের মাস পর্যন্ত।

অবচয় হারের তারতম্য হয় প্রত্যেক শ্রেণীর সম্পদ, কারখানা এবং যন্ত্রপাতির আনুমানিক ব্যবহারযোগ্য জীবনকাল অনুসারে।

শ্রেণী	ব্যবহারযোগ্য জীবনকাল (বছরে)		অবশিষ্ট মান/ রেসিডিউয়াল ভ্যালু	
	২০১৬	২০১৫	২০১৬	২০১৫
অনিষ্কর ভবন	৪০	৪০	১%	১%
ঠিকা ভবন/ লিজহোল্ড ভবন	সর্বোচ্চ ৪০ বছর, অবচয়ের হার কেস বাই কেস বেসিসে নির্ধারিত হয়।	সর্বোচ্চ ৪০ বছর, অবচয়ের হার কেস বাই কেস বেসিসে নির্ধারিত হয়।	০%	০%
কলকারখানা এবং যন্ত্রপাতি	৫ / ১০ / ১৪.৩	৫ / ১০ / ১৪.৩	০% / ১%	০% / ১%
পরীক্ষাগারের উপকরণ	১০	১০	০%	০%
অফিস উপকরণ	৫ / ১০	৫ / ১০	০%	০%
আসবাবপত্রাদি	৩ / ৫ / ১০	৩ / ৫ / ১০	০%	০%
যানবাহন	৪ / ৫	৪ / ৫	১%	১%
আইটি উপকরণ	৩ / ৫	৩ / ৫	০%	০%

অবচয়ের পদ্ধতি, ব্যবহারযোগ্য জীবনকাল এবং রেসিডিউয়াল ভ্যালু/ অবশিষ্ট মান প্রত্যেক রিপোর্টিং ডেটে রিভিউ এবং যথাযথ সমন্বয় করা হয়। গত ৩১ ডিসেম্বর ২০১৬ তারিখে শেষ হওয়া বছরের পূর্ববর্তী ১২ মাসে সম্পদ, প্ল্যান্ট ও যন্ত্রপাতিতে কোন ধরনের গুরুত্বপূর্ণ সংযোজন বিয়োজন ঘটেনি।

vi) নির্মানাধীন সম্পদ

নির্মানাধীন সম্পদের মধ্যে রয়েছে এর জন্য আতিকরন কৃত সম্পদ প্ল্যান্ট এবং যন্ত্রপাতি যা রিপোর্টিং তারিখে ব্যবহার উপযোগী হয়নি এবং এগুলো ব্যয় এর অন্তর ভুক্ত।

v) ইম্প্যারমেন্ট

উদ্ভাবনী ও ট্যাক্স বহির্ভূত সম্পদ (এ্যাকাউন্টিং স্যাডার্ড অনুযায়ী আলাদা ভাবে প্রকাশিত) ব্যাতিত কোম্পানির নন ফ্যানানসিয়াল সম্পদ রিপোর্টিং তারিখে যাচাই করা হয় যাতে কোন ধরনের লোকসান থেকে থাকলে তা নির্ধারণ করা যায়। কোন ধরনের নির্দেশনা দেওয়া যেতে পারে রিপোর্টিং সময়ে এ ধরনের কোন লোকসান ঝুঁকি পাওয়া যায়নি।



iv) অবসর এবং হস্তান্তর/বাতিল/ডিস্পোজাল

এ কোন সম্পদ, কারখানা এবং যন্ত্রপাতি বাতিল ঘোষণা করা হয়/ডিস্পোজালে ডিরিকগনাইজ করা হয় যখন সেটা থেকে ভবিষ্যত কোনো অর্থনৈতিক সুবিধা লাভের আশা আর থাকেনা। বাতিলযোগ্য কোন সম্পদ, কারখানা এবং যন্ত্রপাতির উপর লাভ বা ক্ষতি হিসাব করা হয় নেট ডিসপোজাল প্রসিডস্ এবং কোনো প্রপার্টি, কারখানা, যন্ত্রপাতির ক্যারিয়ারিং অ্যামাউন্টের পার্থক্যের ওপর ভিত্তি করে এবং বাতিলকৃত সম্পত্তি থেকে লাভ অথবা ক্ষতি হিসেবে উল্লেখ করা হয় অন্যান্য আয়/ব্যয়ের ভিতর লাভ-ক্ষতি হিসাবে।

খ আর্থিক সরঞ্জাম

আর্থিক উপকরণ সমূহ হল যেকোনো কন্ট্রাক্ট যা একপক্ষের অর্থনৈতিক সম্পদ এবং অপর পক্ষের অর্থনৈতিক দায় অথবা ব্যক্তিগত মালিকানা তৈরী করে। আর্থিক উপকরণ সম্পর্কে হিসাববিজ্ঞানের নানাবিধ পলিসি নিচে বর্ণনা করা হল।

i) আর্থিক সম্পদসমূহ

কোম্পানি প্রাথমিকভাবে প্রাপ্যসমূহ স্বীকার করে এবং সেই অনুযায়ী ডিপোজিট করে সেই দিনে যেদিন এগুলো তৈরী হয়েছিল। অন্যান্য সকল আর্থিক সম্পদসমূহ প্রাথমিকভাবে সেই দিন স্বীকৃত হয় যেদিন কোম্পানি আদান প্রদানের কন্ট্রাক্টচূয়াল প্রোভিশন অনুসারে একটি পার্ট হিসেবে গন্য হয়েছিল।

কোম্পানি কোনো আর্থিক সম্পদকে স্বীকার করতে অস্বীকৃতি জানায় যখন চুক্তিভিত্তিক অধিকার অথবা সেই সম্পদ থেকে ক্যাশ ফ্লো/ নগদ তরল প্রবাহের সম্ভাবনা শেষ হয়ে যায়, অথবা যদি চুক্তিভিত্তিকভাবে ক্যাশ ফ্লো/ নগদ তরল প্রবাহ পাওয়ার অধিকার হস্তান্তর করা হয় সেই ট্রানজেকশনের মাধ্যমে যেখানে যথেষ্ট পরিমাণে সম্পদের মালিকানা সম্পর্কিত ঝুঁকি ও পুরস্কার ট্রান্সফার করা হয়।

আর্থিক সম্পদের ভেতর অন্তর্ভুক্ত অর্থ এবং অর্থ সমমূলের জিনিষপত্র, ট্রেড এবং অন্যান্য প্রাপ্য এবং আমানতসমূহ।

অ. বানিজ্য এবং অন্যান্য পাওনা

বানিজ্য এবং অন্যান্য পাওনার ভেতর রয়েছে কাস্টমার এবং অন্যান্য পক্ষের কাছ থেকে পাওনা অপরিশোধিত বিলসমূহ। বানিজ্য এবং অন্যান্য পাওনা সমূহ প্রাথমিকভাবে মূল চালানপত্রের পরিমানের উপর এবং পরবর্তিকালে বছর শেষে ম্যানেজমেন্টের অজ্ঞাতে সন্দেহযুক্ত পাওনা সমূহ বাদ দেয়ার পর অবশিষ্ট পরিমানের উপর ভিত্তিতে হিসাব করা হয়

আ. আমানত

আমানত পেমেন্টের মান অনুসারে হিসাব করা হয়।

ই. অর্থ এবং অর্থ সমমূলের জিনিষপত্র

অর্থ এবং অর্থ সমমূলের জিনিষপত্রের ভেতর রয়েছে হাতে থাকা নগদ অর্থ, ব্যাংকে থাকা অর্থ, ডিভিডেন্ট অ্যাকাউন্ট ছাড়া অন্যান্য ফিক্সড ডিপোজিটের রিসিট যেগুলো কোন সীমাবদ্ধতা ছাড়াই কোম্পানির ব্যবহারের জন্য থাকে। ক্যাশ ফ্লো স্টেটমেন্টের জন্য অর্থ এবং অর্থ সম্পর্কিত বিষয়গুলোর মধ্যে আছে হাতে নগদ অর্থ, বিভিন্ন ফাইন্যান্সিয়াল ইন্সটিটিউটে থাকা ডিপোজিট/জমানো টাকা, স্বল্প মেয়াদি নগদ বিনিয়োগ যেগুলোর ম্যাচুরিটির মেয়াদ ডেট অব অ্যাকুইজিশন থেকে তিন মাস অথবা কম। ব্যাংক ওভারড্রাফট যেগুলো দাবী অনুসারে প্রদানযোগ্য আর যেগুলো কোম্পানির ক্যাশ ম্যানেজমেন্টের গুরুত্বপূর্ণ অংশ সেগুলো নগদ অর্থ এবং নগদ অর্থ সমমানের জিনিষপত্র হিসেবে যুক্ত হয় কোম্পানির ক্যাশ ফ্লো স্টেটমেন্টের সাথে।

ii) আর্থিক দায়

কোম্পানি তার ফিন্যান্সিয়াল স্টেটমেন্টে তখনই কোনো আর্থিক দায় স্বীকার করে যখন কোম্পানি সেই চুক্তি ভিত্তিক আর্থিক দায়ের নানা বিধান অনুসারে একটি পক্ষ হিসেবে গন্য হয়। কোম্পানি কোনো আর্থিক দায় স্বীকার করে যখন পূর্বে ঘটে যাওয়া ঘটনার চুক্তিভিত্তিক নানান বাধ্যবাধকতা নিশ্চিত হয় এবং তখনকার স্টেটমেন্টে আর্থিকভাবে লাভবান একপক্ষের থেকে অর্থ বাইরে কারও কাছে প্রবাহিত হয়।

কোম্পানি তার আর্থিক দায় অস্বীকার করে যখন চুক্তিভিত্তিক বাধ্যবাধকতা গুলো বাতিল অথবা মেয়াদ শেষ হয়।

আর্থিক দায়ের ভেতর বানিজ্য এবং অন্যান্য পরিশোধযোগ্যসমূহ অন্তর্ভুক্ত।

অ. বানিজ্য এবং অন্যান্য পরিশোধযোগ্যসমূহ

বানিজ্য এবং অন্যান্য পরিশোধযোগ্যসমূহ স্বীকার্য হয় যখন পূর্বে ঘটে যাওয়া ঘটনার চুক্তিভিত্তিক বাধ্যবাধকতাসমূহ নিশ্চিত হয় এবং যার স্টেটমেন্টের ফলাফল হিসেবে এটা আশা করা যায় যে সম্পদশালী কোম্পানি থেকে সম্পদ আউটফ্লো হবে। বানিজ্য এবং অন্যান্য পরিশোধযোগ্য

সমূহ প্রাথমিকভাবে ফেয়ার ভ্যালুতে স্বীকার্য/ হিসাব করা হয়। প্রাথমিকভাবে স্বীকার্য/হিসাব হওয়ার পর বাণিজ্য এবং অন্যান্য পরিশোধযোগ্য সমূহ ইফেকটিভ ইন্টারেস্ট মেথড ব্যবহার করে অ্যামার্টাইজড কস্ট দেখানো হয়।

iii) আর্থিক সম্পদ এবং দায় অফসেট করা

আর্থিক সম্পদ ও দায় অফসেট করা হয় এবং ফিন্যান্সিয়াল পজিশনের স্টেটমেন্টে নেট অ্যামাউন্ট উল্লেখ করা হয় তখনই এবং শুধুমাত্র তখনই যখন কোম্পানির আইনগত অধিকার আছে সেই পরিমান অর্থ অফসেট করার এবং নেট বেসিসে সমাধানে সম্মত হয় অথবা সম্পদ রিয়্যালাইজ/ নিরূপন এবং একই সময়ে দায়ও নিষ্পত্তি করে।

গ শেয়ার মূলধন

সাধারণ শেয়ারকে ইকুইটি হিসেবে ক্লাসিফাই/ শ্রেণীভুক্ত করা হয়। সাধারণ শেয়ারের ক্ষেত্রে ক্রমবর্ধমান খরচকে ইকুইটি থেকে বাদ দেয়া নেট অফ ট্যাক্স ইফেক্ট হিসেবে দেখা হয়। পেইড আপ ক্যাপিটাল হল কোম্পানির দ্বারা শেয়ারহোল্ডারদের জন্য ইস্যু করা সব শেয়ার (বোনাস শেয়ার সহ) বাবদ প্রদত্ত সমুদয় অর্থ। সাধারণ শেয়ার হোল্ডাররা মাঝে মাঝে ঘোষণা করা ডিভিডেন্ট পাওয়ার এবং শেয়ারহোল্ডারদের মিটিংয়ে ভোট দেয়ার অধিকার রাখেন। কোনো কোম্পানি ভাঙার সময় সাধারণ শেয়ার হোল্ডারদের অবস্থান অন্য সব শেয়ার হোল্ডার ও পাওনাদারদের পরে হয় এবং তারা লিকুইডেশনের পরবর্তী অবশিষ্ট আয় পাওয়ার অধিকারি হন।

ঘ অবনতি

i) স্বীকৃতি

আর্থিক সম্পদসমূহ লাভ-ক্ষতি এবং পাওনাসমূহ প্রত্যেক রিপোর্টিং ডেটে অ্যাসেস করা হয় কোনো সম্পদ ইম্পেয়ারড কিনা তার কোনো বস্তনিষ্ঠ প্রমাণ বের করার জন্য। কোনো আর্থিক সম্পদ ইমপেয়ারড হয় যদি কোনো বস্তনিষ্ঠ প্রমাণ থাকে যে আর্থিক সম্পদের প্রাথমিক স্বীকৃতির পর কোনো ক্ষতিকর ঘটনা ঘটেছে এবং এটা বিশ্বস্তভাবে অনুমান করা যায় যে সেই ক্ষতিকর ঘটনা ওই আর্থিক সম্পদের ভবিষ্যত ক্যাশ ফ্লোতে/ নগদ তরল প্রবাহে নেতিবাচক প্রভাব রেখেছে।

মজুদকৃত পণ্য ব্যাতিত অন্যান্য অনর্থনৈতিক/ অনার্থিক সম্পদের ক্যারিয়ারিং ভ্যালু/চলমান মূল্য প্রত্যেক রিপোর্টিং ডেটে রিভিউ করা হয় কোনো ধরনের ইমপেয়ারমেন্ট আছে কিনা তা বোঝার জন্য। তেমন কোনো লক্ষণ পাওয়া গেলে সম্পদের পুনর্লভ্য মূল্য অনুমান করা হয়। ইমপেয়ারমেন্ট লস হিসাব করা হয় যখন কোনো সম্পদের ক্যারিয়ারিং অ্যামাউন্ট/ চলমান পরিমান অথবা তার নগদ উৎপাদন ইউনিট তার পুনর্লভ্য মূল্যকে ছাড়িয়ে যায়। যদি কোনো ইমপেয়ারমেন্ট লস থেকে থাকে তা লাভ-ক্ষতি এবং অন্যান্য কমপ্রিহেনসিভ ইনকাম স্টেটমেন্টে হিসাব করা হয়।

ii) পুনর্লভ্য মূল্যের হিসাব

কোনো সম্পদের আদায়যোগ্য পরিমান তার নেট বিক্রয়মূল্য অথবা তার ব্যবহার মূল্যের তুলনায় বেশি। ব্যবহার মূল্য/ ভ্যালু ইন ইউজ কোনো নির্দিষ্ট সম্পদের অনুমিত ভবিষ্যত নগদ প্রবাহ ডিসকাউন্ট করে বর্তমান মূল্যে নিয়ে আসা একটি ডিসকাউন্ট রেট ব্যবহার করে যা ওই নির্দিষ্ট সম্পদের রিস্ক এবং টাইম ভ্যালু অব ম্যানি যাচাই করে বর্তমান বাজার মূল্যায়ন করে। এমন কোনো সম্পদ যা স্বাধীনভাবে কোনো অর্থ ইনফ্লো/অন্তঃপ্রবাহ তৈরী করেনা, ক্যাশ জেনারেটিং ইউনিটের জন্য আদায়যোগ্য মূল্য নির্ধারন করা হয় সেই সম্পদ যার অধিকারভুক্ত।

iii) রিভার্সাল অব ইমপেয়ারমেন্ট

ইমপেয়ারমেন্ট লস রিভার্স হয় যদি আদায়যোগ্য পরিমান নির্ধারনের জন্য ব্যবহৃত অনুমান সমূহের পরিবর্তন ঘটে। ইমপেয়ারমেন্ট লস শুধুমাত্র সেই পর্যন্ত বিপরীত হয় যখন সেই সম্পদের ক্যারিয়ারিং অ্যামাউন্ট অবচয় অথবা ক্রমশোধের পরবর্তীতে নির্ধারিত ক্যারিয়ারিং অ্যামাউন্টের চাইতে বেশি না হয় যদি কোনো ইমপেয়ারমেন্ট লস স্বীকৃত না হয়।

ঙ ইজারা

চলতি ইজারা

ফাইন্যান্সিয়াল লিজ/ইজারা ব্যতিত অন্য সব লিজ/ ইজারা অপারেটিং লিজ/ ইজারা হিসেবে গন্য হয় এবং ফাইন্যান্সিয়াল পজিশনের স্টেটমেন্টে স্বীকৃত/গন্য হয়না। অপারেটিং লিজের/ ইজারার অধীনে সকল পরিশোধিত মূল্য লাভ-ক্ষতি ও অন্যান্য কমপ্রিহেনসিভ/সর্বব্যাপি/সর্বাঙ্গীণ/ আয়ের স্টেটমেন্টে উল্লেখ করা হয়।

চ মজুদপণ্য

কাঁচামাল এবং তৈরী পণ্যের মজুদ খরচস্বল্প এবং আদায়যোগ্য মূল্যের চেয়ে কমে হিসাব করা হয়। খুচরা যন্ত্রাংশের মূল্য খরচের উপর নির্ধারন করা হয়। ট্রানজিটে থাকা পণ্য ব্যাতিত অন্যান্য মজুতকৃত পণ্যের খরচ ওয়েইটেড অ্যাভারেজ মেথডে নির্ধারন করা হয় এবং এর ভেতর পণ্যটি অর্জন, উৎপাদন অথবা পরিবর্তন এবং বর্তমান স্থান ও অবস্থায় পণ্যগুলো নিয়ে আসার সমস্ত খরচ অন্তর্ভুক্ত থাকে।



নেট আদায়যোগ্য মূল্য নির্ধারণ করা হয় ব্যবসায়ের সাধারণ প্রক্রিয়ায় অনুমিত বিক্রয়মূল্য থেকে বিক্রয় প্রক্রিয়ায় গুরুত্বপূর্ণ এবং বিক্রয় শেষ করতে যত খরচের প্রয়োজন রয়েছে তা বাদ দিয়ে।
ট্রানজিটে থাকা পন্যসমূহের মূল্য সকল সংশ্লিষ্ট খরচ সহ হিসাব করা হয়।

ছ কর্মচারী সুবিধাসমূহ

i) স্বল্প মেয়াদি সুবিধাবলী

স্বল্পমেয়াদি কর্মচারী সুবিধা প্রতিশ্রুতিসমূহ আনডিসকাউন্ট বেসিসে হিসাব করা হয় এবং খরচ করা হয় যখন এজাতীয় সেবা প্রদান করা হয়। স্বল্পমেয়াদি ক্যাশ বোনাস অথবা প্রফিট শেয়ারিং প্র্যানের অধীনে কোনো দায় স্বীকার করা হয় যদি কোম্পানির বর্তমান সময়ে কোনো আইনি অথবা গঠনমূলক বাধ্যবাধকতা থাকে এই অর্থ প্রদানের জন্য যদি সেই কর্মচারী অতীতে সেবা প্রদান করে থাকে এবং সেই দায়িত্ব পালনের কথা বিশ্বস্তভাবে অনুমান করা যায়।

ii) নির্ধারিত সুবিধাবলীর পরিকল্পনা

অ. ম্যানেজমেন্ট গ্র্যাচুইটি স্কিম

কোম্পানি অনিহিত একটি গ্র্যাচুইটি স্কিম পরিচালনা করে ম্যানেজমেন্ট কর্মচারীদের জন্য যারা ফেব্রুয়ারী ২০১৩-র ভেতর নিয়োগপ্রাপ্ত হয়েছে। এই গ্র্যাচুইটি স্কিমের মেম্বাররা গ্র্যাচুইটি পাবার জন্য উপযুক্ত হয় টানা ৫ বছর কোম্পানিতে সার্ভিস দেয়ার পর।

আ. ম্যানেজমেন্ট পেনশন ফান্ড

কোম্পানি তার ম্যানেজমেন্ট কর্মচারীদের জন্য একটি ফান্ডেড পেনশন স্কিম পরিচালনা করে যারা ১ জানুয়ারী ১৯৮৭ থেকে ৩১ আগস্ট ২০০৭-এর ভেতর কোম্পানিতে যোগদান করেছে। এই ফান্ডের সদস্যরা ৫ বছর কোম্পানিতে টানা সার্ভিস দেয়ার পর এই ফান্ডের জন্য উপযুক্ত হয়। বোর্ড অব ট্রাস্টির দ্বারা এই ফান্ড পরিচালিত হয়।

দুইটি ফান্ডের ক্ষেত্রেই ডিফাইন্ড বেনিফিট অবলিগেশনের বর্তমান মূল্য এবং প্ল্যান অ্যাসেটের ফেয়ার ভ্যালু পেশাদারী বীমা পরতালকের দ্বারা নির্ধারিত করা হয়েছে। প্রোজেক্টেড ইউনিট ক্রেডিট মেথড ব্যবহার করা হয়েছে ডিফাইন্ড বেনিফিট অবলিগেশনের বর্তমান মূল্য নির্ধারণের জন্য এবং চলমান এবং অতীত সেবার খরচ এবং পারস্পরিক সামঞ্জস্যপূর্ণ বীমার অনুমানের ক্ষেত্রে ডেমোগ্রাফিক এবং আর্থিক বিভিন্ন চলক ব্যবহার করা হয়েছে। প্ল্যান অ্যাসেটের ফেয়ার ভ্যালু এবং অবলিগেশনের বর্তমান ভ্যালুর পার্থক্যকে দায় অথবা সম্পদ হিসেবে ফিন্যান্সিয়াল পজিশনের স্টেটমেন্টে দেখানো হয়। বীমার মান নির্ণয়ে লাভ অথবা ক্ষতির হিসাবের ক্ষেত্রে অন্যান্য কম্প্রিহেনসিভ ইনকাম হিসাবে পরিপূর্ণভাবে স্বীকার্য হয়।

iii) সংজ্ঞায়িত অবদান পরিকল্পনা

অ. ম্যানেজমেন্ট গ্র্যাচুইটি স্কিম

কোম্পানি ম্যানেজমেন্ট এমপ্লয়ীদের জন্য একটি ফান্ডেড গ্র্যাচুইটি স্কিম পরিচালনা করে যারা ১ মার্চ ২০১৩-র পরবর্তীতে কোম্পানিতে যোগদান করেছে। কোম্পানি ম্যানেজমেন্ট এমপ্লয়ীদের বেসিক স্যালারির ১৫% এই ফান্ডে জমা রাখে তাদের যোগদানের দিন থেকে। বোর্ড অব ট্রাস্টির দ্বারা এই ফান্ড পরিচালিত হয়। এই ফান্ডের সদস্যরা এই ফান্ডের টাকা ৫ বছর টানা কোম্পানিতে কাজ করার পর পাবার উপযুক্ত হয়।

আ. এমপ্লয়ি গ্র্যাচুইটি স্কিম

নন-ম্যানেজমেন্ট এমপ্লয়ীদের ক্ষেত্রে কোম্পানি এই ফান্ড পরিচালনা করে যেখানে কোম্পানি তাদের বেসিক স্যালারির ১৫% এমপ্লয়ীদের যোগদানের দিন থেকে জমা রাখে। বোর্ড অব ট্রাস্টির দ্বারা এই ফান্ড পরিচালিত হয়। এই ফান্ডের সদস্যরা এই ফান্ডের টাকা ৫ বছর টানা কোম্পানিতে কাজ করার পর পাবার উপযুক্ত হয়।


ই প্রভিডেন্ট ফান্ড

কোম্পানি তার কর্মচারীদের ক্ষেত্রেই তাদের যোগদানের তারিখের হিসাব না করেই প্রভিডেন্ট ফান্ড পরিচালনা করে। চাকুরী নিশ্চিত হবার পর সকল কর্মচারীদেরই কোম্পানির নিয়ম অনুসারে এই ফান্ডে যোগদান করে তাদের বেসিক স্যালারির ১০% জমা রাখতে হয় আর কোম্পানিও সেই অনুযায়ী ফান্ডে অর্থ জমা রাখে। বোর্ড অব ট্রাস্টির দ্বারা এই ফান্ড পরিচালিত হয়। এই ফান্ডের সদস্যরা এই ফান্ডের টাকা ৫ বছর টানা কোম্পানিতে কাজ করার পর পাবার উপযুক্ত হয়।

ঐ কর্মচারীদের মুনাফার অংশগ্রহণ তহবিল

২০১৩ সালে সংশোধিত “বাংলাদেশ লেবার অ্যাক্ট ২০০৬” অনুসারে কোম্পানি তার প্রফিটের ৫% কর্মচারীদের প্রফিট পারটিসিপেশন ফান্ডে জমা রাখে তার কর্মচারীদের কাছ থেকে সেই খরচ দাবী করার আগে। কোম্পানি এই ফান্ডে জমাকে খরচ হিসেবে বিবেচনা করে যখন কোনো কর্মচারী এই





জমার বিপরীতে তার প্রয়োজনীয় কাজ করে। আইনি এবং কঙ্গট্রাকটিভ অবলিগেশন যেই পরিমাণ সে এই ফাঞ্জে জমা রাখতে ইচ্ছুক সেই পরিমাণ পর্যন্ত নির্দিষ্ট থাকে।

জ সঞ্চিতি

রিপোর্টিং ডেটে কোনো বিধান স্বীকার করা হয় যদি কোনো পূর্ববর্তী ঘটনার কারণে কোম্পানীর বর্তমানে কোনো আইনী অথবা গঠনমূলক দায়বদ্ধতা, যা বিশ্বস্তভাবে অনুমান করা যায় এবং এটা সম্ভাব্য যে দায় নিষ্পত্তির জন্য অর্থনৈতিক সুবিধা সমূহের বহিঃগমন প্রয়োজনীয় হতে পারে। প্রত্যেক রিপোর্টিং পিরিয়ডের শেষে প্রভিশনস/বিধানসমূহ পর্যালোচনা করা হয় এবং বর্তমান অনুমানের সাথে অ্যাডজাস্ট করা হয়।

ঝ সম্ভাব্য

i) বিকল্প দায়

অতীতে ঘটা কোনো ঘটনার উপর ভিত্তি করে সম্ভাব্য দায় নির্ধারিত হয় যার অস্তিত্ব নিশ্চিত করা সম্ভব শুধুমাত্র কোনো ভবিষ্যত ঘটনা ঘটা বা না ঘটান উপরে যার নিয়ন্ত্রণ সবক্ষেত্রে কোনো এক নির্দিষ্ট পক্ষের হাতে থাকেনা। সম্ভাব্য দায় আর্থিক স্টেটমেন্টে উল্লেখ করা উচিত না হলেও তা প্রকাশ করা দরকার হতে পারে। কোনো বিধান/নীতিমালা সেই সময়ের ভেতরেই স্বীকৃত হওয়া উচিত যেই সময়ের মাঝে বিধিমালা স্বীকৃত হওয়ার মানদণ্ড গৃহীত হয়েছে।

ii) বিকল্প সম্পদ

অতীতে ঘটা কোনো ঘটনার উপর ভিত্তি করে সম্ভাব্য সম্পদ নির্ধারিত হয় যার অস্তিত্ব নিশ্চিত করা সম্ভব শুধুমাত্র কোনো ভবিষ্যত অনিশ্চিত ঘটনা ঘটা বা না ঘটান উপরে যার নিয়ন্ত্রণ সবক্ষেত্রে কোনো নির্দিষ্ট এক পক্ষের হাতে থাকেনা।

সম্ভাব্য সম্পদ স্বীকার্য হয় না। যখন কোনো আর্থিক সম্পদের আদায় সম্পূর্ণরূপে নিশ্চিত হয় তখনই শুধুমাত্র এই সম্পদ স্বীকারের প্রশ্ন আসে যদি কিনা এটা নিশ্চিতভাবে পরিমাপ করা যায় কেননা তখন সেই সম্পদ আর সম্ভাব্য সম্পদ হিসেবে গন্য হয় না।

ঞ বিক্রয় আয়

পণ্য বিক্রয় থেকে অর্জিত রাজস্ব বিবেচ্য লাভ বা প্রাপ্য হিসাবে ফেয়ার ভ্যালুতে, নেট অব ভ্যাট, সম্পূর্ণক শুল্ক, রফতানি শুল্ক, স্বাস্থ্য সারচার্জ যুক্ত করে হিসাব করা হয়। গ্রস টার্নওভারের ভেতর অন্তর্ভুক্ত আভ্যন্তরীণ বিক্রিত সিগারেট, পাতা রফতানি এবং সম্পূর্ণক শুল্ক, রফতানি শুল্ক, এবং স্বাস্থ্য সারচার্জ যা বাংলাদেশ গভর্নমেন্টকে প্রদান করা হয়।

ট আয়কর খরচ

আয়কর ব্যয়ের ভেতর বর্তমান এবং বিলম্বিত শুল্ক অন্তর্ভুক্ত। আয়কর খরচ লাভ-ক্ষতি এবং অন্যান্য কম্প্রিহেনসিভ আয়ের হিসাবে অন্তর্ভুক্ত হয়।

i) বর্তমান শুল্ক

বর্তমান শুল্ক হল সেই বছরের জন্য প্রত্যাশিত প্রদেয় অথবা প্রাপ্য করযোগ্য আয় অথবা ক্ষতি, রিপোর্টিং ডেটে প্রতিপাদিত করের হার এবং বিগত বছরের সাপেক্ষে প্রদেয় করের সাথে কোনো অ্যাডজাস্টমেন্ট করার পরবর্তীতে থাকা অর্থ। বর্তমানে কোম্পানী ৪৫% হারে কর প্রদানে বাধ্য।

ii) বিলম্বিত শুল্ক

বিলম্বিত শুল্ক স্বীকার্য হয় আর্থিক প্রতিবেদনের জন্য সম্পদ এবং দায়ের ক্যারিয়ারিং কস্টের/চলমান খরচ অস্থায়ী পার্থক্যের সাপেক্ষে। বিলম্বিত শুল্ক সেই কর রেটে হিসাব করা হয় যেগুলো ব্যবহৃত হবে অস্থায়ী পার্থক্য গুলো যখন রিভার্স হবে যেগুলো রিপোর্টিং ডেটের ভেতর চালু হওয়া সেই সব আইনের ওপর নির্ভরশীল। বিলম্বিত শুল্ক সম্পদ সেই পর্যন্ত স্বীকার্য হয় যখন এটা সম্ভাব্য হয় যে ভবিষ্যত করযোগ্য লাভ সহজলোভ্য হবে যার বিপরীতে অস্থায়ী পার্থক্যগুলো ব্যবহারযোগ্য হবে। বিলম্বিত শুল্ক সম্পদ প্রত্যেক রিপোর্টিং ডেটে রিভিউ করা হয় এবং সেই পর্যন্ত কমিয়ে ফেলা হয় যখন এটা কোনোভাবেই সম্ভাব্য হবে না যে শুল্ক সুবিধা স্বীকার্য হবে। বিলম্বিত শুল্ক সম্পদ এবং দায় অফসেট করা হয় যদি আইনত প্রয়োগযোগ্য কোনো অধিকার থাকে বর্তমান কর দায় এবং সম্পদ অফসেট করার এবং সেগুলো সেই ট্যাঙ্ক কতৃপক্ষের মাধ্যমে কর আরোপের সাথে জড়িত কিন্তু তারা নেট বেসিসে বর্তমান শুল্ক দায় এবং সম্পদ সেটল করে অথবা শুল্ক সম্পদ এবং দায় একযোগে স্বীকার্য হবে

ঠ বৈদেশিক মুদ্রা লেনদেন সমূহ

বৈদেশিক মুদ্রায় বিনিময় সমূহ বাংলাদেশী টাকায় অনুদিত হয় সেই রেটে যা টানজেকশন ডেটে রুলিং করা হয়েছে। সকল আর্থিক সম্পদ এবং দায় যেগুলো রিপোর্টিং ডেটে বৈদেশিক মুদ্রায় আখ্যাত/ট্রান্সলেটেড হয়েছে সেগুলো পুনরায় আখ্যাত/রিট্রান্সলেটেড হয় ফাংশনাল কারেন্সিতে ওইদিন বিদ্যমান বিনিময় মূল্যের ওপর ভিত্তি করে। রিপোর্টিং পিরিয়ডের শেষে আর্থিক পণ্য সেটেলমেন্ট অথবা ট্রান্সলেশনের ক্ষেত্রে যে পার্থক্য সৃষ্টি হয়

সেগুলো বিএএস ২১: দ্যা ইফেক্ট অব চেঞ্জস ইন ফরেন এক্সচেঞ্জ রেট অনুসারে লাভ-ক্ষতি ও অন্যান্য বিস্তৃত আয় হিসাবে অন্তর্ভুক্ত হয়।

ড ফাইন্যান্স আয় ও ব্যয়

ব্যাংকে সঞ্চিত আর্থিক আমানতের সুদ নিয়ে আর্থিক আয় গঠিত হয়। আর্থিক আয় অ্যাকরুয়াল বেসিসে স্বীকৃত এবং লাভ-ক্ষতি ও অন্যান্য বিস্তৃত আয় হিসাবে দেখানো হয়। আর্থিক খরচের ভেতর ব্যাংক চার্জ এবং ওভারড্রাফটের ওপর সুদের খরচ অন্তর্ভুক্ত।

ঢ শেয়ার প্রতি আয় (ইপিএস)

কোম্পানি তার সাধারণ শেয়ারের ক্ষেত্রে শেয়ার প্রতি আয়কে প্রদর্শন করে। বেসিক শেয়ার প্রতি আয় হিসাব করা হয় সাধারণ শেয়ার হোল্ডারদের প্রতি আরোপ্য লাভ বা ক্ষতি কে সেই বছরের অপরিশোধিত সাধারণ শেয়ারের ওয়েইটেড অ্যাভারেজ নাম্বার দ্বারা ভাগ করে। তরলীকৃত নগদ অর্থ শেয়ার প্রতি আয় নির্ধারিত হয় সাধারণ শেয়ারহোল্ডারদের লাভ অথবা ক্ষতি এবং অপরিশোধিত শেয়ারের ওয়েইটেড অ্যাভারেজের মধ্যে সমন্বয় করে, সকল তরলকৃত সাধারণ শেয়ারের প্রভাবের জন্য। যদিও শেয়ার প্রতি আয় তরলীকরণ এই আর্থিক প্রতিবেদনের জন্য প্রযোজ্য হবে না কারণ রিপোর্টিং ডেটে কোনো সম্ভাব্য তরলীকৃত সাধারণ শেয়ার ছিলো না।

ণ নগদ প্রবাহ বিবৃতি

পরিচালনা কার্যক্রম থেকে নগদ প্রবাহ বিএএস ৭: স্টেটমেন্ট অব ক্যাশ ফ্লো অনুযায়ী ডিরেক্ট মেথডের অধীনে দেখানো হয়েছে।

ত লভ্যাংশ

আর্থিক প্রতিবেদনে চূড়ান্ত লভ্যাংশ বিতরণ দায় হিসেবে দেখানো হয় সেই সময়কালের জন্য যখন বার্ষিক সাধারণ সভায় লভ্যাংশের অনুমোদন দেয়া হয়েছে, অপরদিকে অন্তর্বর্তী লভ্যাংশ বিতরণ স্বীকৃত হয় সেই সময়কালে যখন লভ্যাংশ ঘোষণা এবং প্রদান করা হয়।

থ ম্যাটেরিয়ালিটি এবং অ্যাগরিগেসন

সংখ্যাগত তথ্যের ক্ষেত্রে সকল তুলনামূলক তথ্য এই আর্থিক প্রতিবেদনে প্রকাশ করা হয়েছে এবং আখ্যানধর্মী এবং বর্ণনামূলক তথ্যের ক্ষেত্রেও যেগুলো প্রাসঙ্গিক বর্তমান আর্থিক প্রতিবেদন বোঝার ক্ষেত্রে জরুরী সেগুলোও প্রকাশ করা হয়েছে।

তুলনার স্বার্থে বিগত বছরের কিছু জরুরী প্রাসঙ্গিক ব্যালাস পুনর্বিব্যস্ত ও পুনর্শ্রেণীবিভাজন করা হয়েছে যখনই এগুলো বর্তমান বছরের প্রেক্ষেপ্তারের ক্ষেত্রে জরুরী বলে মনে করা হয়েছে।

দ প্রতিবেদন প্রস্তুত পরবর্তী ঘটনাবলী

প্রত্যেক অনুরূপ পদার্থের ম্যাটেরিয়াল শ্রেণীবিভাগ আলাদাভাবে আর্থিক প্রতিবেদনে দেখানো হয়েছে। আলাদা শ্রেণীর পদার্থ আলাদাভাবে দেখানো হয়েছে যদি না তারা ইমম্যাটেরিয়াল হয়।

ধ চলমান ব্যবসায়িক সত্তা ধারণা

কোম্পানির কাছে সুদূর ভবিষ্যত পর্যন্ত কার্যক্রম চালাবার মত সম্পদ আছে। এই কারণে গোয়িং কনসার্ন বেসিস ব্যবহার করা হয়েছে আর্থিক প্রতিবেদন প্রস্তুত করতে। কোম্পানীর চলতি সম্পদ পর্যাপ্ত ফান্ড এবং বিশেষণীয় ঋনসুবিধা বর্তমান ব্যবসার সকল প্রয়োজন পূরণে সক্ষম।

৪৪. অ্যাকাউন্টিংয়ের নতুন অগ্রহীত নিয়মাবলী

কিছু সংখ্যক নতুন মানদণ্ড এবং প্রচলিত মানদণ্ড সমূহের সংশোধনী ১ জানুয়ারি ২০১৮ থেকে কার্যকর হবে। এর পূর্ববর্তী ব্যবহারেও অনুমোদন রয়েছে। কোম্পানি নিম্নের মানদণ্ড সমূহ এই রিপোর্টিং এ ব্যবহার করেনি।




বিএফআরএস ৯: অর্থনৈতিক সরঞ্জাম

এই মানদণ্ড অর্থনৈতিক সম্পদ ও দায়ের শ্রেণীবিভাগ, পরিমাপ এবং ডিরিকগনিশনকে স্বীকার করে এবং হেজ অ্যাকাউন্টিংয়ের ক্ষেত্রে নতুন নিয়ম প্রবর্তন করে। এই মানদণ্ড জানুয়ারি ১, ২০১৮ অথবা এর পরবর্তী রিপোর্টিং পিরিয়ডের জন্য অবশ্যই প্রযোজ্য। কোম্পানি বর্তমানে এই মানদণ্ডের ব্যবহার ও পরিণতির বিষয়ে মূল্যায়ন করছে।

বিএফআরএস ১৫: গ্রাহকদের সাথে চুক্তি থেকে আয়





এই মানদণ্ড সেই নিয়মাবলীর উপর ভিত্তি করে তৈরী করা হয়েছে যেখানে বলা হয়েছে যে তখনই রাজস্ব অর্জিত হয় যখন কোন পণ্য বা সেবা গ্রাহকের কাছে হস্তান্তরিত হয়। নিয়ন্ত্রনের এই ধারণা প্রচলিত ঝুঁকি ও পুরস্কারের ধারণাকে প্রতিস্থাপন করে। এই মানদণ্ড ১ জানুয়ারি ২০১৮ অথবা এর পরবর্তী রিপোর্টিং পিরিয়ডের জন্য অবশ্য প্রযোজ্য। কোম্পানি বর্তমানে এই মানদণ্ডের ব্যবহার ও কার্যকারণ বিষয়ে মূল্যায়ন করছে।

ANNUAL REPORT REVIEW CHECKLIST

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	• Description of the performance of the various activities / products / segments of the company and its group companies during the period under review.....	71, 72
	• A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks.....	48
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INTEGRATED REPORTING CHECKLIST

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1	Elements of an Integrated Report		
1.1	Organizational overview and external environment		
	An integrated report should disclose the main activities of the organization and the environment of which it operates.	Note 1	146
	An integrated report should identify the organization's mission and vision, and provides essential context by identifying matters such as the organization's:		
	culture, ethics and values	Business Model	10
	ownership and operating structure including size of the organization, location of its operations	Corporate Information, Annexure - 1	6, 84
	principal activities and markets	Note 1	146
	competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry)	Mission, vision, Directors report	8, 71
	position within the value chain	Business model	10
	Key quantitative information:		
	The number of employees, revenue and number of countries in which the organization operates highlighting, in particular, significant changes from prior periods	About Us	3
	Significant factors affecting the external environment and the organization's response:		
	The legitimate needs and interests of key stakeholders		
	Macro and micro economic conditions, such as economic stability, globalization, and industry trends		
	Market forces, such as the relative strengths and weaknesses of competitors and customer demand		
	The speed and effect of technological change		
	Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems	PESTEL analysis	52

Sl. No.	Particulars	Content Reference	Page no.
	Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached	PESTEL analysis	52
	The legislative and regulatory environment in which the organization operates		
	The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy		
	The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy		
1.2	Governance		
	An integrated report should show how does the organization's governance structure support its ability to create value in the short, medium and long term.	Corporate Governance	34
	An integrated report needs to provide an insight about how such matters as the following are linked to its ability to create value:		
	The organization's leadership structure, including the skills and diversity	Executive Committee, Board of Directors	37
	Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues	Business Model, Risk Management and Internal Control	11, 48
	Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management	Risk Management	47
	How the organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders	Business Model	11
	Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies	Corporate Governance	37, 40, 41
	The responsibility those charged with governance take for promoting and enabling innovation		
	How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organization's use of and effects on the capitals.		
1.3	Stakeholder Identification/ relationships		
	An integrated report should identify its key stakeholders and provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interest	People and Relationship	10

Sl. No.	Particulars	Content Reference	Page no.
	Capitals		
	An integrated report needs to provide insight about the resources and the relationships used and affected by the organization, which are referred to collectively as the capitals and how the organization interacts with the capitals to create value over the short, medium and long term	People and Relationship	10
	An integrated report need to identify the various forms of capitals which are essential for the success of its business operations. Eg: financial, manufactured, intellectual, human, social and relationship, and natural	Business Model, Directors Report	10, 71
1.4	Business Model		
	An integrated report need to describe the business model, including key:		
	Inputs		
	Business activities		
	Outputs		
	Outcomes		
	Identification of critical stakeholder and other Connection to information covered by other Content Elements, such as strategy, risks and opportunities, and performance.		
	Inputs - An integrated report shows how key inputs relate to the capitals on which the organization depends.		
	An integrated report describes key business activities. This can include:		
	How the organization differentiates itself in the market place		
	How the organization approaches the need to innovate		
	How the business model has been designed to adapt to change		
	Outputs - An integrated report identifies an organization's key products and services.		
	Outcomes: An integrated report describes key outcomes, including: Both internal outcomes, and external outcomes, Both positive outcomes and negative outcomes		
	When material, an integrated report discusses the contribution made to the organization's long term success by initiatives such as process improvement, employee training and relationships management.		
		Business Model	10, 11



Sl. No.	Particulars	Content Reference	Page no.
1.5	Performance		
	An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?	MD's Overview, Chairman Statement	13, 16
	An integrated report should contain qualitative and quantitative information about performance:	Directors Report	71, 74 81, 99
	Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them		
	The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests		
	The linkages between past and current performance, and between current performance and the organization's outlook.		
	KPIs that combine financial measures with other components or narrative that explains the financial implications of significant effects on other capitals and other causal relationships may be used to demonstrate the connectivity of financial performance with performance regarding other capitals. In some cases, this may also include monetizing certain effects on the capitals.		
Include instances where regulations have a significant effect on performance (e.g., a constraint on revenues as a result of regulatory rate setting) or the organization's non-compliance with laws or regulations may significantly affect its operations.			
1.6	Risks and opportunities		
	An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?	Risk Management & Internal Control	46-51
	This can include identifying:		
	The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two.		
	The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does.		
The specific steps being taken to mitigate or manage key risks or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs.			

Sl. No.	Particulars	Content Reference	Page no.
1.7	Strategy and resource allocation		
	An integrated report should describe its strategic direction (Where does the organization want to go and how does it intend to get there)	Vision and Mission	08
	An integrated report need to identify:		
	The organization's short, medium and long term strategic objectives		
	The strategies it has in place, or intends to implement, to achieve those strategic objectives		
	The resource allocation plans it has to implement its strategy	MD's Overview	17, 18
	How it will measure achievements and target outcomes for the short, medium and long term. This can include describing:		
	The linkage between the organization's strategy and resource allocation plans, and the information covered by other Content Elements, including how its strategy and resource allocation plans:		
	- relate to the organization's business model, and what changes to that business model might be necessary to implement chosen strategies to provide an understanding of the organization's ability to adapt to change '	Business Model, Business Continuity and Crisis Management	10, 48
	- are influenced by/respond to the external environment and the identified risks and opportunities affect the capitals, and the risk management arrangements related to those capitals	What Makes Us Different	10, 11
	What differentiates the organization to give it competitive advantage and enable it to create value, such as:		
	the role of innovation		
	how the organization develops and exploits intellectual capital		
	the extent to which environmental and social considerations have been embedded into the organization's strategy to give it a competitive advantage		
	Key features and findings of stakeholder engagement that were used in formulating its strate and resource allocation plans.		
1.8	Outlook		
	An integrated report should explain what challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance.	Business Model, Chairman's Statement, MD's Overview	10, 13, 16



Sl. No.	Particulars	Content Reference	Page no.
	The organization's expectations about the external environment the organization is likely to face in the short, medium and long term	PESTEL Analysis	52
	How that will affect the organization		
	How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise.		
	The discussion of the potential implications, including implications for future financial performance which may include:	Risk Management & Internal Control, MD's Overview	46, 16
	The external environment, and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives		
	The availability, quality and afford ability of capitals the organization uses or affects including how key relationships are managed and why they are important to the organization's ability to create value over time.		
	An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources, and sensitivity analyses. If forecasts or projections are included in reporting the organization's outlook, a summary of related assumptions is useful. Comparisons of actual performance to previously identified targets further enables evaluation of the current outlook.	Ratio Analysis, Integrated Reporting	52, 96
	Disclosures about an organization's outlook in an integrated report should consider the legal or regulatory requirements to which the organization is subject.	Integrated Reporting	96
1.9	Basis of preparation and presentation		
	How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?	Integrated Reporting	96
	An integrated report describes its basis of preparation and presentation, including:		
	A summary of the organization's materiality determination process:		
	Brief description of the process used to identify relevant matters, evaluate their importance and narrow them down to material matters		
	Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters.		
	A description of the reporting boundary and how it has been determined		

Sl. No.	Particulars	Content Reference	Page no.
	A summary of the significant frameworks and methods used to quantify or evaluate material matters	Integrated Reporting	96
2	Responsibility for an integrated report		
	An integrated report should include a statement from those charged with governance that includes:		
	An acknowledgement of their responsibility to ensure the integrity of the integrated report		
	An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report	Integrated Reporting	96
	Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework		
3	Other Qualitative Characteristics of an Integrated Report		
3.1	Consistency and comparability		
	The information in an integrated report should be presented:		
	Comparison of information over time in the form of ratio	Ratio Analysis	98
3.2	Connectivity of information		
	An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.	What Makes Us Different	11
3.3	Materiality		
	An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term	Directors Report	71
3.4	Assurance on the Report		
	The policy and practice relating to seeking assurance on the report,		
	The nature and scope of assurance provided for this particular report	Integrated Reporting	96
	Any qualifications arising from the assurance, and the nature of the relationship between the organization and the assurance providers	Not Applicable	





British American Tobacco Bangladesh Company Limited

New DOHS. Road, Mohakhali, Dhaka-1206, PO Box 6069, Bangladesh

Proxy Form

I/We.....

of.....

being a Member of British American Tobacco Bangladesh Company Limited, do hereby appoint

a) Mr./Mrs.....

of.....

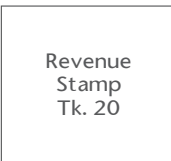
b) Mr./Mrs.....

of.....

either of them may, in writing, appoint anyone to act as my proxy at the 44th Annual General Meeting of the Company to be held on Wednesday, 19 April 2017 and at any adjournment thereof

As witness my/our hand this day of 2017.

.....
(Signature of Proxy)



.....
(Signature of Share Holder)

Folio / BO ID No. []-[]

Notes:

No. of Shares held:

- 1. A member entitled to attend and vote in the AGM may appoint a Proxy to attend and vote on his/her behalf.
2. The Proxy Form, duly filed and stamped must be deposited at the Registered Office of the Company, by 10.30 a.m of 16 April 2017.
3. Signature of the Member(s) must be in accordance with the Specimen Signature recorded with the Company.



British American Tobacco Bangladesh Company Limited

New DOHS. Road, Mohakhali, Dhaka-1206, PO Box 6069, Bangladesh

Attendance Slip

I/We do hereby record my/our attendance at the 44th Annual General Meeting (AGM) of the Company being held on 19 April 2017 at 10.30 a.m at Pan Pacific Sonargaon, 107 Kazi Nazrul Islam Avenue, Dhaka 1215, Bangladesh

Name of the Shares Holder(s)/Proxy:.....

Folio / BO ID No. of Share Holder: []-[]

No. of Shares held:

.....
Signature of Shares Holder(s)/Proxy

Note: Please present this attendance slip at the registration counter on or before 10:30 a.m on the AGM date.



ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড
নিউ ডিওএইচএস রোড, মহাখালী, ঢাকা-১২০৯, পিও ব্লক ৬০৬৯ বাংলাদেশ

প্রতিনিধিপত্র

আমি/আমরা

ঠিকানা

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড-এর সদস্য হিসেবে

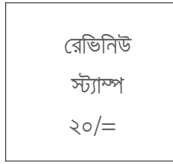
ক. জনাব/বেগম

ঠিকানা

খ. জনাব/বেগম

ঠিকানা

কে বা তাদের যেকোনো একজনকে আমার/আমাদের প্রতিনিধি হিসেবে আমার/আমাদের অনুপস্থিতিতে বুধবার, ১৯ এপ্রিল ২০১৭ তারিখে অনুষ্ঠিতব্য কোম্পানির ৪৪তম বার্ষিক সাধারণ সভায় এবং তার মূলতবি ঘোষিত সভায় উপস্থিত হওয়া ও ভোটদানের জন্য নিযুক্ত করলাম।



.....
(প্রতিনিধির স্বাক্ষর)

.....
(শেয়ার হোল্ডারের স্বাক্ষর)

ফোলিও / বিও নম্বর : -

শেয়ার সংখ্যা :

দ্রষ্টব্য:

১. অনিবার্য কারণবশতঃ, কোনো সদস্য তার অনুপস্থিতিতে মনোনীত প্রতিনিধিকে তার পক্ষ থেকে ভোট প্রদানের জন্য পাঠাতে পারবেন
২. প্রতিনিধিপত্র সঠিকভাবে পূরণ ও স্ট্যাম্প সংযুক্ত করে কোম্পানির নিবন্ধিত অফিসে ১৬ এপ্রিল ২০১৭ সকাল ১০:৩০ মিনিটের মধ্যে জমা দিতে হবে
৩. কোম্পানির নথিভুক্ত নমুনা স্বাক্ষর ও সদস্যের স্বাক্ষর একই হতে হবে।



ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড
নিউ ডিওএইচএস রোড, মহাখালী, ঢাকা-১২০৯, পিও ব্লক ৬০৬৯ বাংলাদেশ

উপস্থিতিপত্র

আমি/আমরা আগামী ১৯ এপ্রিল ২০১৭ রোজ বুধবার সকাল ১০:৩০ মিনিটে সোনারগাঁও হোটেল, ১০৭ কাজী নজরুল ইসলাম এভিনিউ, ঢাকা-১২১৫ এর বলরুমে অনুষ্ঠিতব্য কোম্পানির ৪৪তম বার্ষিক সাধারণ সভায় আমার/আমাদের উপস্থিতি লিপিবদ্ধ করছি।

শেয়ার হোল্ডার/প্রতিনিধির নাম:

বিও/ফোলিও আইডি নং: -

শেয়ারের সংখ্যা:

.....
(শেয়ার হোল্ডারের স্বাক্ষর)

দ্রষ্টব্য ১: অনুগ্রহপূর্বক, এজিএম-এর দিন সকাল ১০.৩০ মিনিটে বা তার আগে রেজিস্ট্রেশন কাউন্টারে এই উপস্থিতিপত্রটি দেখাবেন।

