ANNUAL REPORT 2017



PROGRESS THROUGH UNITY

BRITISH AMERICAN TOBACCO
BANGLADESH

PROGRESS THROUGH UNITY

British American Tobacco Bangladesh, being a responsible Company, strives to make a difference. We believe, leadership equals to action, and it results in addressing three critical areas while undertaking our business – value generation for all partners and the community we operate, follow and exemplify ethical business practices across the business value chain and world-class human capital development.

We believe that we have a significant role to play in fulfilling the socio-economic potentials of the nation. While maintaining our sustained partnership as the largest private sector taxpayer to the national exchequer, we take part in meaningful activities towards achieving the Sustainable Development Goals and the Vision of the Government through our leading initiatives, such as skill development, gender equality, sustainable energy solutions for off-grid areas, afforestation, pure drinking water for localities in ominous need and eco-friendly business operations across the value chain.

AMAR STOCK

Scan the QR code for digital version of
Annual Report 2017

SDGs

Sustainable Development Goals

Championing
Green Leadership in Asia;
Green Supply Chain Process
Carbon Footprint Reduction

Eco-Friendly
Production
Sustainable Waste
Management

1,300,000 retailers
50,000 Business Partners

Most Preferred
Employer
in Bangladesh

27% Ownership
by Government &
Minority Shareholders

Environment,
Health & Safety
Programme

2,064 units of
Solar Home System
in offgrid areas

Country's
Largest Taxpayer
BDT **16,427** crore in 2017

Pure Water Facility
in Arsenic affected areas
Water Recycle Process

Afforestation
Programme since 1980

Most
Female Friendly
Organisation

We take pride being a responsible corporate citizen of Bangladesh

STOCK

NATIONAL GOALS



30% of the Top Team roles held by Women

2,064 units of Solar Home System in offgrid areas;
Solar Panel System saved 77,834 Kw/Hr of Electricity

95.50 million Saplings distributed;
Water Recycle Process reducing consumption of
65,000,000 litres of Water

Highest Tax Payer - Contributed BDT 16,427 Crore in 2017

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 107 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 subsdiary 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 seed to smoke', 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; 10.19% 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 16.90% is owned by other shareholders.

Our Contributions

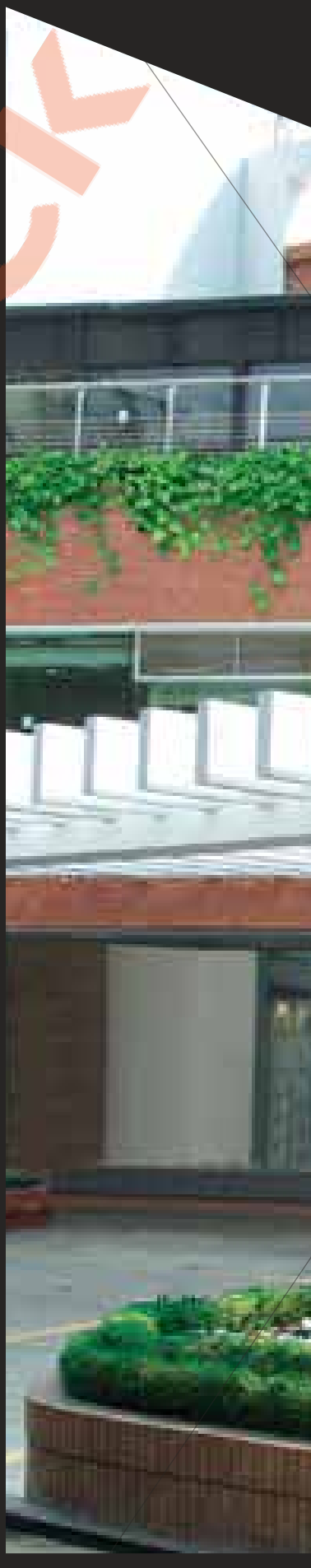
We continue to contribute approximately two-thirds of the revenue derived from the cigarette industry. In 2017 calendar year, BAT Bangladesh contributed over BDT 16,427 crore as taxes to the National Exchequer, which makes us one of the highest taxpayers to the Government. The Company will continue to support Government proposals that establish a sustainable level of tax contribution to the National Exchequer while ensuring a sustainable growth 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, engaging approximately 50,000 people indirectly as farmers, distributors, local suppliers and over 1.3 million retailers performing in our business, 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 in.





CORPORATE INFORMATION



Board of Directors

Mr. Golam Mainuddin	- Chairman
Mr. Shehzad Munim	- Managing Director
Mr. Mohammad Moinuddin Abdullah	- Independent Director
Mr. Mikail Shipar	- Independent Director
Mr. Muhammad Abdullah	- Non-Executive Director
Mr. Jalal Ahmed	- Non-Executive Director
Ms. Tahmina Begum	- Non-Executive Director (April 2018)
Mr. Kazi Sanaul Hoq	- Non-Executive Director
Mr. K. H. Masud Siddiqui	- Non-Executive Director
Mr. William Francis Pegel	- Finance Director

Company Secretary & Head of Pubilc Affairs

Mr. Md. Azizur Rahman FCS

Audit Committee

Mr. Mohammad Moinuddin Abdullah	- Chairman
Mr. Kazi Sanaul Hoq	- 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. Mikail Shipar	- Chairman
Mr. Mohammad Moinuddin Abdullah	- Member
Mr. Muhammad Abdullah	- Member
Mr. Jalal Ahmed	- Member
Ms. Tahmina Begum	- Member
Mr. Shehzad Munim	- Member
Mr. Md. Azizur Rahman FCS	- Secretary

Risk Management Committee

Mr. William Pegel	- Finance Director
Mr. Mohammed Zakir Hossain	- Finance Controller
Mr. Jahangir Alam	- Head of Manufacturing
Mr. Sk. Hasibul Karim	- IT Account Manager
Mr. Zahurul Haque Sarker	- Head of Leaf Operations
Mr. Syed Mahbub Ali	- Head of Trade
Mr. Tamzeed Ahmed	- Compliance Manager
Mr. Syed Afzal Hossain	- Commercial & Litigation Counsel
Mr. Anowarul Amin	- Regulatory Affairs Manager
Mr. Sharf Uddin	- Company Security Manager
Mr. Fazle Rabbi Chowdhury	- Head of SP&I
Mr. Mehedi Arif Mozammel	- SAA IR & Change Project Manager



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

Steering Group

Mr. Syed Mahbub Ali	- Head of Trade
Mr. Zahurul Haque Sarker	- Head of Leaf Operations
Mr. Mohammed Zakir Hossain	- Finance Controller
Mr. Mehedi Arif Mozammel	- SAA IR & Change Project Manager
Mr. Jahangir Alam	- Head of Manufacturing
Mr. Ibrahim Sheikh	- SAA Procurement Business Manager
Mr. Sheikh Shabab Ahmed	- Senior Commercial Affairs Manager
Ms. Amun Mustafiz	- Commercial Finance Controller
Mr. Md Azizur Rahman	- Head of Public Affairs & Company Secretary
Mr. Saad Jashim	- HR Business Partner - Operations
Ms. Farah Zabeen	- Project Manager - Auctus & Area Head of Services
Mr. Fazle Rabbi Chowdhury	- Head of SP&I
Mr. Rajiv Ahmed	- Consumer Product Manager
Mr. Tanvir Hossain Siddique	- Group Brand Manager, Premium & AP
Mr. Md. Nayeem Akhtar	- Supply Chain Manager
Mr. Kazi Mushfiqur Rahman	- Group Brand Manager - VFM & Low
Mr. Dewan Ashrakat Hossain	- Commercial Finance Controller
Mr. Mokhlesuzzaman	- Project Manager, Supply Chain

Internal Audit Manager

Mr. Adnan Sharif khan

Statutory Auditors

KPMG Rahman Rahman Huq, 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
Sonali 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
www.batbangladesh.com

CONTENT

OVERVIEW

About Us 04
Corporate Information 06
Vision and Mission 10
Our Guiding Principles 11
Our Business Model 12
Chairman's Statement 14
Contribution and Performance 18
Managing Director's Overview 20
AGM Invitation 24
AGM Notice 25

LEADERSHIP

Board of Directors 26
Executive Committee 32
Steering Group 36

GOVERNANCE

Corporate Governance Statement 37
Corporate Governance Framework 38
Board Practices 39
Committees 41
Effective Control Processes 43
Transparent Disclosure 48
Shareholders' Rights 49
Board Commitments 49
Statement on Risk Management & Internal Control 50
Risk Management Framework 51
Business Continuity and Crisis Management 53
System of Internal Control 54
Report of the Audit Committee 59
Board CSR Committee 66
Standard of Business Conduct 70
Results at a Glance 72

AMAR STOCK

Directors' Report 73
Key Strategic Pillars of Business 73
Growth 73
Productivity 75
Sustainability 77
Winning Organisation 78
The Board of Directors 79
Directors Re-Election 80
Board Committees 80
Going Concern 81
The System of Internal Control 81
Directors Declaration 81
Concern Regarding Retrospective Tax Demand 82
Corporate Governance Compliance Statement 83
Auditors 84
Awards & Achievements 84
Pattern of Shareholdings 86
BSEC Compliance Status 87
Certificate of Due Diligence by CEO & CFO 96
Certificate of Compliance 97

Integrated Reporting **99**
Our Value Creation Process 100
Financial Capital 102
Manufactured Capital 104
Intellectual Capital 106
Human Capital 108
Social and Relationship Capital 110
Natural Capital 111
Operating Environment Analysis 112
Value Added Statement 115

RESPONSIBILITY

Environment Health & Safety 121
Going Green 126
Tobacco and Factory Waste Briquetting 128
CSR - Supporting SDG 130
Supporting a Great Cause- Autism 132
Sustainable Agriculture 133
Success Story 13

WINNING ORGANISATION

Battle of Minds 144
Welfare to Progress 146
Human Resources Value Creation 148
Heading for Gender Equality 150

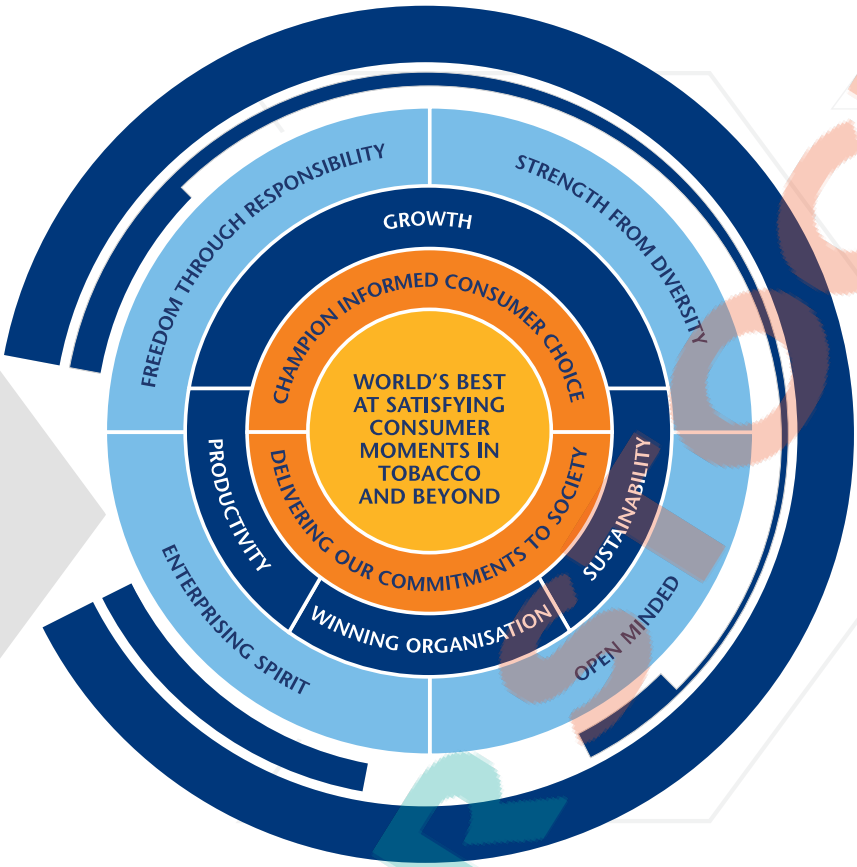
SNAPSHOTS

Achievements 152
BATB in Media 164
People Bringing The Difference 166
Snapshots 169

REPORTS AND FINANCIAL STATEMENT

Auditor's Report to Shareholders 175
Financial Statement 176
Income Statement 177
Equity Changes Statement 178
Statement of Cash Flows 179
Disclosure of Notes 180
Bangla Notice of AGM 214
Bangla Translated Financial Statements 215
Attendance Slip & Proxy Form 266

AMARSTOCK



VISION AND MISSION

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 become the leader in our 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, 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 theZ 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 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. In the last year, we once again ensured that our contribution to the Government is very significant by paying BDT 16,427 crores to Government exchequer. We encourage a culture of personal ownership and value our employees' talents. Their diverse persepectives 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 34,500 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.

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.
- To meet the market needs and to improve the quality and future export potential of our products, the manufacturing facility has to undergo balancing and modernisation and as such investment has been made day to day.
- 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.

AMIstock

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.

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.
- We encourage to embed best practices at the distributor end as well, to ensure regulatory compliance of the cigarette industry as a whole.
- After meeting our domestic need and in line with the government policy, we are exploring tobacco leaf and further exploring opportunities to export tobacco related products.

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.

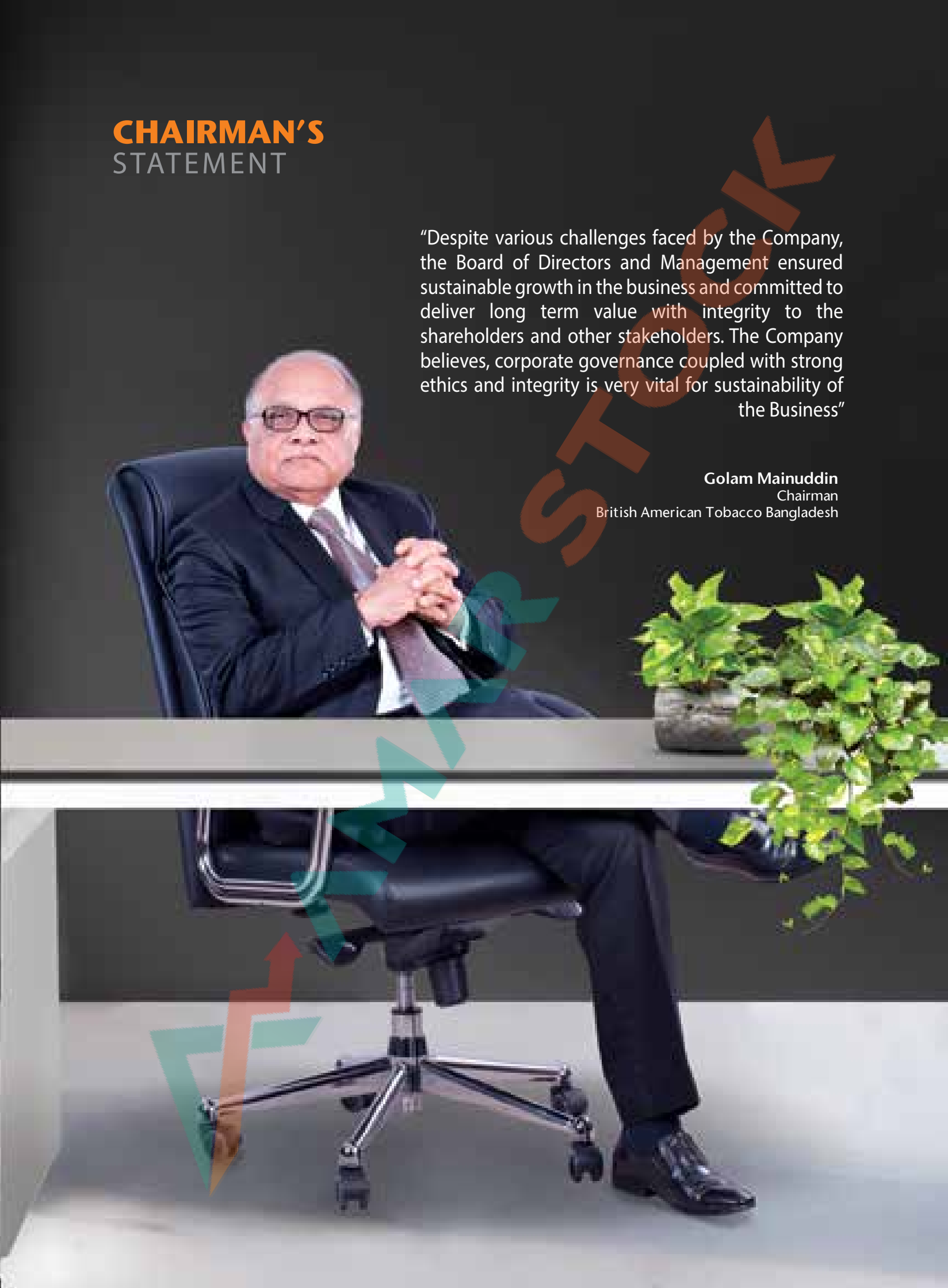
Innovation

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

"Despite various challenges faced by the Company, the Board of Directors and Management ensured sustainable growth in the business and committed to deliver long term value with integrity to the shareholders and other stakeholders. The Company believes, corporate governance coupled with strong ethics and integrity is very vital for sustainability of the Business"

Golam Mainuddin
Chairman
British American Tobacco Bangladesh



Dear Shareholders,

As a corporate citizen with more than a hundred years of proud legacy, the Company remains committed to contribute to the economy of this country. Despite various challenges faced by the Company, the Board of Directors and Management ensured sustainable growth in the business and committed to deliver long term value with integrity to the shareholders and other stakeholders.

Sustainable Growth

A core part of being a sustainable business is operating with integrity and responsibility while maximising value for the consumers, our customers and our shareholders. Our leading brands, efficient operating model and significantly improved capabilities will continue to be our key driver for sustaining our leadership in the tobacco market.

In addition to our continued investment in our brands improvement, our systems and our people, we developed our sustainability agenda, sustainable agriculture and farmer livelihoods, and corporate behaviours. This ensures our commitment towards focusing our efforts where it matters most for our stakeholders and consequently our business sustainability.

We would like to assure you that we are giving top most priority in respect of the retrospective claim of VAT and Supplementary duty by Large Tax Unit of National Board of Revenue (NBR) on our brands Pilot and Bristol. The matter is currently pending at the honourable Appellate Division of Supreme Court.

Business Performance

The Company has achieved expected growth in all aspects. Our brand portfolio was strengthened through innovations, an outstanding range of high-quality products and excellent retail level executions. The overall Company performance in 2017 was driven by revenue growth, increased market shares, effective cost management, productivity improvement and machine utilisation initiatives across the Company. The improved result could be 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 such results.

Sales volume marginally increased in the top three segments, while the low segment brands also showed an expected performance. This increase was driven by volume growth resulted from the government's initiative to limit downtrading by reducing the price gap between the top segments and the low segment. The Government has also taken initiatives to address the Anti Illicit Trades during 4th quarter of 2017 and this needs to be continued on a regular basis.

Strategic Investments

In order to meet the commitment of delivering long-term value to our shareholders, the Company has invested in the capacity enhancement of our production facilities, safety of our people and machinery as per the need of business which will ensure sustainable future growth. Your Company is exploring opportunities to export the primary manufacturing of tobacco which will also bring foreign currency in the country.

Sustainability of 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 74% of the total taxes collected from the Cigarette industry. In 2017, the Company contributed BDT 16,427 crore as taxes to the national exchequer which makes your Company the highest tax payer in the Country. This represents an increase of BDT 2,796 crore.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 matured industry, it must not be stretched too far without considering the market dynamics and its ability to absorb price elasticity.

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Tobacco Taxation Policies & It's Challenges

Tobacco pricing policies of the Government is very much challenging compared to other industries. 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. However, 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.The 45% corporate tax in this sector is unjustified from the shareholders point of view and will hinder the future growth of capital market.Cigarette is already highly taxed (in the form of Supplementary Duty, VAT and HDSC) and there is no instance of discriminated corporate tax rates anywhere in the world for Tobacco Companies wherever it is listed in the Stock market. We continue to appeal to the regulators for a reversal of the position in the next national budget.

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 two 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, regulatory drives etc. I sincerely thank all our Board Members for their support and contributions which enabled the Management to achieve sustainable results during 2017.

Audit and Governance Compliance

During the last AGM for the year 2017, the shareholders of BATB reappointed KPMG Rahman Rahman Huq, Chartered Accountants as the statutory auditors. Besides, Corporate Governance Compliance Audit was carried out to ensure the fulfilment of the requirements of Bangladesh Securities and Exchange Commission (BSEC) Guidelines and certification to that end was issued by Al-Muqtadir Associates, Chartered Secretaries.

Guiding Principles

Our Guiding Principles are derived form the core of our culture and it guides us to deliver our strategy and provide clarity about what we stand for. They guide our behaviours and describe how they are aligned with our vision. The principles also underpin our approach to good Corporate Governance, which are set out in the governance section of the Directors' Report. The Standards of Business Conduct reflects our commitment to good corporate behaviour and guides our employees to act with a high degree of business integrity, comply with applicable laws and regulations, and ensure that our standards are not compromised for the sake of results.

Recognitions

The Company believes that corporate governance coupled with strong ethics and integrity is very vital for the sustainability of Business. Your company is proud to be recognised locally by the Institute of Chartered Accountants of Bangladesh, Institute of Cost and Management Accountants of Bangladesh and Institute of Chartered Secretaries of Bangladesh and Internationally by the South Asian Federation of Accountants 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.

Moreover, your Company achieved 5 international awards, such as:

1. CEO of the year Award
2. Leadership Excellence in Community Services Award
3. Diversity Impact Award
4. Adam Smith Award, and
5. Asia Responsible Entrepreneurship Award

The Company was also recognised with the following local accolades:

1. Best Corporate Social Responsibilities Practice Award
2. Dream Company to Work for
3. Best HR Event of the Year
4. Best Recruitment Evaluation Technique
5. 20 local government awards for afforestation in different districts.

Future Prospect

We are working hard for continuous improvement in our business that will generate funds to invest in our brands, helping us to grow our business, deliver higher returns for the shareholders and contribute more to the society at large. However, as we proceed, we see newer challenges in 2018. But we are confident to overcome the challenges by the combination of our commitment, product investment and support of the regulators through establishment of sensible regulations. All our efforts are complementing Government's continuous journey towards newly assigned Sustainable Development Goals and vision of the Government.

Appreciations

I wish to thank our team and all employees of the company for their tremendous passion, resilience and hard work in delivering value for our shareholders and all other stakeholders. All these efforts have been reflected on the success of 2017. On behalf of the Board of Directors, I wish to convey my appreciation to all our shareholders, customers, distributors, investors, business partners, stakeholders and relevant authorities of the Government of the Peoples' Republic of Bangladesh for their support and cooperation. I am confident that we have the right strategic focus, people and resources to deliver continued sustainable growth in the years ahead.

Thank you.

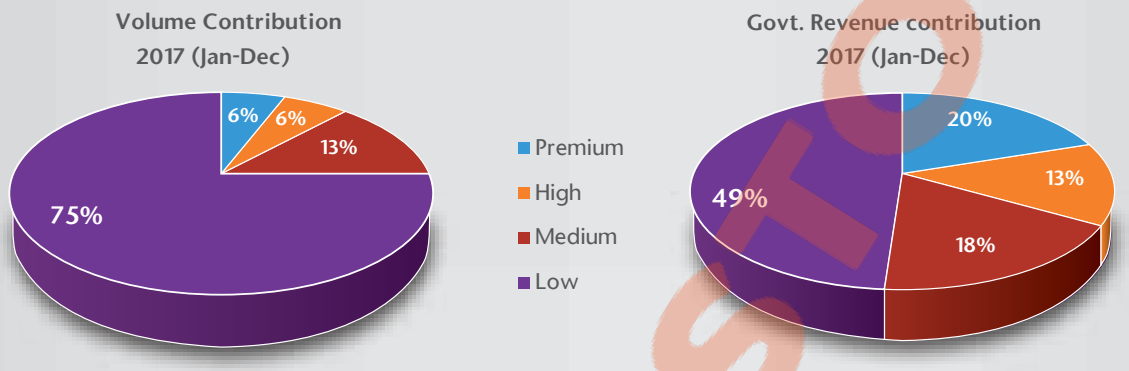
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Golam Mainuddin
Chairman
British American Tobacco Bangladesh

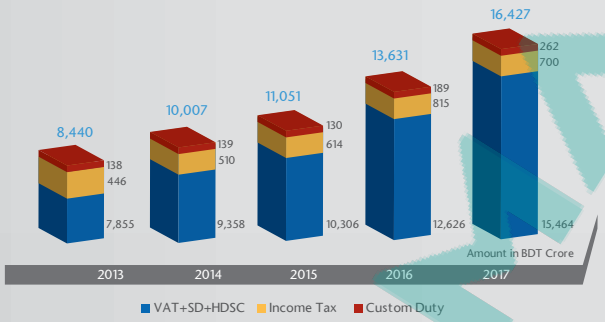
5 March, 2018

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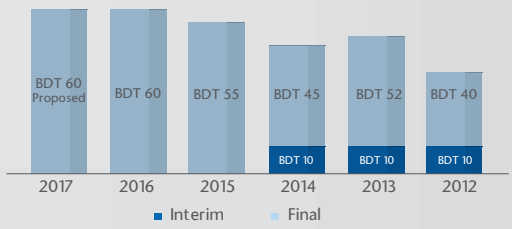
CONTRIBUTION AND PERFORMANCE 2017



Segment Wise Volume Contribution vs Govt. Revenue Contribution.



Contribution to National Exchequer



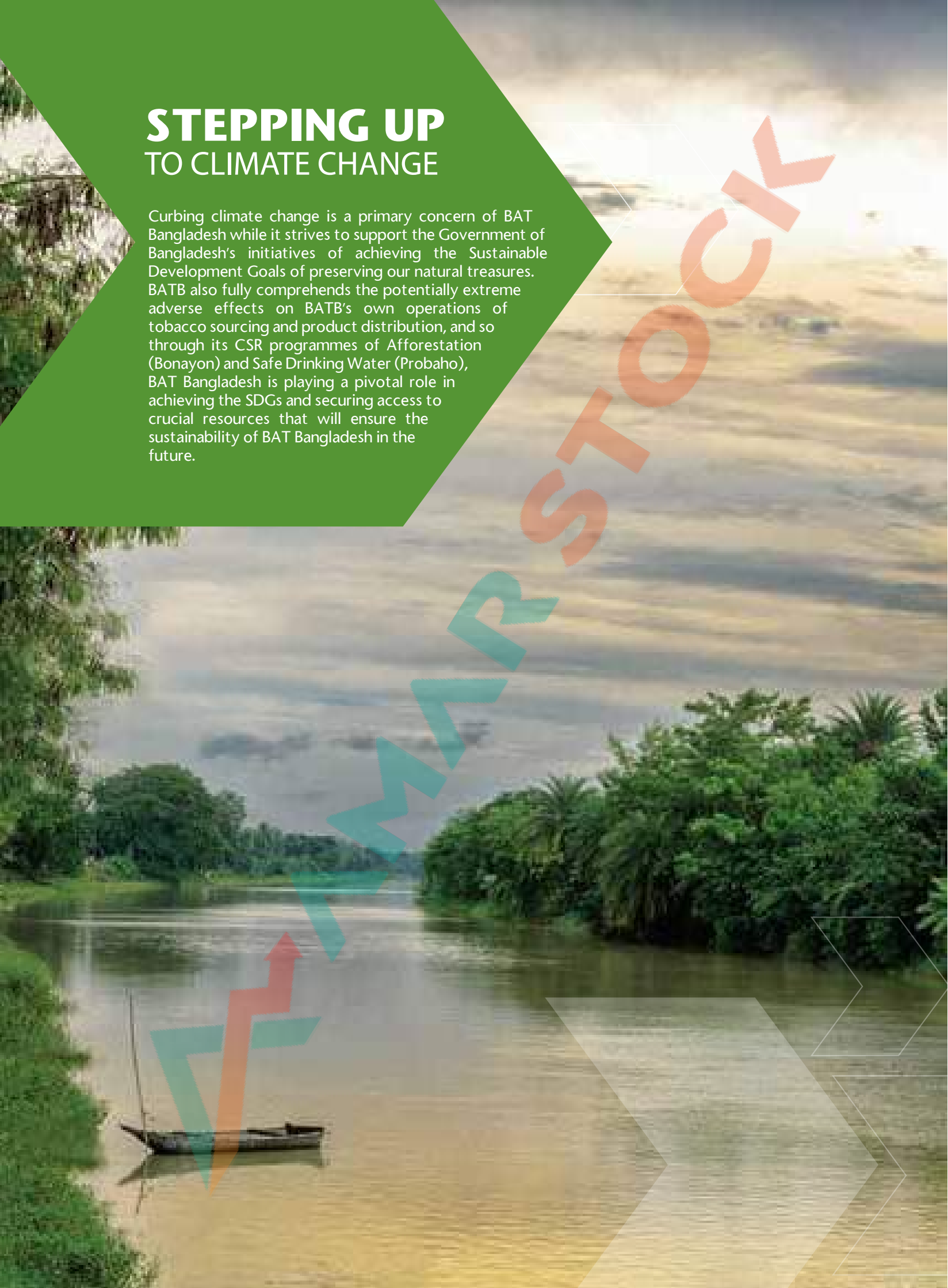
Year Wise Dividend



Key Performance Indicators

STEPPING UP
TO CLIMATE CHANGE

Curbing climate change is a primary concern of BAT Bangladesh while it strives to support the Government of Bangladesh's initiatives of achieving the Sustainable Development Goals of preserving our natural treasures. BATB also fully comprehends the potentially extreme adverse effects on BATB's own operations of tobacco sourcing and product distribution, and so through its CSR programmes of Afforestation (Bonayon) and Safe Drinking Water (Probaho), BAT Bangladesh is playing a pivotal role in achieving the SDGs and securing access to crucial resources that will ensure the sustainability of BAT Bangladesh in the future.



MANAGING DIRECTOR'S STATEMENT

"Our strategy supported by the right investment in human resources, brands, capacity and community developements has delivered sustained shareholder return which made us a key partner of this thriving economy and development partner of a promising Bangladesh "

Shehzad Munim
Managing Director
British American Tobacco Bangladesh



A GLOWING YEAR

CONTRIBUTION TO THE SHAREHOLDERS	CONTRIBUTION TO THE GOVT
Net Profit BDT **783 crore** + **3.3%** increased	Paid BDT **16,427 crore** +**21%** Increased

Dear Shareholders,

Amidst a grossly uneven and fiercely competitive market, 2017 was still a very successful year for the Company. The operating results of the Company are testament to our commitment to deliver a sustainable shareholders return. Alongside our financial performance, vis-a-vis our contribution to the national exchequer, we have contributed for successive years towards development of skilled and creative human resources, inclusive work culture, transparent and accountable governance, globally integrated work practices and environmentally sustainable business operations. Those all generate cumulative returns for the shareholders.

BUSINESS RESULTS FOR 2017

The Management is pleased to report another outstanding year of revenue, profit and earnings growth, driven by a successful strategy and winning culture despite a very challenging competitive environment.

This success is reflected in an increase of BDT 3,851 crores (23%) in the Gross Turnover of the Company for 2017 at BDT 20,414 crores. This increase was driven by value growth resulting from the progressive price and tax policy of the Government. As a result, BDT 2,796 crore was added in government revenue and helped the Company to deliver excellent growth in turnover. Accordingly, Profit before Tax at BDT 1,675 crores increased by 27% due to increase in sales and well managed costs. Net profit after tax at BDT 783 crores increased by only 3.3% due to the imposition of additional 2.5% surcharge on Income. The Company contributed BDT 16,427 crore to the Government exchequer, an increase of 21% over last year which sustains our position as the largest taxpayer in the country. BATB is very proud to lead the tax compliance journey of the cigarette industry, while delivering sustainable shareholders return.

Contribution to our shareholders return through unmanufactured tobacco export amounting to USD 27 million (BDT 219 crore) continued in the year 2017. We believe there are further export opportunity from Bangladesh and we seek an export friendly tax policy in the coming years.

Our People – Our Strength

Employing around 1,500 people directly and engaging approximately 1,350,000 people indirectly as farmers, distributors, suppliers and retailers, we take great pride that BAT Bangladesh is one of the most preferred employers in the country. The Company is committed to creating a workforce that will not only bring success for the Company but also bring about a positive change to the society. In line with this, international work assignments were given to Bangladeshi managers in countries such as UK, Singapore, Indonesia, Japan, Korea, Hong Kong and Australia. Our talented and experienced factory employees went abroad to train up the factory operators in other countries such as Poland, Singapore, Fiji, Indonesia and UK. The Company promotes diversity and thus, there is currently 13% female representation within the workforce, with 29% of the company leadership roles being held by female talents. In this respect, the Company has been awarded as the 'Most Female Friendly Organisation' in 2017.

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PRODUCTS AND SERVICES

We recognise that the tobacco industry has entered a dynamic period of change. Increased public health awareness, new societal attitudes and technological developments have all combined to create a unique opportunity to provide our consumers with a high range of product options. The business has maintained its focus primarily on the production and sale of cigarettes through our portfolio of leading brands like Benson & Hedges, John Player Gold Leaf, Pall Mall, Capstan, Star, Derby, Pilot and Hollywood.

OUR APPROACH TO SUSTAINABILITY

Our strategy is to deliver growth with integrity while generating sufficient funds to invest for a sustainable future. I am confident that we have the right brands, people and focus on efficiency to ensure sustainable value for the shareholders. We are committed to continue our activities focused in all four areas of growth, productivity, winning organisation and sustainability. 2017 has bestowed us with many proud moments through local as well as international recognitions for numerous merits in Corporate Governance, Corporate Social Responsibilities, process excellence and Human Resources Development.

Government's robust development strategy is taking the nation towards great prosperity. This is reflected in the progress of the economy which has made the nation eligible to be regarded as a developing country by the United Nations. The Company is proud to play its part in this journey by directly contributing around BDT 60,000 crores in taxes to the national exchequer in last 5 years. We will continue to be a significant contributor to the nation in its bid to become a developed country by 2041.

OUR APPROACH TO GOVERNANCE

Good governance has long been a key priority for the Company. We meet all our obligations under the various frameworks by which we are bound to comply with the law, while also ensuring that the Company is delivering results with integrity.

OUR CONCERNS

CORPORATE TAX RATE

The tobacco sector is already heavily taxed in the form of Supplementary Duty, VAT and Health Development Surcharge. This accounts on average for 74% on our Gross Turnover. In the Premium segment the indirect taxes amounts to 81% of the price. The 45% corporate tax in this sector is by far the highest in the country and unjustified from the shareholders point of view. Despite being a publicly listed company, BATB has been long disadvantaged from the 10% concession of corporate tax. Moreover, Government imposed an additional 2.5% surcharge on top of our current tax rate of 45%. Such tax on tax is against the principle of encouraging investors' confidence in the stock market. This amounted to a 60% increase in taxation in 2017. The Company believes that the Government will reinstate investment friendly, pragmatic and prospective taxation policies in the upcoming national budget for the sustainability of the industry and its shareholders.

ILLEGAL CIGARETTE TRADE

Illegal cigarette brands remain a threat to the revenue growth of the Government and sustainability of the industry. Government has conducted a few successful enforcements against illegal cigarettes during second half of 2017 and we hope it will be continued on a regular basis. We urge the government to review the Legal/ policy/ enforcement framework further to ensure integrated enforcement approach and exemplary penalties for all involved in such illegal trade of tobacco products.

OUR COMMITMENT

BAT Bangladesh strives to make a positive change within and around its business operations. We are committed to the social and economic development of the nation. As one of the leading foreign direct investments in the country and the highest revenue contributor in the private sector, we are committed to creating sustainable value for all our shareholders, partners and the community we operate in while sustaining an

TMSTOCK

exemplary ethical practice across the business value chain with our world-class human capital. All our efforts are complementing Government's continuous journey towards Sustainable Development Goals (SDG) and the vision for the nation.

OUR GRATITUDE

I express my sincere thanks to all our valued shareholders, business partners, retailers and farmers for their confidence in us and valuable contribution to the Company throughout 2017. The guidance from our Board of Directors has always been instrumental in shaping the success of the Company. Also, we are grateful to millions of our consumers who have been with us, along with their choices 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

5 March, 2018

AMAR STOCK

AGM
INVITAION FOR OUR SHAREHOLDERS

45th ANNUAL GENERAL MEETING OF BRITISH AMERICAN TOBACCO BANGLADESH

WILL BE HELD AT
PAN PACIFIC SONARGAON
107 KAZI NAZRUL ISLAM AVENUE
DHAKA1215, BANGLADESH
on Tuesday, 17 April 2018
at **10:30 AM**



AGM Helpline

MD ATIQUR RAHMAN
DEWAN RAHAT ISLAM
TEL: +8802 9842791-5 eXT-394 & 635
FAX: +882 8714819
E- MAIL: SHAREOFFICE@BAT.COM

NOTICE OF THE 45th ANNUAL GENERAL MEETING

Notice is hereby given that 45th Annual General Meeting (AGM) of British American Tobacco Bangladesh Company Limited will be held on Tuesday, 17th April 2018, 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 31st December 2017, and the Reports of the Directors and the Auditors thereon.
2. To approve cash dividend for the year ended 31st December 2017.
3. To elect Directors.
4. To appoint the Statutory Auditors for the year 2018 and to fix their remuneration.

By order of the Board

sd/-

28th March 2018

Md. Azizur Rahman FCS
Company Secretary

Notes:

- The Shareholders whose names appear on the Members/Depository Register on the Record Date i.e. 27th March 2018 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 13 April 2018.
- 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 2017 of the Company sent through courier, members may collect the same from the Company's share Office within April 13, 2018. 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 সাধারন সভায় কোন প্রকার উপহার/খাবার/ কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

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BOARD OF DIRECTORS



Sitting Left to Right: Mr. Mohammad Moinuddin Abdullah, Independent Director; | Mr. Golam Mainuddin, Chairman | Mr. Shehzad Munim, Managing Director | Mr. Mikail Shipar, Independent Director |

Standing Left to Right: Mr. Md. Azizur Rahman FCS, Head of Public Affairs & Company Secretary | Mr. Kazi Sanaul Hoq; Non-Executive Director | Mr. William Francis Pegel, Finance Director | Ms. Tahmina Begum, Non-Executive Director | Mr. K. H. Masud Siddiqui, Non-Executive Director| Mr. Jalal Ahmed, Non-Executive Director Mr. Muhammad Abdullah; Non-Executive Director |

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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 35 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. 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 Metropolitan Chambers of Commerce and Industries (MCCI). He is also the director of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI). He has been selected as a CIP (Commercially Important Person) by the Government of Bangladesh since 2010.

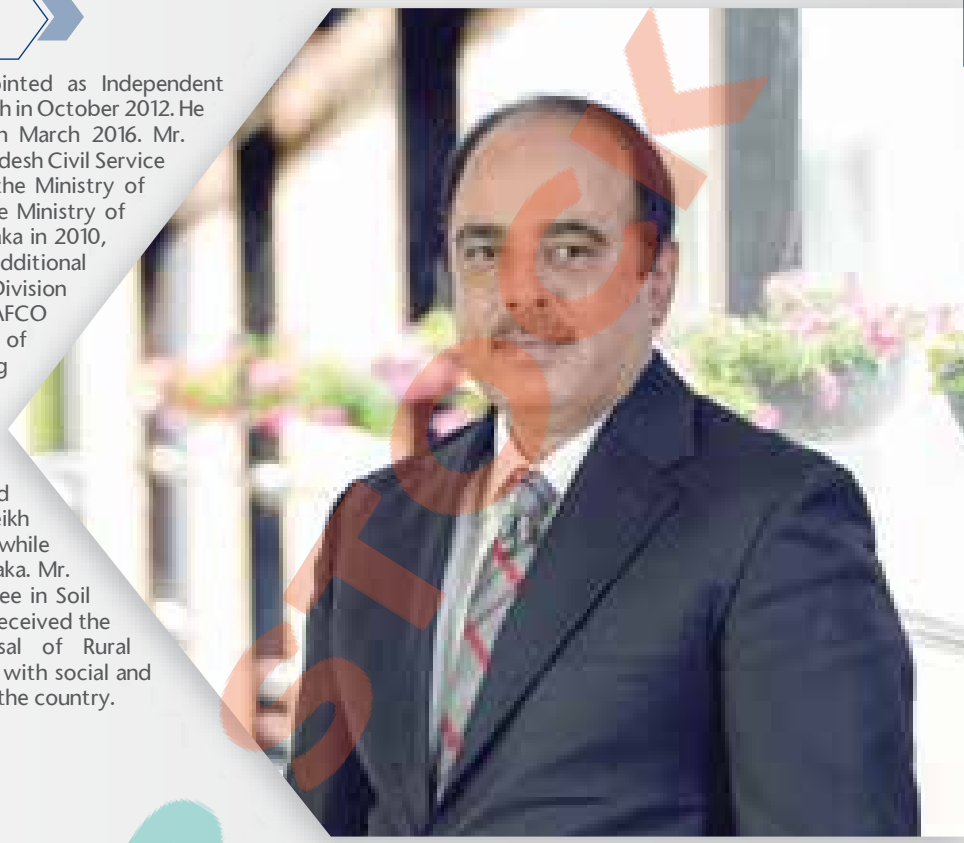
Mr. Shehzad Munim
Managing Director

Shehzad Munim joined BAT Bangladesh as a 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 and subsequently took over the role of Head of Brand Marketing in 2005. In 2006 Shehzad did the role of product and packaging innovations manager role in Sydney before returning to Bangladesh as Head of Brand and subsequently as Head of Marketing. In 2010 he took over the role of Area Head of Marketing for South Asia. 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. In 2017 Shehzad was elected as president of Foreign Investors' Chamber of Commerce & Industry, a representative body of 180+ foreign companies operating in Bangladesh.



Draft Report

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 34 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, "Malgooddy Days' and 'Behongo Abolokon'.

Mr. Mikail Shipar
Independent Director



Mr. Mikail Shipar joined the Bangladesh Civil Service, Administration cadre in 1983. He was the Secretary of the Ministry of Labour and Employment, Government of the People's Republic of Bangladesh from February 2012 to October 2017. 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 held the position of Chairman of Governing body Dhaka Women's College, Uttara, Dhaka. Mr. Shipar is held from Kulura Moulovibazer District. In personal life, he is married and blessed by two daughters and one son.

Mr. Muhammad Abdullah
Non-Executive Director



Mr. Muhammad Abdullah joined Ministry of Industries as Secretary on July 2017. He obtained his Master's Degree in Statistics from Dhaka University. He has vast working experience both in field and secretariat level. Mr. Abdullah worked as Upazila Magistrate, Revenue Deputy Collector and Upazila Nirbahi Officer. After that he joined Ministry of Public Administration and Ministry of Health and Family Welfare as Senior Assistant Secretary and Deputy Secretary respectively. He performed as Deputy Commissioner and District Magistrate in Khagrachari Hill district. After that he was posted in Bangladesh Overseas Employment Services Limited (BOESL) as Managing director. He worked in Ministry of Public Administration as Additional Secretary. In 2013 he was appointed as Divisional Commissioner in Chittagong division which is the highest position in field administration. He joined in B.C.S. Administration Academy as Rector on December 2015. He was promoted as Secretary to the Government of Bangladesh on June 2016 and worked there as a Rector till October 2016. He was then posted as Secretary, Bangladesh Election Commission Secretariat and worked there till July 2017. Mr. Abdullah assumed the office of the Secretary, Ministry of Industries in July 2017 and working with his full capacity till now. He is also serving as Non- Executive Director of British American Tobacco Bangladesh since August 2017. Mr. Muhammad Abdullah was born on 28 February 1960 in Jamalpur. He is married and blessed with one son and one daughter.

Ms. Tahmina Begum
Non-Executive Director



Ms. Tahmina Begum, Additional Secretary, Finance Division, belongs to the Bangladesh Civil Service (Administration Cadre) 1985 batch. Having professional knowledge and experience on matters of Expenditure Control of Revenue Budget, Administration and Governance she is a proficient civil servant with a prominent career of 30 years. Prior to this appointment, she has served as Joint Secretary, Deputy Secretary and Senior Assistant Secretary to Finance Division. She had the opportunity to work in different Ministries of the Government. She served in the Ministry of the Health and Family Welfare as Senior Assistant Secretary as well as Assistant Secretary. She also worked in Rural Development and Cooperative Division as Senior assistant secretary. She has the knowledge and acquaintance of serving both in Field Administration and Secretariat. She assumed the position of Upazila Magistrate of Delduwar Upazila of Tangail District in her earlier career. She joined in Bangladesh Civil Service as Assistant Commissioner and Magistrate of Tangail. Academically, she holds a Honours and Masters Degree in Sociology from the University of Dhaka. She accomplished a number of professional training and courses from home and abroad. In her personal life she is married and blessed with one daughter.



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.

Kazi Sanaul Hoq
Non-Executive Director



Kazi Sanaul Hoq has joined as Managing Director of Investment Corporation of Bangladesh (ICB) on August 2017. He started his career as a Senior Officer in ICB on 25 October 1984 and served different position in the same organization. Before his joining he acted as Managing Director at Rajshah Krishi Unnayan Bank (RAKUB), During his service life he served different Banks and Financial Institutions. He served as Managing Director (Current Charge) and Deputy Managing Director at Agrani Bank Ltd. In addition to that Kazi Sanaul Hoq served as general manager at BDBL and RAKUB. He also served as CEO at ICB Securities Trading Company Ltd. He completed his B. Com (Hon's) and M. Com degree in Accounting from The University of Dhaka. He has been contributing his professional expertise as the Chairman of ICB Capital Management Ltd. Apart from that he is now serving as the Director of British American Tobacco Bangladesh Co. Ltd. (BATBC), 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 Tanary Limited and Central Depository Bangladesh Ltd. (CDBL).

Mr. William Francis Pegel
Finance Director

Mr. William Pegel joined British American Tobacco Bangladesh as Finance Director in 2014. William has over 20 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.





Md. Azizur Rahman FCS
Head of Public Affairs & Company Secretary

Mr. Md. Azizur Rahman is a fellow (FCS) and Council Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). 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 26 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 Head of Public Affairs & 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: Ms. Mubina Asaf, Head of Legal & External Affairs | Mr. Shehzad Munim, Managing Director | Ms. Rumana Rahman, Head of Human Resources

Standing Left to Right: Mr. William Francis Pegel, Finance Director | Mr.Shahed Zubair, Head of Business Development | Mr. Rezaul Islam, Head of Marketing | Mr. Ozsan Ozbas, Head of Operations



Mr. Shehzad Munim
Managing Director

Mr. Shehzad Munim joined BAT Bangladesh as a 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 and subsequently took over the role of Head of Brand Marketing in 2005. In 2006 Shehzad did the role of product and packaging innovations manager role in Sydney before returning to Bangladesh as Head of Brand and subsequently as Head of Marketing. In 2010 he took over the role of Area Head of Marketing for South Asia. 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. In 2017 Shehzad was elected as president of Foreign Investors' Chamber of Commerce & Industry, a representative body of 180+ foreign companies operating in Bangladesh.

Mr. William Francis Pegel
Finance Director

Mr. William Pegel joined British American Tobacco Bangladesh as Finance Director in 2014. William has over 20 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.



ANNUAL REPORT

Mr. Huseyin Ozsan Ozbas
Head of Operations



Ozsan was appointed as Head of Operations in British American Tobacco Bangladesh in August 2016, bringing a diverse experience of more than 20 years in Operations. He joined BAT in 2002 as part of the startup team to set-up the Izmir factory. He has performed various roles across Manufacturing, Quality and Engineering in Turkey before he moves to Australia for his first overseas assignment. In mid-2008, Ozsan moved back to Turkey as the Production Manager of the Samsun Factory, following the Tekel acquisition. He played a key role in Samsun in various roles and was part of the overall transformation journey in Samsun. Subsequently Ozsan moved to Egypt as Head of Operations in the beginning of 2013 and later assumed Area Head of Operations role for North Africa Area, before he moved to Bangladesh. Ozsan is now leading the transformation journey of BAT Bangladesh Operations, which become the largest crop to consumer operation in the group.



Ms. Rumana Rahman
Head of Human Resources

Rumana 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. Rumana is the first Bangladeshi female Top Team member of BAT Bangladesh. She was recognised as the Most Inspiring Women Leader by Brand Forum in 2016.

Ms. Mubina Asaf
Head of Legal & External Affairs

Mubina 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, first 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, one of the most reputed law firms of Bangladesh. 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

Reza 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. He worked in various roles within BAT Bangladesh Marketing before being seconded to BAT Iran initially as Brand Manager-VFM in 2006 and subsequently took over the role of Group Brand Manager in BAT Iran in 2007. In 2008, he took the challenge as Area Brand Manager in PTC. In 2010, he moved to BAT Japan as Head of Business Development and was later appointed at Head of Trade Marketing in BAT Japan In 2013. Reza returned to BAT Bangladesh as Head of Marketing in 2015.





Mr. Shahed Zubair
Head of Business Development

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 (Telecom Company), 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 22 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): Md. Nayeem Akhtar I Md Azizur Rahman I Syed Mahbub Ali I Farah Zabeen I Kazi Mushfiqur Rahman I

Sitting left to right (Behind): Amun Mustafiz I Fazle Rabbi Chowdhury I Rajiv Ahmed I Tanvir Hossain Siddique I

Standing left to right: Mohammed Zakir Hossain Chowdhury I Mehedi Arif Mozzamel I Dewan Ashrakat Hossain I Muhammad Ibrahim Sheikh I Sheikh Shabab Ahmed I Zahurul Haque Sarker I Saad Jashim I Jahangir Alam

CORPORATE
GOVERNANCE STATEMENT - 2017

Being a progressive business organisation, BATB maintains that good governance is good business and with that as its strength, the Company puts persistent efforts to ensure stakeholders' trust and confidence as governance and stakeholders' value are interrelated.

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 governance and which are to be established by means of an effective corporate governance regime. 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 BATB is the ultimate authority in the Company and provides 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. In that pursuit, the Board strives to attain 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 comprised of nine (9) 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 bring in different expertise to the Board and whose values are aligned with that of the organisation. The Board of Directors of the Company, in cultivating a responsible organisation, ensures that it 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.

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 organization 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 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.
In order to achieve the goal of good governance, BATB is committed to:

- Disclosing its corporate governance principles and practices openly and fully; and

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- Continuously improving its principles and practices considering its experience, regulatory requirements, international developments and investor expectations.

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 2017, the Company was awarded for corporate governance by SAFA, ICAB, ICMAB & ICSB. For details of these awards and achievements, please refer to page 152 to 163 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 structure 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 how 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.

One of the key strengths of the Board is a practiced culture of high integrity. It reflects both the Board's values and the calibre of our Board members. At Annual General Meetings (AGM), our shareholders have consistently demonstrated their respect for, and support of, our Board's leadership.

As leaders of a compliant company, the Management Team of BATB has 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. 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 create 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 shareholders, employees, Government authorities, other stakeholders and the public.

Management through People

The directors believe that a successful Board directs and not only manages rather they manage the management. And with that spirit, the Board has delegated adequate operational and financial authorities to the Managing Director which empowers him to set up the organizational structure, recruit appropriate people, empower them to manage the Strategic Business Units and functional areas and provide them guidance for achievement of the desired results.

However, as the apex corporate authority, the Board remains abreast of the goal targets and initiatives of the Business Units and apprised of the financial performance on a regular basis.

The Managing Director is in-charge of operations of the Company and manages the affairs through close consultation with relevant people within the Company and/ or, if necessary, outside experts.

Empowering Employees

The Board has given clear guidelines to the Managing Director to ensure that there is appropriate delegation of authority and clear statement of accountability of the management staff all the way down to the Supervisory level and that performance of the individual is judged on the basis of clearly set measurable goals and through objective assessment of their achievements.

Board Composition

The Board of the Company consists of nine Directors, comprising five Non-Executive Directors, two 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 26 to 31 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 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 2017. 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 three time in 2017. 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 five 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.

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Board and Committee Meetings

The composition of the Board Committees as of 31 December 2017 and the attendance of Directors at the Board and Board Committee meetings held in 2017 are as follows:

DIRECTORS' TIME AND DIRECTORSHIP COMMITMENTS

To ensure that our Directors have spent sufficient time in the affairs of the Company, the Directors have given certain confirmations and made disclosures about their other commitments.

Directors	Board	Audit Committee	Board Compensation Committee	CSR Committee	AGM
Mr. Golam Mainuddin Chairman of Board Non-executive Director	9/10	4/4	3/ 3		1
Mr. Shehzad Munim Managing Director	10/10		3/3	2/2	1
Mr. Md. Mosharraf Hossain Bhuiyan, Independent Director (Resigned on 3 January 2018)	10/10	4/4		2/2	1
Mr. K.H. Masud Siddiqui Non-Executive Director	10/10	4/4		2/2	1
Mr. Mohammad Moinuddin Abdullah (Chairman, Audit Committee) Independent Director	9/10			2/2	1
Mr. Muhammad Abdullah Non-Executive Director	2/10			1/2	
Mr. Jalal Ahmed Non-Executive Director	9/10			2/2	1
Mr. Mikail Shipar (Chairman, CSR Committee) Independent Director	9/10			2/2	1
Mr. Kazi Sanaul Hoq Non-Executive Director (Joined on 20 Aug 2017)	3/10	1/4			
Mr. Iftekhar Uzzaman Non-Executive Director (Resigned on 20 Aug 2017)	7/10	3/4			1
Mr. William Francis Pegel Finance Director	8/10		3/3		1
Mr. Azizur Rahman Head of Public Affairs & Company Secretary	9/10	3/3		2/2	1

- Sufficient time and attention: Directors have confirmed that they have given sufficient time and attention to the affairs of the Company for the year.
- Other offices and commitments: Directors disclose to the Company once a year the number, identity and nature of offices held within the country or overseas listed public companies and organizations and other significant commitments, together with an indication of the time involved.

  Other directorships: As at 31 December 2017, none of our Directors, individually, held directorships in more than eight public companies (including the Company).
- Our Executive Directors do not hold directorship in other public companies; however, they are encouraged to

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participate in professional, public and community organizations.

In respect of those Directors who stand for re-election at the 2018 AGM, all their directorships held in listed public companies in the past three years are set out in the Annual Report of the year. Other details of the Directors' biography are also set out under "Board of Directors" on pages 26-31 of this Annual Report and on BATB's website.

Appraisal of the Board's Performance

Since all members of the Board are very experienced and high officials of the Government, currently annual appraisal process is Conducting internally in consultation with each member of the Board. 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.

Training and Development of Board

All board members are provided an orientation by the Company Sectary when they join the board. Currently BATB is in the process of considering the design and implementation of an appraisal program for its board members to apprise various compliance requirements.

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). TheManaging 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 33 to 35 of this Annual Report.

Steering Group

The Steering Group (SG) of BAT Bangladesh has been introduced with cross functional senior managers of the Company. The SG acts as a sounding board, helping Executive Committee to optimize their decisions; drive building a highly engaged, transparent, well informed organisation; drive high ownership of business by employees and turn everyone into ambassadors for the Company business; managing adhoc crisis; driving best corporate culture including people leadership to promote values and guiding principles in the Company; enhance controls awareness and processes alignment across the business. SG has evolved as strong leadership forum attaining acceptability across the organization. The forum demonstrates all the interpersonal factors that are required for a successful leadership forum like Communication, trust, confidence in others, sense of humour, sharing both responsibility and feelings, good conflict resolution, recognition of skills and validation of skills and emotional support which facilitate the process of sustainable corporate governance in the Company.

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

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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.

Financial Reporting Process

Financial reporting system is the backbone of a successful information structure. BATB has strong financial reporting procedures in place. Financial statements are prepared in accordance with International/Bangladesh Financial Reporting Standards (IFRS/BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable financial legislations. The financial data are captured from the financial reports generated from the enterprise resource planning system. These financial statements, once prepared, are reviewed initially by CFO and CEO and then by the Audit Committee on a regular basis. Upon submission to the Group in the form of Management Accounts, these financial statements are reviewed by Group Accounting and Group Finance. After all internal scrutiny, the financial reports are placed before the Board for final review and approval.

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 & Guideline
- 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.

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A group of motivated, multi-talented employees are the main asset of BATB. 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 emphasizes 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 & Development

The Company puts great emphasis on training and provide resources and opportunities for development to the employees. BATB acknowledges and supports the need for employees to balance work and personal interests and encourages 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 & 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 Programme

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 & Recognition Programme

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. Time to time human resources function also counsel 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 take profuse measures to ensure that every individual is given a fair shot. The Company has a zero-tolerance policy against discrimination. In 2016, 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 the 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 Polices – which includes Standards of Employment Principles, Working Hours Policy, Remuneration policies, Travel policies, Sexual Harassment Policy, Employment Policy,

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- 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 andinter-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 & 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 licenced 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 this 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

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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 that these are made available to them well in advance for detailed 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 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 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 has brought BAT Bangladesh across the country and to its today's 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 16,427crore to the Government Exchequer. 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.

Epilogue

Overall, BATB views that effective governance is a continuous process to be put to use not just by the directors alone, but also includes those procedures exercised by the other organisational functionaries as well for ensuring attainment of ultimate corporate goals. In that pursuit, the Company upholds the spirit of transparency and accountability to the society as a whole through establishment of an efficient and effective Corporate Governance regime. 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 governance mechanisms are in place, there has to be sufficient surveillance overall, which 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 is management exercises.

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STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Approach

The Board of Directors recognises that Risk is an integrated part of our operating environment. No undertaking is free from risks and concerns that might arise both from internal as well as external fronts. Now, the volatile, uncertain and complex world in which we operate requires effective management and monitoring of known risks, along with identification and assessment of emerging risks, to mitigate and thereby achieve our strategic objectives. Central to this approach is the clear understanding that risk management is the responsibility of all our people. The approach seeks to manage, rather than eliminate, the risk of failure to achieve our strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors recognises the importance of sound risk management practices and internal control systems 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, as well as reviewing its adequacy, integrity and competence.

The Board is responsible for determining the nature and extent of the strategic risks that the Company is apparently willing to take to attain its objectives, whilst in parallel, 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 at a reasonably optimum level.

The Board tasks the Management to identify and assess the risks faced by the Company, and thereafter designs, implements and monitors appropriate internal control drives to mitigate and control those risks. There are inherent limitations to any system of internal control and the system is designed to manage and minimise the impact rather than completely eliminate risks that may vitiate 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, managing and/or mitigating 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 through the Audit Committee. The Audit Committee's responsibilities and duties are stated 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

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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

Risk Management Framework: Three Lines of Defense

Operational	BOARD	Audit Committee
1ST LINE **Markets/ Factory**	**2ND LINE** **Risk Management Committee and other**	**3RD LINE** **Internal audit**
Own risk/Accountable for identification and management of risks	Set framework of policies, procedures, and controls compliant with legislation	Audit effectiveness of risk management and control framework
Perform front line controls in line with policies and procedures	Provide guidance, advice, support, training, and share best practice	Provide independent assurance to Audit Committee and Board
Reflect risks in business plans	Monitoring of control effectiveness and related performance	Constructively challenge and issue recommendations

Enterprise Risk Management Framework

Risk management is solidly 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 shareholders' value.

BATB's risk management framework, aligned with its operating model, is an integrated approach based upon the three lines of defense. The structure encourages the communication and escalation of risk and control related matters across the Company.

The BATB Board has the responsibility for the company's strategy and th`erefore also for the related risk appetite. The Risk Management Committee responsible for ensuring the effectiveness of the risk management and internal control systems, and is reportable to the Audit Committee, which is part of the Board of Directors. The Management Committee is responsible for the operational stewardship of the business, including the ownership of the risks and related internal control interventions. The five core risk areas namely: Financial Risk, Regulatory Risk, Transformation Risk, Operational Risk and Policy Change Risk are identified at first. IT ensures the successful and effective alignment of functional business plans to the company's strategy, with business unit and functional management responsible for the delivery of operational performance and the management of the inherent risks. These management teams are responsible for ensuring that the Company's strategic objectives are achieved in line with Company policies and standards, and that we conduct business in compliance with our Codes of Conduct. The Company's functional and divisional management

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structures, led by our Management Committee, enable a continuous process for the identification, evaluation, management and mitigation of significant risks in those areas to the achievement of Company's business objectives, enabling effective and timely identification of actual and emerging risks and responses to mitigate impacts or realize opportunities.

Risk Management Process

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, investments 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.

Risk Management Team and Responsibilities

Management operates a Risk Management Team comprised of senior managers from all functions of the Company and 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 by 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:

- Steer the Company's enterprise risk management programme.
- Promote a proactive risk awareness culture in the Company.
- Conduct bi-annual review of the business 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 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.

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(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.

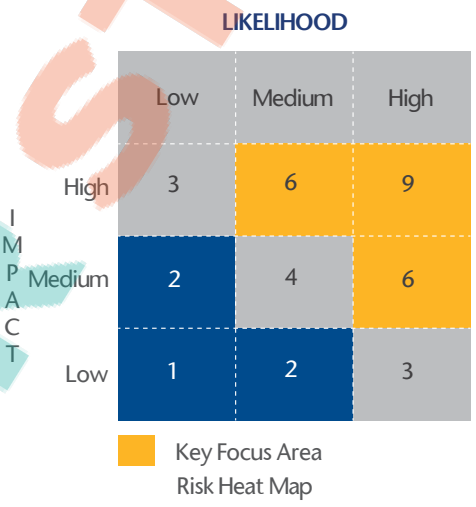
(4) Risk Monitoring

Ongoing risk monitoring is conducted by the Risk Management Team to assess whether any condition 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 so as to avoid 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 by the owners of the plan on an annual basis. In addition, 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.

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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.

Risk Profile

The results of the risk assessment completed during the business planning process have not highlighted any significant changes from the previous year. The risks and their relative probability and impact remain materially consistent.

The Company views the key risk as that of beings 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 2017

Review of the Company's Risks

The Risk Management Team usually meets twice every year to review and assess the Company's risks, and to monitor progress of key activities for the year, including the progress of the business continuity plans.

In both meetings, 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 recruits. 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 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.

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

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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. 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 earlier. 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 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), that 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 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 noncompliance 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 & Taxes

  (5) Risk management

  (6) System Controls

  (7) External Audit

  (8) Procurement Controls, and

  (9) Tax and Treasury Team.

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

After all said, it may further be added at end that political instability and violence including social unrest, terrorist attacks etc. may also prevent the company from operating its business smoothly and effectively. However, 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 2017 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 5 March 2018.

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AUDIT COMMITTEE



Sitting Left to Right: Mr. Mohammad Moinuddin Abdullah, Independent Director, Chairman, Audit Committee | Mr. Golam Mainuddin, Non-Executive Director

Standing Left to Right: Mr. Adnan Sharif Khan, Internal Auditor | Mr. Kazi Sanaul Hoq, Non-Executive Director | Mr. William Francis Pegel, Finance Director | Mr. Shehzad Munim, Managing Director | Mr. K. H. Masud Siddiqui, Non-Executive Director | Mr. Md. Azizur Rahman FCS, Head of Public Affairs & Company Secretary

REPORT OF THE AUDIT COMMITTEE 2017

The Audit Committee Report presented under condition #3.5 of the BSEC Guidelines provides an insight on the functions of the Audit Committee during 2017.

The Audit Committee of BATB, being one of its prime Board sub-committees, assists the Board in discharging its governance responsibilities. The Board has formed the 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. Mohammad Moinuddin Abdullah (Independent Director & Chairman of Audit Committee), Mr. K. H. Masud Siddiqui, Mr. Golam Mainuddin and Mr. Kazi Sanaul Hoq. Mr. Md. Azizur Rahman, Company Secretary, acts as the 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 Audit Committee performs in absolute coherence and ensures compliance with the Corporate Governance Guidelines promulgated by the Bangladesh Securities and Exchange Commission (BSEC).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, compliance and audit. 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 sound monitoring system within the business. The Audit Committee is accountable 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

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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 Internal Audit has the competency and qualifications to complete its mandates and approved audit plans.
  - To review status reports from 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 Responsibilites 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 atone 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

The Audit Committee further ensures that 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 the Company have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended 31 December 2017, and they 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, which 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

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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 2017. Mr. Md. Mosharraf Hossain Bhuiyan ndc, as Chairman of the Board Audit Committee, guided the Audit Committee ensuring standards and compliance. All the members were present in all meetings of the Committee. The details of attendance of each member at the Audit Committee meetings during 2017 are as follows:

The Managing Director, Finance Director, Internal Auditor of British American Tobacco Bangladesh Company Limited, and representatives of the External Auditor 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 being the Secretary of the Audit Committee 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			Attendance %
Composition of Audit Committee	Held	Attended	
MR. MD. MOSHARRAF HOSSAIN BHUIYAN ndc Ex-Chairman, Audit Committee, (Independent Director) (Mr. Md. Mosharraf Hossain Bhuiyan resigned on 3rd January 2018 and succeeded by Mr. Mohammad Moinuddin Abdullah on the same day.)	4	4	100%
MR. K. H. MASUD SIDDIQUI Member, Audit Committee (Non-Executive Director)	4	4	100%
MR. KAZI SANAUL HOQ Member, Audit Committee (Non-Executive Director) (Appointed on 20 Aug 2017)	4	1	25%
MR. MD. IFTIKHAR-UZ-ZAMAN Former Member, Audit Committee (Non-Executive Director) (Resigned on 20 Aug 2017)	4	3	75%
MR. GOLAM MAINUDDIN Member, Audit Committee (Non-Executive Director)	4	4	100%
MR. MD. AZIZUR RAHMAN FCS Secretary, Audit Committee	4	4	100%

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TERMS OF REFERENCE CALENDAR 2017

The abridged version of the terms of reference of the Audit Committee for 2017 calendar is as follows:

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 montioring 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		√		√

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SUMMARY OF ACTIVITIES DURING 2017

- In 2017 the Audit Committee reviewed its terms of reference in line with requirements of BSEC notification on corporate governance. Moreover, an Audit Committee effectiveness survey had been carried out for the year 2017 which reflected compliance to the effectiveness guidelines. The Committee carried out the following activities in 2017:

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 SoBC 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 2018. 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 along 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 including its nature and scope, audit report, evaluation of internal controls and coordination between the internal and external auditors.

- 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 Auditor. Reviewed the overall performance of the external auditor for the year 2017.

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.

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Ethical and Integrity Areas

- Deliberated 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 2017 for inclusion in the Annual Report 2017 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 parts of the world. This approach ensures a high level of independence and gives access to more skilled and specialized 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 eight 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.

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

- Record to Report- Business Planning & Consolidation and Hyperion Decommissioning

REPORT AUTHORISATION

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 5th March 2018.

sd/-	sd/-
Mohammad Moinuddin Abdullah	**Md. Azizur Rahman FCS**
Chairman, Board Audit Committee	Secretary

CSR COMMITTEE



Sitting Left to Right: Mr. Md. Azizur Rahman FCS, Company Secretary | Mr. Mikail Shipar, Chairman, CSR Committee | Mr. Mohammad Moinuddin Abdullah, Member, Independent Director | Mr. Shehzad Munim, Member, Managing Director |

Standing Left to Right: Mr. Muhammad Abdullah, Member, Non-Executive Director | Mr. K. H. Masud Siddiqui, Member, Non-Executive Director | Mr. Jalal Ahmed, Member, Non-Executive Director | Ms. Mubina Asaf, Head of Legal & External Affairs

CSR COMMITTEE REPORT 2017

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.

Scope of the Committee

The Board CSR Committee participates in evaluating the effectiveness of the Company's strategy for, and management of, significant social, environmental and reputational issues. In 2018 the Company will review its ToR to address the following issues:

- Corporate social investment:
  - Afforestation
  - Solar home systems in rural areas
  - Water filtration project
- Humanitarian Issues::
  - Situational Relief (i.e. for flood victims)
  - Support women development and empowerment
- Environmental, health and safety issues

  Medical Support:
  - Provide support to develop a burn unit
  - Provide support for hospital waste management
- Community Support
  - Provide Knowledge on Sustainable Agriculture through various platforms
  - Supporting the autism initiative by the Government and private entities
  - Creating income generation opportunities for physically challenged people
  - Facilitate quality education for people in rural areas

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.

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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, guided the Company in its CSR initiatives ensuring standards and compliance. He added great value in the CSR endeavours of BAT Bangladesh. Mr. Mikail Shipar was appointed as the Chairman of CSR Committee (effective from 3rd January 2018). The committee is currently comprised of the following members:

Mr. Mikail Shipar	Chairman Independent Director
Mr. Mohammad Moinuddin Abdullah	Member Independent Director
Mr. Jalal Ahmed	Member Non-Executive Director
Mr. Muhammad Abdullah	Member Non-Executive Director
Mr. K.H. Masud Siddiqui	Member Non-Executive Director
Mr. Shehzad Munim	Member Managing Director, BATB
Mr. Md. Azizur Rahman FCS	Secretary Head of Public Affairs & Company Secretary

The Head of Legal and External Affairs and the Corporate Affairs Manager are the permanent invitees to the CSR Committee meetings by means of their position. Other relevant Managers and stakeholders also attend the meeting by invitation.

Activities Summary

Our CSR initiatives are aligned with the Government and Group requirements, its business relevance, and focus on contributing to Government's agenda on Sustainable Development Goals (SDGs).

In 2017, the CSR Committee highlighted the following matters:

- BAT Bangladesh CSI (Corporate Social Investment) portfolio includes three flagship CSI programmes of the Company. These are the Afforestation programme, the Safe Drinking Water project and the 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. Every year BATB distributes 4 million free saplings and so far, the organisation has distributed 95.5 million free saplings across the country. This relentless effort makes the programme the largest private sector driven afforestation programme in the country. BATB is committed to continue this programme in line with the global and national drive to combat the adverse effects of climate change as well as to adhere to the Bangladesh Government's aspiration to achieve the Sustainable Development Goals (SDGs) set by the United Nations.

- 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, BAT Bangladesh has established 73 water filtration plants in arsenic prone locations. These plants provide more than 400,000 litres of safe drinking water that is free from arsenic and other impurities to ensure pure drinking water for almost 190,000 people in this rural communities, 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: The Solar Home Systems project has been undertaken since 2011 by BAT Bangladesh with an aim to

bringing electricity to the lives of off-grid people of Bandarban, Khagrachari and Rangamati districts. Today, almost 12,000 people are getting electricity for the first time due to 2,064 units of solar home systems, installed by BATB. This initiative complements the Government's efforts in the renewable energy sector in achieving the United Nations' Sustainable Development Goals (SDGs).

- 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.

- In last year, a survey was conducted to study the socio-economic impact of BATB's CSR activities on its stakeholders through Nielsen Company (Bangladesh) Limited, a leading global research organisation. In Q3 2017, the study was first launched in a National CSR Conference organized by SR Asia where the chief guest was the Finance State Minister, Mr. Muhammad Abdul Mannan. Subsequently, the impact study received exposure through an International CSR Expo arranged in Dhaka by Bizcare Consultants. The panel comprised of Subject Matter Experts (SMEs) from different countries and the Chief Guest was Mr. Abul Kalam Azad, SDG Principle Co-ordinator PMO. This CSR Impact Study is also the first publication of BATB that is now publicly accepted through its ISBN (International Standard Book Number). It has now become a part of different international and national academes such as the Western Sydney University and the Dhaka University. Students and researchers alike are now able to use this book as a reference material.

- In 2017 a unique concept was conceptualized for the first time ever -a CSR Forum in Bangladesh. It is a platform aimed to advocate policy and regulations and to create a hub to share best CSR practices. It aims to also help the government attain the SDGs and explore the Public Private Partnership area. It will drive opinion considering the upcoming CSR guideline and regulations. Along with BATB, some of the other founding members are: Marico, Nestle, BRAC, Olympic and GP. This Forum is currently operating through a soft-launch phase and is estimated to be fully launched around Q2 2018.

- 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 5th March 2018.

sd/-	sd/-
Mikail Shipar Chairman, Board CSR Committee	Md. Azizur Rahman FCS Secretary

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 & Head of Legal and External Affairs 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

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A BRIGHTER TOMORROW

Bangladesh being a country of rivers and exquisite mangrove forests have faced situations where the environment has been threatened to various types of natural calamities such as tornado, high tide and so on. The arsenic prone rural communities in the greater Kushtia, Rangpur and Manikganj areas had suffered numerable cases of arsenic poisoning due to lack of sophisticated water filtration systems. With the Government's SDG of "Clean Water and Sanitation" in mind, BAT Bangladesh initiated its water filtration project, "Probaho". Thus far, 73 water filtration plants have been installed to ensure safe drinking water for approximately 190,000 people every day

RESULT AT A GLANCE

tax paid
BDT 16,427 (in crore)

Leaf Export
BDT 219 (in crore)

Dividend per share
BDT 60

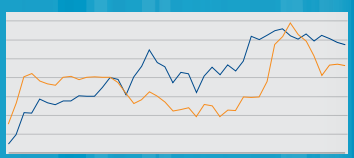
Earnings per share
BDT 130.50

Net profit
BDT 782 (in crore)

Gross turnover
BDT 20,413 (in crore)

107
years of legacy

3rd
in Bangladesh



MARKET CAPITALISATION

50,000
business partners
&
1,300,000
retailers
across the country

DIRECTORS' REPORT 2017

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 2017.

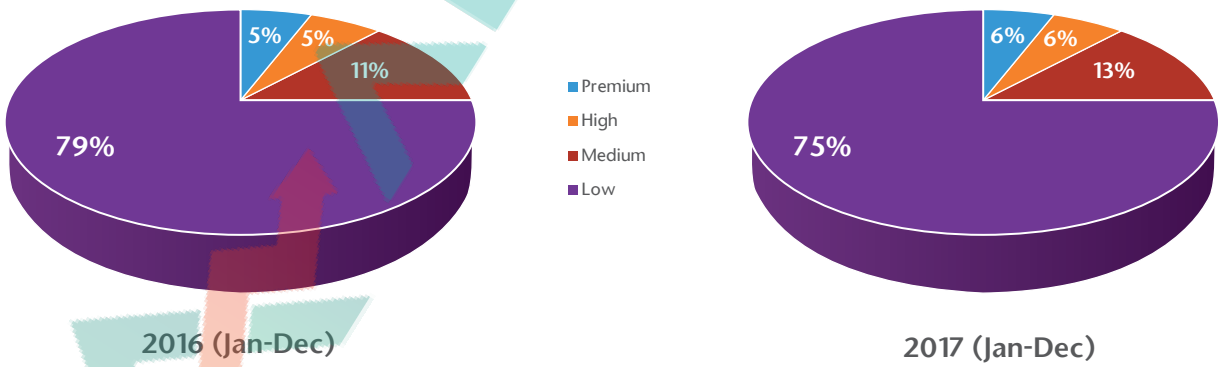
Key Strategic Pillars of Business

BATB witnessed yet another successful year in 2017. 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.

INDUSTRY & COMPANY PERFORMANCE

Economic & Industry Overview

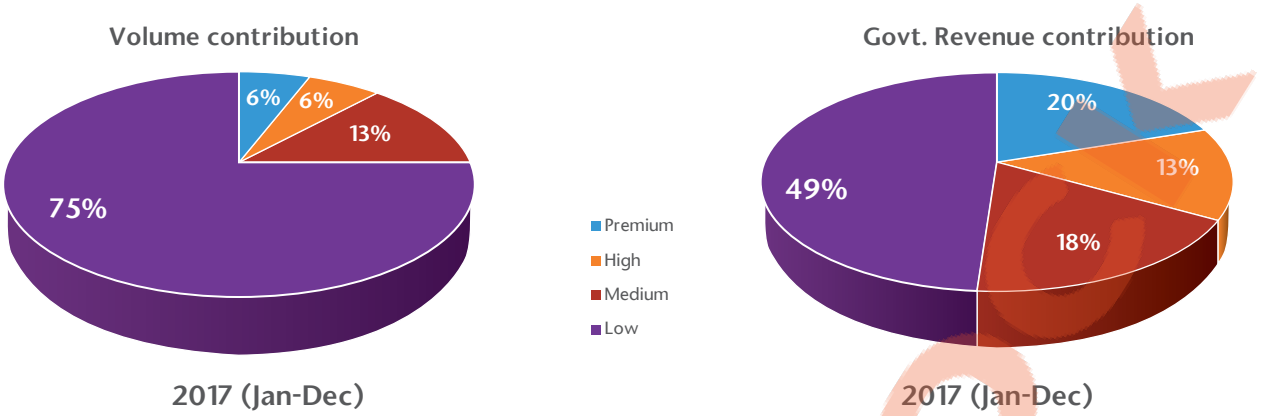
In 2017, Top 3 segments have grown after a long time (+15% in aggregate vs last year) owing mainly to the government's step towards reducing the index gap between Top & Low segment and focused brand initiatives by BATB. However, overall industry volume was still under stress and declined by -4.4% vs last year (2016). Volume de-growth was mainly driven by low segment (-9% vs last year). Low segment was under pressure, especially in post budget 2017 as the industry experienced an upsurge in illegal brands in different forms; i.e. DNP, Counterfeit & Transit illegal cigarettes. This upsurge remains a clear threat for the legal industry sustainability and government revenue which has been duly highlighted to the government. In line with this, Government has conducted few successful enforcements against illegal cigarettes during Oct-Dec 2017. This drive from Government needs to be continued on a regular basis to keep it under check.



2016 (Jan-Dec)

2017 (Jan-Dec)

Segment wise volume contribution in the cigarette industry is shown below:



Segment wise volume contribution vis-à-vis its revenue contribution to government.

Industry Top 3 segments now generate 51% of government revenue which has grown by +16% in 2017 alone. This helped the Government to secure +15% growth in overall revenue from tobacco industry.

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 consumers' preffered quality products. The focus throughout the year was to match consumer expectations with the right offers across all segments. A review on the performance of each of the cigarette segments is as follows:

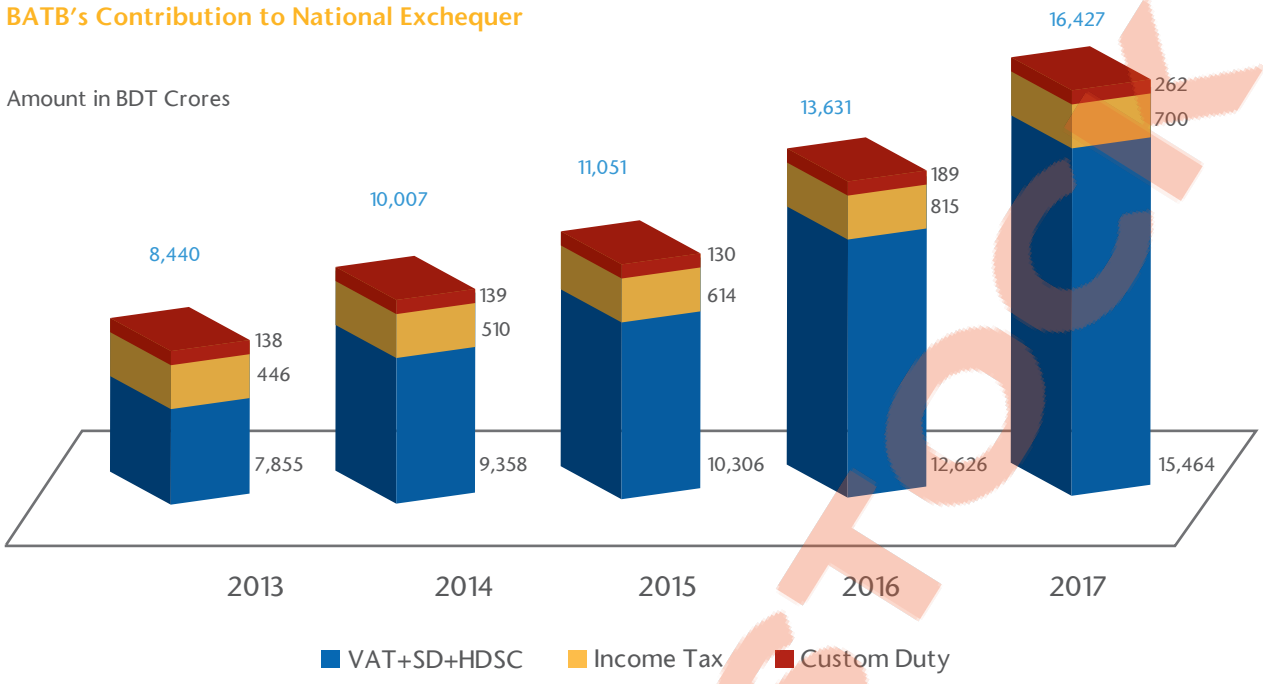
- In 2017, Benson & Hedges registered 25% volume growth vs 2016 which was driven by consecutive price hold for last 2 years and marketing initiatives. This single brand helped Government to generate 20% revenue in cigarette industry in 2017. The company is committed to sustain this growth momentum in the upcoming years.
- After successive years of volume drop due to price increase, John Player Gold Leaf was able to recover from decline in 2017 after consecutive price hold. The brand will require price stability to get back to growth momentum.
- Till 2016, STAR has also suffered massive volume decline due to year on year price increase stretching consumer affordability. Last two years' price hold has helped to improve the brand value equation of STAR among consumers. In 2017, STAR experienced double-digit growth and BATB is committed to continue investment behind marketing initiatives to sustain the growth.
- In 2017, BATB Low segment brands showed a resilient performance (+3% growth over last year) in a declining legal industry heavily impacted by illegal cigarettes. The Company remains committed in maintaining the accepable quality of its low segment brands & meeting the needs of the consumers. BATB is also closely monitoring the movement of illegal brands operating in the market and continuously highlighting the risk of potential revenue and profit loss for both Government and other industry operators.

BATB's Contribution to National Exchequer

In 2017, the Company contributed BDT 16,427 crore 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 2,800 crore over last year. BATB alone contributed 74% of the total VAT, SD & HDSC collected from the Cigarette industry. The Company will continue to support Government's proposals that help to establish a sustainable level of tax contribution to the National

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BATB's Contribution to National Exchequer



Exchequer while ensuring a sustainable growth for the industry and promoting a level playing field for all market players.

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 preferential 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 manufacturer, it significantly impacts the 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. 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 instance of discriminated corporate tax rates anywhere in the world for Tobacco Companies wherever it is listed in the Stock market. We continue to 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 across the Company to improve machine efficiency, overall equipment efficiency and machine utilisation. The year also focussed on processing of green leaf. Our leaf growing area was also revamped through various productivity initiatives to process this incremental leaf volume while ensuring the right quality and limiting the additional land requirements.

Cost of Goods Sold and Profit Margins

Revenue increased due to mix improvement. Your Company was able to translate most of the revenue into profit, resulting in a 1% growth in Operating margin to 34.3%. The Cost of Goods sold increased by 13.8% to BDT 2,718 crore due to volume increase, inflation and significant mix improvement, which was off-set through effective cost control and productivity savings initiatives across the Company.

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Financial Performance

The gross turnover for the year increased by 23.3% to BDT 20,414 crores. The growth was driven by mix improvement and price increase in the low segment. The profit before tax reflects the impact of mix and price increase coupled with cost management and savings initiative, with an increase of 27.3% to BDT 1,676 crores. However, Government imposed a 2.5% surcharge on top of our current tax rate of 45%. As such, BDT 3.19 crores and BDT 5.61 crores additional tax was charged for 2016 and 2017 respectively, leading to a 60% increase in taxation. Despite the higher tax expenditure, your company was able to deliver a 3.4% growth on Profit After Tax to BDT 783 crores.

Key Operating & Financial Information at a glance

The key operating and financial information for the year 2017 along with the preceding four years are presented below:

Operational Results (financials in million BDT)	2017	2016	2015	2014	2013
Gross Turnover	204,140	165,634	143,712	126,725	109,582
Net Turnover	51,964	43,754	39,895	35,562	31,225
Profit before Tax	16,760	13,170	12,460	10,866	9,104
Profit After Tax	7,830	7,582	5,874	6,282	4,924
Share Capital	600	600	600	600	600
EPS in BDT	130.50	126.37	97.90	104.70	82.07
No of Employees	1,453	1,476	1,400	1,353	1,251
Total Contribution to National Exchequer	164,266	136,310	110,505	100,071	84,398

Dividend

In view of the performance of the Company and the current liquidity position, the Board recommends a cash Dividend of BDT 60 per share amounting to total BDT 360 crores for the year 2017, translating into 47% of Profit after Tax (1.8% of market share price BDT 3,404 on 27th March 2018), to be approved in the 45th Annual General Meeting of the Company. With this recommendation of proposed cash dividend, the summary of the total dividend in 2017 is represented below:

Amount in Million BDT	2017	2016	2015	2014	2013
Profit after Tax (BDT Million)	7,830	7,582	5,874	6,282	4,924
Earning Per Share	130.50	126.37	97.90	104.70	82.07
Interim Cash Dividend (BDT Million)	-	-	-	600	600
Final Cash Dividend (BDT Million)	3,600	3,600	3,300	2,700	3,120
Number of Shares	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Dividend per Share	60	60	55	55	62
P/E Ratio (as of 27 March 2018)	26.33%				
Dividend Yield (as of 27 March 2018)	1.8%				

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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 country 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 areas of Corporate Social Responsibility programs to create positive impact in the communities and environment at large. The flagship activity of the Company, the Afforestation Program, began in 1980 and our Company has distributed 95.5 million free saplings in and around our operational areas, including 4 million saplings in 2017. 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.

The Company also acknowledges the impact & dependency on biodiversity and the value of eco-system services such as forest products, soil and water resources. Hence, to make the farming communities aware on the importance of biodiversity and its contribution to the eco system, 72 biodiversity corners have been established till 2017 with the help of the registered farmers. The biodiversity corners are located in Kushtia, Meherpur, Chuadanga, Jhenaidah, Rangpur, Manikganj, Bandarban, Khagrachari and Cox's Bazar districts.

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 more than 400,000 litres 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, 73 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 190,000 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 2,064 units of solar home systems in remote villages in Bandarban and Khagrachari districts, giving more than 12,000 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 work of around 34,000 registered farmers within the village community. BATB's contract farming model has been a proven model for decades. The Company sets high standards of agricultural practices to ensures that the sources of raw materials are sustainable. Improving soil fertility, Integrated Pest Management and Water Conservation are key elements of good agricultural practices. The Company provides the technical know-how and extend necessary support to install Compost Pits in the homesteads of its registered farmers. Another initiative includes Green Manuring through Dhaincha cultivation (Sesbania Aculeata) - an effective approach to enrich soil health and fertility. These initiatives significantly improve the organic matter content in the soil, resulting improved soil fertility, thus reduces the dependency on the use of chemical fertilizers; these also reduces farmers' cost of production and environmental pollution.

The Company has been expanding Integrated Pest Management (IPM) Clubs in Leaf Areas in collaboration with the Department of Agricultural Extension of Govt. of Bangladesh, to educate the farmers for adopting to non-chemical alternatives for insects and pest managements for all kinds of crops. As a result of this continuous education

VAMP STOCK

program farmers became more cautious and conscious about the use of chemical pesticide in farming. Therefore, they have adopted the biofriendly approaches including Neem Leaf Decoction, Bird Perching, Trichodarma, Pheromone Traps etc. So far, 75 IPM clubs have been established to run Farmers Field School to educate the farmers. The Company has been awarded with **Asia Responsible Entrepreneurship Award 2017 in 'Social Empowerment' category by Enterprise Asia for IPM Club initiative.**

Under the water conservation program, proper irrigation systems and regime have been established which ensure that only the required level of water is used and there is no wastage of water through the use of Poly Tubes and Furrow Irrigation.

BATB farmers are well equipped for using different alternative fuels such as: Jute Sticks, Dhaincha Sticks, Sugarcane bagashi, Paddy Husk Briquettes etc. Recently BATB has invested to make briquettes from tobacco and factory wastes for supplying to farmers. Altogether 80% of the tobacco is cured using alternate fuels. Moreover, to improve fuel efficiency 50% of the conventional barns has been converted to fuel efficient Rocket Barns with the support from the company.

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 market the Company products appropriately and only to adult users in compliance with local laws and regulations. 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.

BAT Bangladesh 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 BAT Bangladesh in 2017 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. In 2017, around 260 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, 105 employees were hired, 114 employees were transferred to other roles and 74 were promoted. International assignments were given to 15 Bangladeshi managers in countries such as UK, Singapore, Indonesia, Japan, Korea, Hong Kong and

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Australia. On top of that, 265 employees were provided with leadership and functional skills training. Our talented and experienced factory employees went abroad to train up the factory operators in other countries such as Poland, Singapore, Fiji, Indonesia and UK.

The 14th edition of "Battle of Minds" (BoM), the flagship talent acquisition and grooming programme of the company was launched for universities all over Bangladesh. The programme aims to augment and develop the capabilities of fresh graduates to a high degree of proficiency to prepare them as business professionals. 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 day to day problems of Dhaka City. In 2017, BoM alumni, with several BATB employees, visited some of the top universities of the country with roadshows, taking the stage to enlighten the students about the competition and its rounds. With comprehensive online campaigns, BoM reached out to 16 universities within the country with innovative initiatives like facebook live, the online campaign got the reach of over 2 million within the country. Through this, the number participants exceeded 2300 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.

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.

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 contractors throughout the year. A 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 2 independent directors and most of whom are senior Government officials. The composition of the BATB Board is as follows:

Mr. Golam Mainuddin
Chairman
Board of Directors

Mr. Shehzad Munim
Managing Director

Mr. Mosharraf Hossain Bhuiyan
Independent Director
(Resigned w.e.f. 3 January 2018)

Mr. Mohammad Moinuddin Abdullah
Independent Director

Mr. Muhammad Abdullah
Non-Executive Director
Secretary, Ministry of Industries
(Appointed w.e.f. 20 August 2017)

Mr. Mikail Shipar
Independent Director
(Former Secretary of the Government)

Mr. Jalal Ahmed
Non-Executive Director
Additional Secretary, Ministry of Finance

Ms. Tahmina Begum
Non-Executive Director
Additional Secretary, Ministry of Finance
(Appointed w.e.f. April 2018)

Mr. Md. Iftikhar-Uz-Zaman
Ex - Managing Director, ICB
(Resigned w.e.f. 20 August 2017)

Md. Sanaul Hoq
Managing Director, ICB
(Appointed w.e.f. 20 August 2017)

Mr. K. H. Masud Siddiqui
Non-Executive Director
(Former Secretary of the Government)

Mr. William Francis Pegel
Finance Director

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The Board members are responsible for attaining the company's business objectives, while also safeguarding the interests of its shareholders and numerous stakeholders. Mr. Md. Azizur Rahman FCS, Head of Public Affairs & Company Secretary functions as the secretary to the Board Committees. 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.

Mr. Md. Iftikhar-Uz-Zaman resigned from the Board with effect from 20th August 2017. Mr. Md. Mosharraf Hossain Bhuiyan ndc resigned from the Board with effect from 3rd January 2018. The Board of Directors would like to put on record the excellent contributions of Mr. Md. Mosharraf Hossain Bhuiyan ndc and Mr. Md. Iftikhar-Uz-Zaman towards improvement of the Company and taking keen initiatives in the different issues during their tenure as Directors of the Board. The Board wishes Mr. Bhuiyan every success in his new endeavour. The Board also wishes Mr. Md. Iftikhar-Uz-Zaman every success in the future.

Directors Proposed for Re-election

Mr. Muhammad Abdullah, Mr. Kazi Sanaul Hoq and Ms. Tahmina Begum who were appointed to the Board after the last Annual General Meeting shall retire in the ensuing meeting. Mr. K. H. Masud Siddiqui shall also retire from the Board by rotation at the 45th Annual General Meeting. All the retiring Directors, being eligible, are proposed for re-election at the 45th 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 Annual 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 46th Annual General Meeting to be held in 2019.

Board Committees

There are currently three functional 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. In 2017, Mr. Mosharraf Hossain Bhuiyan served as the Chairman of the Committee (resigned effective from 3rd January 2018). Currently, the Committee comprises of Mr. Mohammad Moinuddin Abdullah (Chairman of the Committee effective from 3rd January), K. H. Masud Siddiqui, Mr. Md. Sanaul Hoq 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 2017. Mr. Md. Azizur Rahman FCS, 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 discussed the audit findings and risk assessment.
- Recommend 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.

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- Recommend to the Board the quarterly and annual financial statements.
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- 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.
- Reviewed the law of the Country in relation to the business operations.

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 three times in 2017 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. The Board Compensation Committee carries out independent survey of the market position and accordingly adjust the remuneration.

BOARD CSR COMMITTEE:

The Board Corporate Social Responsibility (CSR) Committee is comprised of five Directors, of which, an Independent Director is the Chairman. In 2017, Mr. Mohammad Moiunddin Abdullah served as the Chairman of the Committee. Currently, the constituents of the Committee are Mr. Mikail Shipar (Chairman of CSR Committee effective from 3rd January 2018), Mr. Mohammad Moiunddin Abdullah, Mr. Muhammad Abdullah, Mr. Jalal Ahmed, Mr. K.H. Masud Siddiqui, Ms. Tahamina Begum 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 two times in 2017. The initiatives are all aligned with the SDG's and we are contributing to fulfil the Government's commitment and for the BATB's shareholders 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

As there is always a degree of uncertainty ahead of our operations, 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. The Company then 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:

SHARE STOCK

- the financial statements, prepared by the Management of the Company which was scrutinised by the external auditors, 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 from there 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

On 23rd November 2013, Large Tax Unit (LTU) of National Board of Revenue (NBR) served a retrospective VAT and SD demand for BDT 1,924 crore upon BATB for selling its products Bristol and Pilot in the low segment instead of medium segment. Thereafter, due to the unfounded and baseless nature of the claim, the company challenged the demand before the Hon'ble High Court and on 6th March 2016 the Hon'ble High Court reduced the demand to BDT 1,780 crore. The Company appealed against the same and the Appellate Division was pleased to admit the appeal on 13th November 2017 and fixed 13th February 2018 for the case to be listed for appeal hearing. The case is currently pending for hearing of the appeal.

BATB is the highest tax contributing company in Bangladesh and ensuring compliance with the law is its highest prerogative. BATB sold the products in question after getting the due approval from LTU-NBR and sold the same absolutely in compliance with the VAT-1 approvals. Despite providing the approvals to sell the products in low segment year after year, LTU-NBR served the retrospective demand and continued to give VAT, as approved after the claim.

The ulterior motive behind the aforesaid baseless and unfounded claim can be seen from the fact that the demand was initiated by competitor's complaint that BATB was selling products of higher quality in a lower segment. It is pursuant to the competitor's complaint that LTU-VAT conducted a chemical test at Bangladesh Council of Scientific and Industrial Research (BCSIR) to determine the quality of BATB's products Pilot and Bristol against BATB's medium segment products.

It is also 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. It should also be mentioned that the Supreme Court has confirmed that BSTI is the competent authority to conduct the chemical test and accordingly ordered LTU to conduct the chemical tests of low segment cigarettes of BATB and few other local companies at BSTI.

In accordance with the said order, the chemical test of BATB's products were conducted at BSTI and the reports confirmed that none of the cigarette brands are similar to each other. Therefore, the very basis of the LTU demands and the allegation of false price declaration now stands negated.

Moreover, Ministry of Law which is the responsible body for providing opinion on legal issues has also opined that there cannot be any retrospective VAT claim under the VAT law. It has confirmed that since BATB did not collect the VAT and SD of medium segment from the consumers, LTU- cannot impose any retrospective VAT and SD claim on BATB.

In purview of the above, namely BSTI's test reports which have negated the basis of the claim, Ministry of Law's opinion that there cannot be any retrospective claim and that reference to quality/test has no basis under the law and the Honourable Prime Minister and Finance Minister's assurance to reach a solution of this issue, the Board feels optimistic for a positive outcome.

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' in the financial statements. Accordingly, 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 2017.
- During the year, the Company has paid a total amount of BDT 79,000 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 2017.
- During 2017, a total of 10 (ten) 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 2017 are shown in Annexure-1 to this report.

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 to maximize 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

ANNUAL REPORT

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 2017. 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

The existing Auditor of BAT Bangladesh will retire at the 45th Annual General Meeting. Pursuant to Bangladesh Securities and Exchange Commission's order dated 27th July 2011, the Company cannot appoint any firm of chartered accountants as Statutory Auditors for a consecutive period exceeding three years. Hence, KPMG Rahman Rahman Huq, who have completed their tenure of three years as Statutory Auditors of the Company, do not qualify for reappointment. Considering the available options and on the basis of suggestion of the Audit Committee, the Board recommends A. Qasem & Co., Chartered Accountants, for appointment as the new Statutory Auditor of the Company for the year 2018 at the 45th Annual General Meeting at a fee of Tk. 900,000 (Taka Nine lacs) 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 of Bangladesh, 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 in Bangladesh is listed on both Dhaka and Chittagong Stock Exchanges and is currently the highest taxpayer. In this year alone, we have contributed Taka 16,427 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 2017 has led us to achieve some prestigious awards from different credible organisations locally and internationally. In 2017 the Company was awarded with the following recognitions:

1. Highest Tax Payer Recognition by National Board of Revenue (NBR);
2. South Asian Federation of Accountants (SAFA) award for 'Best Presented Annual Report' in manufacturing category;
3. Asia Responsible Entrepreneurship Award 2017 in 'Social Empowerment' category for IPM Club given by Enterprise Asia;
4. 'Best Corporate Social Responsibilities Practice' from Bangladesh CSR Leadership Award 2017 platform;
5. Adam Smith Award 2017 in 'Harnessing the Power of Technology' category;
6. 17th ICAB National award for best presented Annual Report;
7. ICMAB Best Corporate Award 2016;
8. 'Dream Company to Work for' award from Bangladesh Best Employer Brand Awards 2017 platform;
9. 'Best Recruitment Evaluation Techniques' award from Bangladesh Best Employer Brand Awards 2017 platform;

10. 'Best HR Event of the Year' for Battle of Minds award from Bangladesh Best Employer Brand Awards 2017 platform;
11. ICSB National Award for Corporate Governance Excellence;
12. 'CEO of the Year' (Shehzad Munim) from Asia Best Employer Brand Award 2017 platform
13. 'Leadership Excellence in Community Services Award' (Zahurul Haque Sarker) from Asia Best Employer Brand Award 2017 platform
14. 'Diversity Impact Award' (Shehzad Munim) from Asia Best Employer Brand Award 2017 platform
15. Progressive Woman Leader Award 2017 by Bangladesh Brand Forum (BBF) (Adrita Dutta, HR Business Partner – Marketing)
16. Aspiring Woman Leader Award 2017 by Bangladesh Brand Forum (BBF) (Farhana Chowdhury – Area Manager)
17. Woman Award for Corporate Leadership by Wings Bangladesh (Mubina Asaf).
18. 20 Local Government awards for Afforestation in different districts.

(Details of these awards are mentioned in the achievements section of this Annual Report)

Expectations In 2018

BATB has an ambition to provide consumers' preferred quality products, to its numerous customers/ brand users. Now, looking ahead in 2018 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 to operate as a social responsible Company. Moreover, the Company's initiatives for 2018 will bring about a positive change across the nation with its 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 2017, 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 the 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, Bangladesh Investment Development Authority, Bangladesh Securities and Exchange Commission, Stock Exchanges and other numerous stakeholders. The Board would also like to appreciate the support from bankers, Bangladesh bank, 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 2017.

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

5 March , 2018

sd/-
Shehzad Munim
Managing Director

5 March , 2018

Annexure -1

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	nil	nil
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	3,836,218	6.39%
• 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	10,140,077	16.91%

BOARD MEETINGS

The Board of Directors met twelve times during the year 2017. 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	09	
Mr. Shehzad Munim	10	
Mr. K.H. Masud Siddiqui	10	
Mr. Md. Mosharraf Hossain Bhuiyan ndc	10	(Resigned on 3 January 2018)
Mr. Mohammad Moinuddin Abdullah	09	
Mr. Mikail Shipar	09	
Mr. Muhammad Abdullah	02	(Appointed on 20 August 2017)
Mr. Jalal Ahmed	09	
Mr. Kazi Sanaul Hoq	03	(Appointed on 20 August 2017)
Mr. Md. Iftikhar-Uz-Zaman	07	(Resigned on 20 August 2017)
Mr. William Francis Pegel	08	

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BSEC CORPORATE GOVERNANCE COMPLIANCE CHECK LIST 2017

Status of compliance with the conditions set out by the BSEC Notification on Corporate Governance

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 (nine) 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 two Independent Directors in the BATB Board, namely: 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
1.2 (ii) (i)	Independent Director has not been convicted for a criminal offence involving moral turpitude	Complied	DO

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Condition No	Title	Status	Remarks
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 Director Mr. Mikail Shipar is in his first term of office. Mr. Mohammad Moinuddin Abdullah was elected Independent Director for the second term.
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	Complied	The qualification and background of IDs justify their abilities as such.
1.3 (ii)	"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:		

Condition No	Title	Status	Remarks
1.5 (i)	Industry outlook and possible future developments in the industry	Complied	The Directors' report complies with the guideline.
1.5 (ii)	Segment/ 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'.
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	Not Applicable	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 the financial statements and that the accounting estimates are based on reasonable and prudent judgment	Complied	DO

Condition No	Title	Status	Remarks
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.
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 (xxii) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	DO
1.5 (xxii) (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 (xxii) (c)	Executives	Complied	DO
1.5 (xxii) (d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name wise details)	Complied	DO

AMARSTOCK

Condition No	Title	Status	Remarks
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.
2.1	The Company shall appoint a Chief Financial Officer(CFO), a Head of Internal Audit (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 Directors 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 Director.
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 Statementand 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) yeasr 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.

Condition No	Title	Status	Remarks
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.
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	Mr. Mohammad Moinuddin Abdullah is chairmen of AC who is an Independent Director.
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 (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

TAMJEER STOCK

Condition No	Title	Status	Remarks
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	Complied	There was no IPO/RPO/Rights Issue in 2017 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.
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 Baord	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 on Audit Committee activities which shall be signed by the Chairman of AC and disclosed in the Annual Report	Complied	Activities of Audit Committee are reported at page 59 of the Annual Report

DMN STOCK

Condition No	Title	Status	Remarks
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
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.
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	Complied	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	Complied	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	Complied	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	Complied	BATB does not have any subsidiary Company

AMARSTOCK

Condition No	Title	Status	Remarks
5 (v)	The Audit Committee of the holding Company shall also review the financial statements, in particular the investments made by the subsidiary Company	Complied	BATB does not have any subsidiary Company
6 (i) a)	The CEO and CFO will certify to the Board that they have reveiwed 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 reveiwed 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.
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 2017 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.

Annexure 3

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 2017, 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.

S. Munim

Shehzad Munim
Chief Executive Officer

William Francis Pegel
Chief Financial Officer

Dhaka
5 March 2018

AMARSTOCK

Al-Muqtadir Associates
Chartered Secretaries & Consultants

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 2017. 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 and an independent audit on compliance of the conditions of Corporate Governance as regulated by BSEC.

In our opinion and to the best of our information and according to the explanations or representations 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 2017.

Dhaka
5 March 2018

AL-MUQTADIR ASSOCIATES
Chartered Secretaries & Consultants

AMARSTOCK

UNITED FOR "PLANET"

BAT Bangladesh initiated its afforestation programme "Bonayon" in 1980 to support the Government's intentions to achieve the Sustainable Development Goal of "Life on Land". Every year, BATB distributes 4 million free saplings to prevent and reverse the deforestation of our forests with fruit, timber and medicine yielding species. Till date, BATB has provided 95.5 million saplings across the country, with noteworthy projects that include the Lalon Shah Bridge, the Lama-Alikadam Road, the Naikhanchari Hills, the Chittagong Airport, and Palashbari.



INTEGRATED REPORTING

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 2017 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 2017 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 2017 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

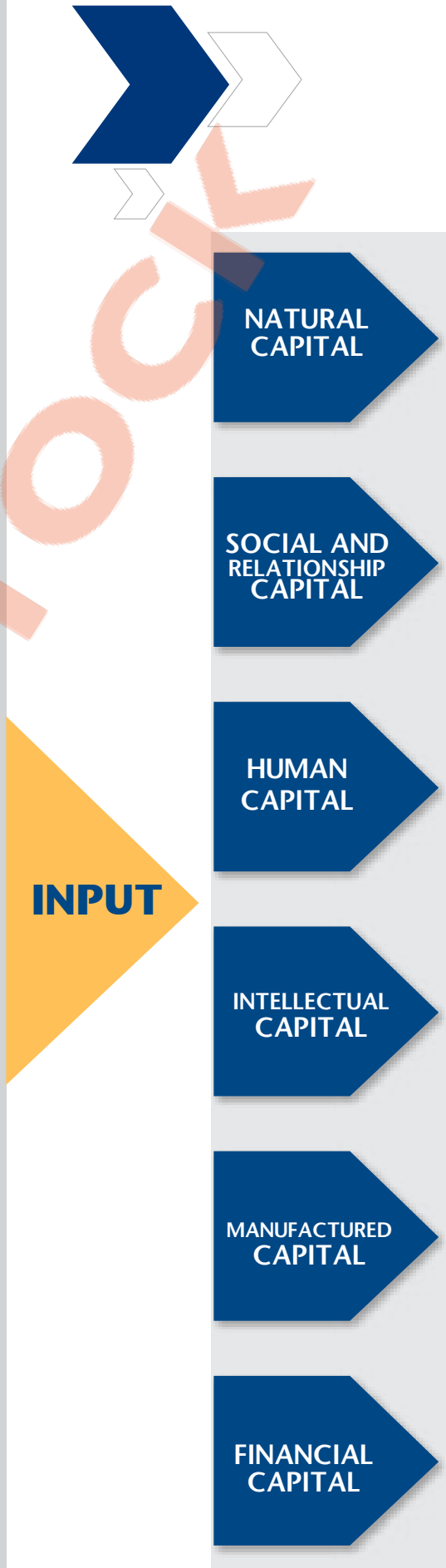
Availability of the Annual Report

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.

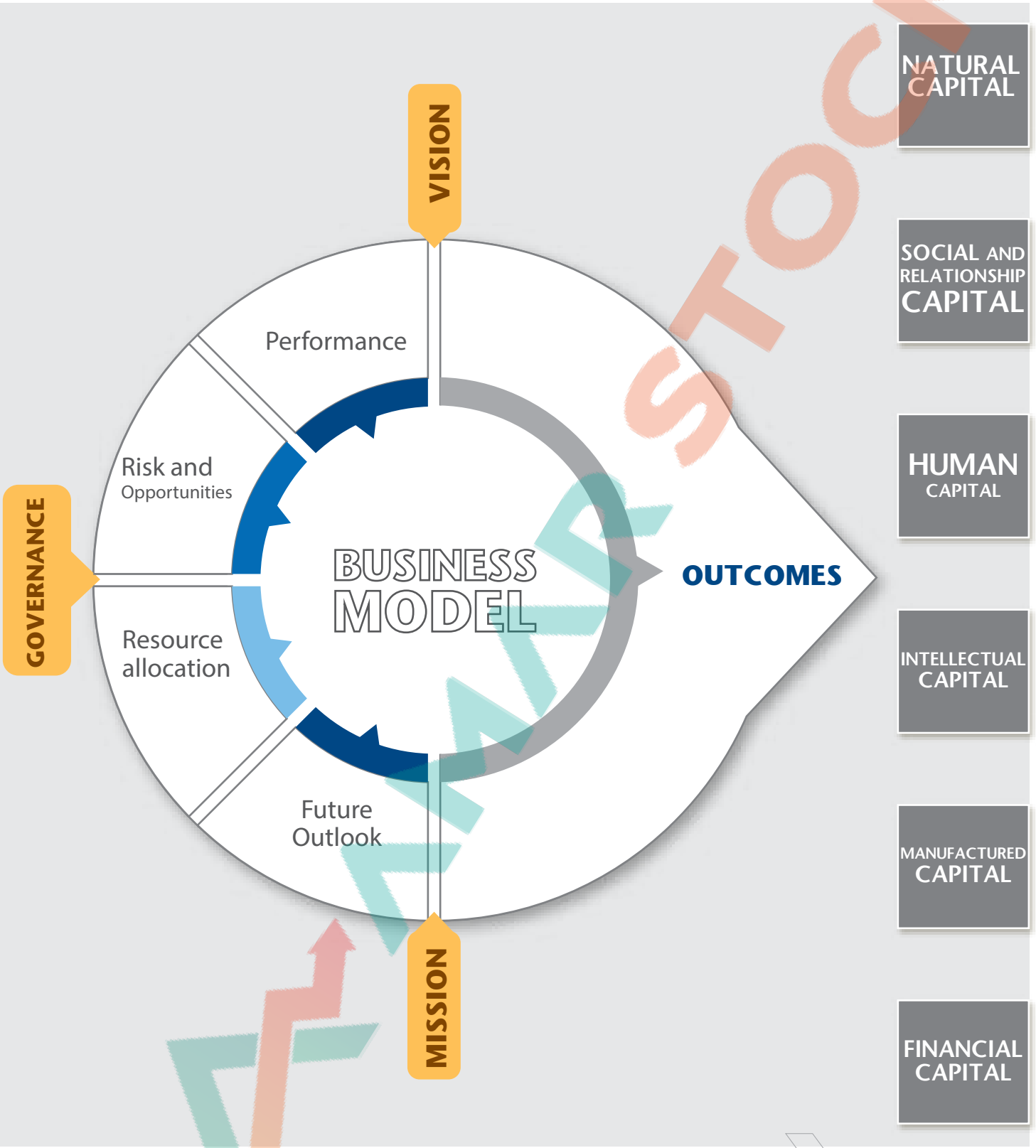
AMARSTOCK

OUR VALUE CREATION PROCESS

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 seed to smoke', and we are committed to embedding the principles of corporate social responsibility through our responsible business operation. At BATB, 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. That is how we increase our corporate value, which helps us fulfill our mission and vision.



AMARSTOCK


VISION
Performance
Risk and
Opportunities
GOVERNANCE
Resource
allocation
BUSINESS
MODEL
Future
Outlook
MISSION
OUTCOMES
NATURAL
CAPITAL
SOCIAL AND
RELATIONSHIP
CAPITAL
HUMAN
CAPITAL
INTELLECTUAL
CAPITAL
MANUFACTURED
CAPITAL
FINANCIAL
CAPITAL

LANKA STOCK

FINANCIAL CAPITAL

Our financial capital includes our monetary resources, which are obtained through our business activities and from external sources. Funding mechanisms, such as overdraft and revenue are the main sources of our financial capital. Each year, we continue to implement financial strategies that enhance our financial capital to enable us to carry out the day-to-day business activities of the company and strengthen our ability to create value for all the stakeholders of our business. In 2017, our financial capital was enhanced by strong performance from our business segments.

Doing so requires us to effectively manage our risks, assess the wider economic impacts of our activities on society and maintain a balance between good corporate governance, while at the same time staying true to the values on which our business is built.

Given below are some key financial indicators that demonstrate our ongoing efforts to enhance our financial capital.

Key Financial Information:

(BATB annual report page no 76)

FINANCIAL HIGHLIGHTS

- Operating profit 28% higher at BDT 17,802 million, underpinned by record sales volumes of 53,204 million
- Earnings per share up 3% to BDT 130.50
- Return on capital employed up from 64% to 66%
- Cash generation of BDT 978 million, supported by working capital efficiency improvements
- Dividend of BDT 60 per share declared/increased (2016: BDT 60)

PURPOSE

The purpose of this review is to provide insight into the financial performance and financial position of the company for the year ended 31 December 2017 and should be read in conjunction with the annual financial statements presented.

OVERVIEW

Strong operating performance supported a 3% increase in normalized earnings per share to BDT 130.50 in 2017 from the BDT 126.37 achieved in the previous year.

Improved Overall equipment effectiveness promoted higher and consistent production performance which supported the attainment of record sales volumes of 53,204 million

FINANCIAL PERFORMANCE

The financial performance of the company is measured in terms of various key financial measures which include operating profit, return on capital employed, cash flow generation, gearing and liquidity, as set out below:

Operating Profit

A strong manufacturing performance in cigarettes, supported by productivity and equipment efficiency, led to sales volumes increasing by 10% to a record 53,204 million

The strong volume improvement contributed to a lower 2% increase in unit manufacturing costs in nominal terms. Raw Material consumption growth increased in line with the production volume growth.

The gross turnover for the year increased by 23.3% to BDT 204,140 million. The growth was driven by mix improvement and price increase in the low segment. The operating profit reflects the impact of mix and price increase coupled with cost management and savings initiative, with an increase of 28% to BDT 17,802 million.

Finance Costs

Total interest paid increased to BDT 192 million due to higher average borrowings (albeit reduced in the second half).

Taxation

The tax rate increased from 45% to 47.5% in the current year.

CAMARSTOCK

Cash Flow

The company generated cash flow before financing activities of BDT 1,743 million in 2017, supported improving operational performance and working capital management.

Working Capital Management

The overall working capital management has been challenged to deliver the market needs on-time. As a result, manufacturing capacity was modified to cater to different pack formats.

Company's receivables increased by 180% over 2017, to BDT 2,315 million due to weekends and bank holiday.

Trade payables increased significantly on the prior year, reflecting higher purchases in line with increased production volumes.

Borrowings and Liquidity

Net borrowings closed at BDT 3,058 million, up by BDT 1,268.million on the prior year closing position.

Return on Capital Employed

The return on capital employed for the company increased from 64% to 66% year-on-year. This mainly reflects the increase in operating profit in 2017, the improvements in working capital and the lower level of capital expenditure.

Dividends

A final dividend for the 2017 financial year of BDT 60 per share has been proposeed by the Board of Directors. In accordance with International Financial Reporting Standards, no liability has been raised for the final dividend declared.

AMAR STOCK

MANUFACTURED CAPITAL

Manufactured capital is the infrastructure, plant and equipment that we use to produce our products. It includes assets that are produced by other entities and those manufactured internally and exclude intellectual capital such as software. The management of these assets is a key business imperative and is considered an essential element in achieving manufacturing excellence and operational performance. The implementation of asset maintenance and care policies will improve asset utilization and profitability.

MATERIAL DEVELOPMENTS

- Product manufacturing output was 53.7 Bn Sticks (quantity) for the year due to strong operational performance.

LOOKING BACK ON OUR 2017 GOALS

- Manufacturing performance yield increased from 60.5 % to 68.0 %

FOCUS FOR 2018

- Continue to improve our production performance and efficiencies to reach our upwards revised target of 72%
- Continue to optimize our cost efficiency program without hampering on targeted production and sales levels

ASSET MANAGEMENT STRATEGY

The purpose of the asset, risk management strategy is to provide a structured approach to the implementation of an asset risk management system. Our asset management strategy is aligned with international best practice. The focus is on asset care, operation and maintenance while considering the asset performance and the effect of external factors.

KEY AREA FOCUS:

Business risk assessment

To identify potential assets that poses a high risk to the overall business objectives.

Operation task criticality

To determine activities related to assets that can cause harm to people and the environment while performing these activities.

Equipment criticality analysis

To identify the most significant equipment and determined the most appropriate approach to the development of maintenance tasks.

Spares criticality analysis

To determine inventory categories and developed an approach for a specific spare or material.

Asset acquisition risk management

To determine issues that should be included in the specification of the asset such as training, integration of systems, energy considerations, critical spares and technology.

ASSET CARE

The asset care team ensures that equipment is kept in good, functional condition and contributes to safe working conditions and prevents environmental damage.

Our dedicated asset care team is focused on furthering the:

- Development and implementation of Asset Risk Management policies and governance
- Development and implementation of centralized work planning and control
- Development and implementation of improved material management systems Our reliance on manufactured capital and our approach to the management thereof allow for us to extract the benefits and value of our assets.

Material Aspects

- Ensuring optimum accessibility to clients.

AMMARSTOCK

- Infrastructural resource maintenance and development.
- Maintaining state-of-the-art work environment.
- Resource utilization.

Challenges

- Ensuring infrastructure sufficiency supports growth ambitions.
- Balancing costs and benefits of investments.
- Rapid changes in technology and the timing of investments.

Scalability of Business Operations

As a manufacturing company, we remain prepared to scale our operations in response to abrupt rises in business or unexpected opportunities requiring quick decision- making. What makes us scalable is our long-term focus, and a blend of ambitious goal setting combined with prudent investments in infrastructure.

A key component driving the balance between maintaining scalability and resource utilization remains in our efforts towards continuous improvement to enhance process efficiencies. This is further elaborated within our Intellectual Capital (pg. no 106)

Economies of Scale

By itself, when we invest in a new asset, or in additional equipment for our employees the costs incurred are paid through the additional number of consumers we are able to serve. These benefits are multiplied by investing in our manufactured capital also enables economies of scale when it transforms into:

- Intellectual capital, by enabling process innovations and knowledge-sharing through investment in technology and platforms.
- Human capital, through providing our people with platforms and tools they can use to improve efficiency and reduce turnaround times. Also, when we invest in smarter work environments, our employees are better able to deliver.
- Social and relationship capital, by enabling us to extend our services to a wider geographical location.

Enhancing Our Work Environment

We provide state of the age manufacturing and office that cater to employees in terms of work space, facilities for extra-curricular activities and so on. These help create greater attachment to the company and is in line with our philosophy that a good work-life balance should start at the workplace. In order to help employees reach their potential, a good work environment needs to be complemented with employee engagement initiatives, efforts towards employee health and well-being and numerous other factors that are discussed in our Human Capital (page: 108)

Investing in Eco-friendly Workspace and Policies

We have taken initiatives to make our plant warehouses and offices more eco-friendly and reduce our carbon footprint. We invest in making our premises more energy efficient. Our efforts towards environmental protection are highlighted in details within our Natural Capital.

INTELLECTUAL CAPITAL

Our Intellectual Capital comprises of the intangible factors that are unique to BATB. Our values, our culture, knowledge of our people, our processes and the specific way we conduct our business, all of which cannot be easily quantified, but go a long way in determining our competitive position and sustainability in the long term. It includes all our knowledge-based assets such as process blueprint, procedures, protocols, copyrights, software and licenses. As a key competitive advantage that underpins our growth ambitions, we assess the extent to which our proprietary and licensed technologies, in combination with our expertise, provide sufficient advantage to generate the returns on investment we seek.

As technology and process improvements become more of a differentiating factor within modern companies, intellectual capital becomes a greater factor in achieving success in a competitive marketplace.

Therefore, strengthening all aspects of our Intellectual Capital remains a strategic imperative, which calls for broad ranging investments, especially in LEX, Marketing, Operations & IT.

In a world where access to critical information and the ability to act quickly and effectively are becoming the key differentiators, the main priority for BATB technology team is to sharpen the technology focus and transform the business today, in a way that would reshape the company tomorrow.

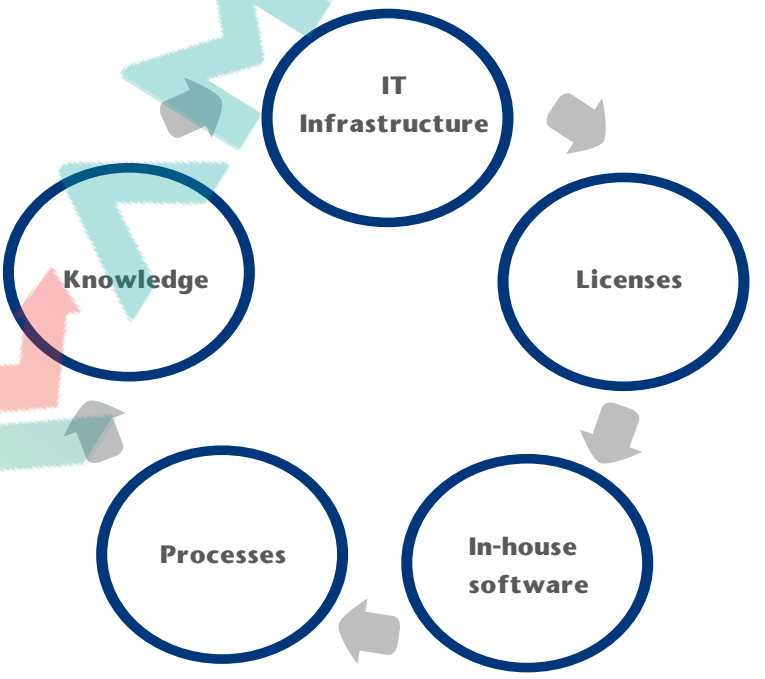
This means leveraging on groundbreaking new technologies in cloud systems management and business analytics, to tap into new opportunities and create new bases of competition that would provide a leading edge in the market.

Risk Mitigation through IT

Besides enabling us to scale our operations, these investments also help us mitigating various risks.

Global Application

As a global line organization, to harness maximum benefit, we use ERP application to capture real time transaction data, effective monitoring and management reporting. All processes are in line with TOM (Target Operating Model) and EPR systems are the interface for the BAT defined processes.



To support the mentioned processes, we are also using few global applications & office productivity tools for efficient recording of business transactions, processing data, generating reports and performing daily correspondence. which are:

- EPR (SAP ECC6)
- SRM
- BPC
- Success Factors
- Skype
- Share Drive, Share Point & One Drive
- MS Office (Outlook, Power Point etc)

Bespoke Application

In order to further enhance the operational efficiency and enable the management to take effective decision, our IT division continues to support, improve & implement various bespoke systems by leveraging technology to support our main business processes. Few of the critical application are the Payroll system for Management and Unionized employee, Share management system, secondary sales reporting application, Internal system to manage contract approval process, Integrated quality management system to ensure product quality and LC management system.

Processes

IT focus was always to align IT strategy to support business. IT function also keen to information security, risk and compliance ensuring accessibility and availability of right information to right people.

Knowledge

Knowledge is the key element to capture and make it available to everyone to make a leap from current stage. IT has introduced a few systems as depository of information to learn and disseminate to greater audience. Our Interact system is the core of knowledge & sharing place where all can contribute and can be benefited.

Training

We take several initiatives to improve the user experience using some IT collaboration tools. Create awareness to use Skype and One Drive are mentionable one where people can connect & share information with others within country and beyond.

Outcomes of Above Initiatives

As a result of improving operational efficiency, it has been possible to attain value addition in several stages. From regular operation to elimination of redundant work for our employees; from cost savings translating to better profits for our shareholders, to better resource planning in turn leading to lower carbon footprint towards the environment, investments in developing our intellectual capital has proven to give its dividends.

HUMAN CAPITAL

Developing Talent As a Competitive Advantage

A group of motivated, multi-talented employees are the main asset of BATB. BATB has been recognized 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 realize their diverse potentials. This also benefits the organization by demonstrating value creating behaviors. To ensure long term sustainability, BATB emphasizes 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 counseling.

The Company recognizes its Human Capital as a core part of its business sustainability and growth. The bank has a special focus on converting the human resources into the human capital. The Company promotes a safe and conducive environment for the development of our employees, which creates commitment and increases productivity. BATB recognizes that in order to retain the Company's market leadership; hiring, retention and training of talented employees is an imperative and continuous process.

BATB considers quality and skilled Human Resources as one of the most valued assets for the company to attain organizational objectives and goals. BATB believes that its human resources are critical in building and running the company.

Attracting the Best

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 BATB 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 BATB and has been carried out for 14 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 road shows 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 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 Graduate Programme which is aimed to recruit outstanding fresh graduates and develop them as the future leaders of the country.

Recruitment & Selection:

A career at BAT Bangladesh Limited offers an opportunity to influence career growth and eventually also lead to social mobility. We constantly strive to identify and define the intangible characteristics that contribute to our unique culture and aim to reinforce them in everyday life. We want our employees to have a clear vision for the business and to foster enthusiasm to drive superior performance.

Talent Development:

BAT's talent development is a process for identifying and developing new leaders, who can bring strength to the talent pipeline. Succession planning is critical to us, as it enables us to ensure leadership continuity and avoid extended and costly leadership vacuum. We work hard to promote from within the organization so that we

can create greater career opportunities for our people. BATB's assesses the leadership needs of the company in a way that ensures the selection of qualified leaders which matches its mission and goals.

Developing Young Talent- Global Graduate Programme:

BAT Bangladesh, believes in developing talent from within, early on. The organization wants to give priority to its own employee to take the challenge to be a leader for the future through its Global Graduate Programme. The programme exists to fast track talent from within into leadership positions who will feed into the organisation's leadership pipeline. BAT Bangladesh has a strong pipeline of talent who have joined through the programme and have progressed into senior and leadership level positions within Bangladesh and across the BAT Group. Since 2016, BAT Bangladesh hired 21 Global Graduates across Marketing, HR, Finance and Operations function. Through this 18 month long programme, Global Graduates who will be prepared in such a way that in future, they could face any challenges that lie ahead. Applying active learning methods, this program is expected to produce a pool of skillful managers ready to easily and quickly make a real contribution to the organization.

Healthy Work Environment

Adequate attention is always accorded to the health and safety of our employees, primarily through providing safeguards to company with appropriate security arrangements. Employees enjoy favorable working hours so that they can ensure a balance between professional and personal interests. The company has fire safety alarms, fire extinguishers and emergency exit in its all premises in order to safeguard the employee's event of conflagration. To create a healthy working environment the company gives priority by facilitating central air- conditioning ambient lighting system, canteen facility, separate prayer rooms for both male and female, sufficient sanitary facilities etc.

Learning & Development

BAT Bangladesh puts great emphasis on training and provides resources and opportunities for development to the employees. The goal of training is for employees to master the knowledge, skill and behaviors emphasized in training programs and to apply them to their day-to-day activities. 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. In 2017 alone, 15 training modules covered 265 employees within the organisation. 66% of these trainings were internally facilitated, with the cost of BDT 26.5 million.

Compensation and Benefits

The Company recognizes 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 Programme

BATB 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 Programme

BATB has a well-designed Reward & Recognition program that gives special attention to employees' actions, efforts, behavior and performance. Our performance appraisal process enables us to emphasize on them growth of our employees as well as identify their learning and career development needs. 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.

SOCIAL AND RELATIONSHIP CAPITAL

Social and Relationship Capital

Our story embarks on the relationships we have created and nurtured in collaboration with our stakeholders - our customers, our employees, our shareholders and our Community. We stay in touch with all our stakeholders to create sustainable development, and reach objectives in a mutually beneficial way.

Material Aspects

The material aspects of our social and relationship capital are focusing on gaining stakeholder confidence, making Bangladesh 'Green', and using renewable energy for lifelong value. In doing so, we also focus specifically on corporate social Responsibility, and ensure environmental and corporate governance.

We consistently engage with our stakeholders which enable us to identify the material aspects. In return, we grow in strength by fulfilling such demands of the stakeholders. Engaging in such a relationship with the stakeholders and working together paves a path for us to do more for the country.

Highlights

- Dividend disbursed in 2017.
- Planted 4 million saplings in 2017, 95.5 million aggregate.
- Solar home systems project by BAT has reached 12,000 people in off-grid areas.
- A united family of around 1500 employees.
- 190,000 people receive fresh water every day through BAT's water filtration project.

Challenges

Due to the nature of our industry, we operate within a key strict regulatory framework, therefore it become challenging for us to reach all of our stakeholders.

Customer

Our goal is essentially to go beyond providing traditional manufacturing facilities and create real value for individuals and businesses that collaborate with us. This requires us above all, to become a sustainable manufacturing business capable of serving today's customers, as well as paving the way for future generations of Bangladesh to succeed in an ever-changing world.

As we continue to realign, strategies and make changes in the way we do business, our intention is to keep pace with the growing needs of all our customers.

Supplier

Our suppliers employ lots of people around the country. The decisions we make can have a big impact on their lives and their communities. We have a great responsibility to protect the rights of all the people in our supply chain, and to do everything we can to preserve our planet's fragile environment. That is why we obsess over every detail of how we build our distribution system. That is why we invest in training to provide opportunities and tools to help our suppliers.

We have a Supplier Code of Conduct that requires our suppliers to adhere to high standards for safe working conditions, fair treatment of workers, and environmentally safe operations. We aim to strengthen these standards in a continued effort to raise the bar.

Community

As a responsible company, 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.

Therefore, its CSR activities are designed to contribute to the economic, social and environmental sustainability of the community in which it operates. The Company's CSR initiatives are aligned with the Sustainable Development Goals (SDGs) of United Nations.

AMARSTOCK

NATURAL CAPITAL

We do realize however that this does not in any way reduce our responsibility towards the environment. It is why we strive to assess the impact our actions may have on the environment and based on the results of these findings we then look for ways to improve the way we operate. Spearheading the entire effort is a broad-ranging environmental strategy aimed at reducing the company's carbon footprint. Focusing on what we consider to be material environmental aspects relevant to our business, the strategy seeks to ensure that our impact on environment is minimal. This is not only to help the company to lighten its environmental footprint, but also to create a strong social impact that will convey a positive benefit for stakeholders of our business.

Our CSR initiatives focus on our commitment to maintain our environment reflects why BAT Bangladesh is a responsible business organization and the flagship CSR initiatives of the Company are designed to contribute to the economic, social and environmental sustainability.

Material Aspects

Our focus as part of our CSR initiative is to ensure to help moving forwards a, 'Green' Bangladesh, off-grid environmental and resources management and endurable business practices.

Highlights from our investment in natural resources

- Planted 95.5 million trees across Bangladesh to conserve the forests.
- 2064 units of solar home systems installed to help lives of 12,000 people in off-grid locations such as Bandarban and Khagrachari.
- Installed 73 water filtration plant in arsenic prone location to provide 400,000 liters of water everyday

The challenges we faces include lack of awareness regarding benefits of green environment in many of our shareholders.

The CSR initiatives undertaken by BAT contribute to the society and falls in line with the regulators of the Government considering the requirements of relevant stakeholders. These initiatives focus on sustainable development goals set by the United Nations. (BAT)

The Main Pillars of Our Environmental Strategy

BAT Bangladesh is committed to its shareholders and stakeholders to reduce the impact on environment that arises from its operation. The Company has taken several initiatives to reduce energy, water and waste consumption while at the same time taken appropriate measurements to ensure reduction in carbon emission from its operation.

Key Drivers

- Installing of LED lighting solutions.
  Upgrading of air conditioning units at branches.
  Installation of energy-control equipment to optimize energy utilization at branches.
- Using solar power.

Engaging Employees

Commitment

Introducing an environmentally conscious mind-set among employees to ensure that the team is aligned to the company's environmental goals.

Key Drivers

- Providing training to educate employees regarding environmental issue.
- Promoting employee participation in the company's CSR initiatives in Environment protection and conservation.

OPERATING ENVIRONMENT ANALYSIS

Political

Political situation of the country is improving compared to last couple of years. 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, the country has been recognised as developing country from LDC grade. 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.

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. 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. 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.

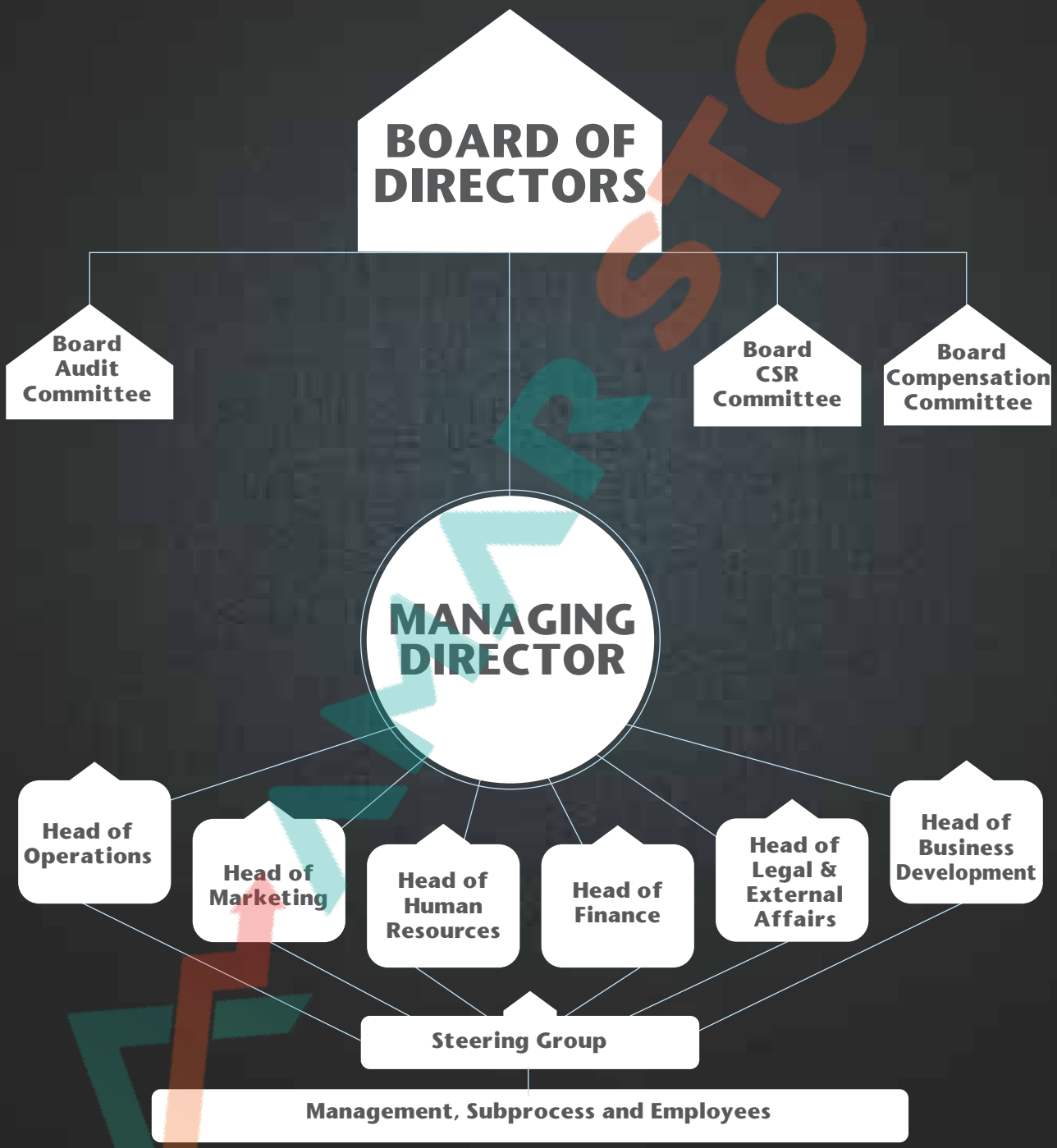
ANNUAL REPORT STOCK

A UNITED FRONTIER OF EQUALITY

BAT Bangladesh is helping the Government to achieve its SDG of "Gender Equality" through vigorously promoting equality and co-existence within the workplace. With a 13% current female representation in the workforce, and 29% of the company's leadership roles held by women, BATB ensures equal and non-discriminatory opportunities and practices. Furthermore, the company has set in place daycare centers along with on-site transportation facility during odd hours, as well as full paid maternity leave to encourage female participation in the workplace. BATB also has a training program called "Will To Lead" that helps its female employees become future leaders of the company. The initiatives of the Company have led us to win awards such as the 'Diversity Impact Award' and 'Most Female Friendly Organization Award'.



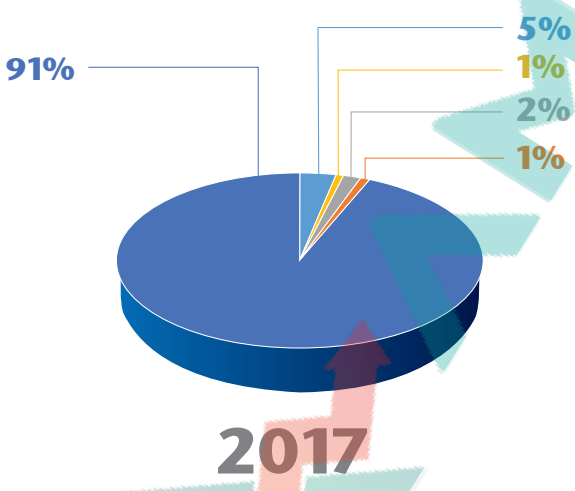
ORGANISATIONAL STRUCTURE



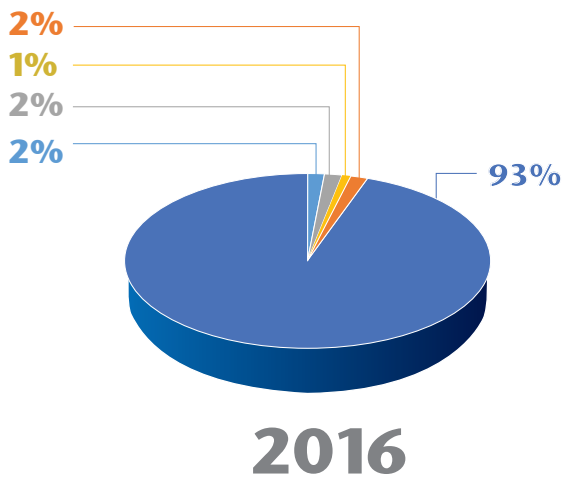
VALUE ADDED STATEMENT

In BDT 000'

Particulars	2017 Amount	2017 %	2016 Amount	2016 %
Gross Turnover	204,139,715		165,633,760	
Less Purchase of materials & service	26,875,306		23,383,582	
Value added	**177,264,409**	**100**	**142,250,178**	**100**
Applications				
Government	161,270,923	90.98%	131,922,985	92.74%
Employee benefits	2,510,457	1.42%	2,518,794	1.77%
Shareholders dividend	3,600,000	2.03%	3,300,000	2.32%
Depreciation	1,495,503	0.84%	1,262,062	0.89%
Reserves and Surplus	8,387,526	4.73%	3,246,337	2.28%
Total	**346,141,293**	**100**	**281,254,019**	**100**



2017

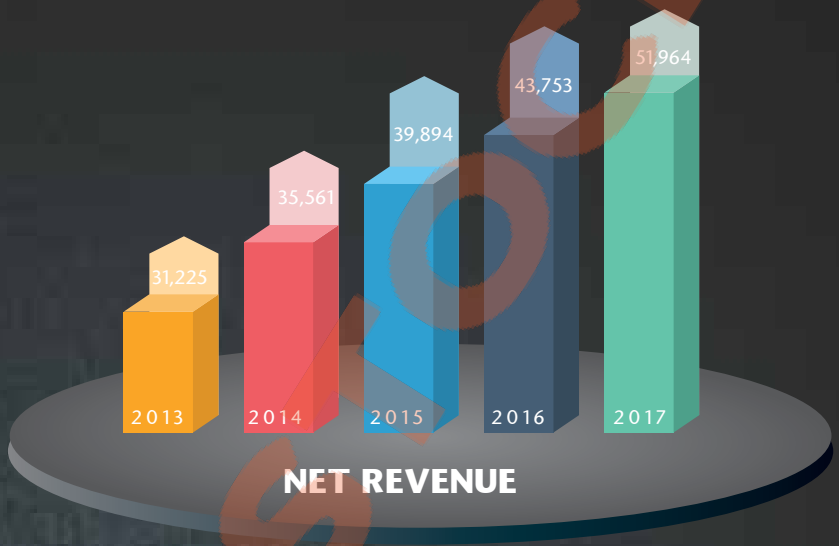


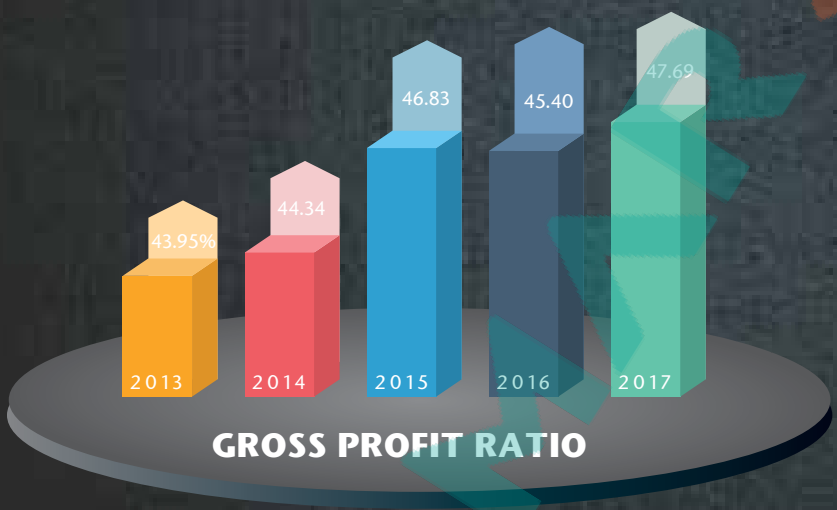
2016

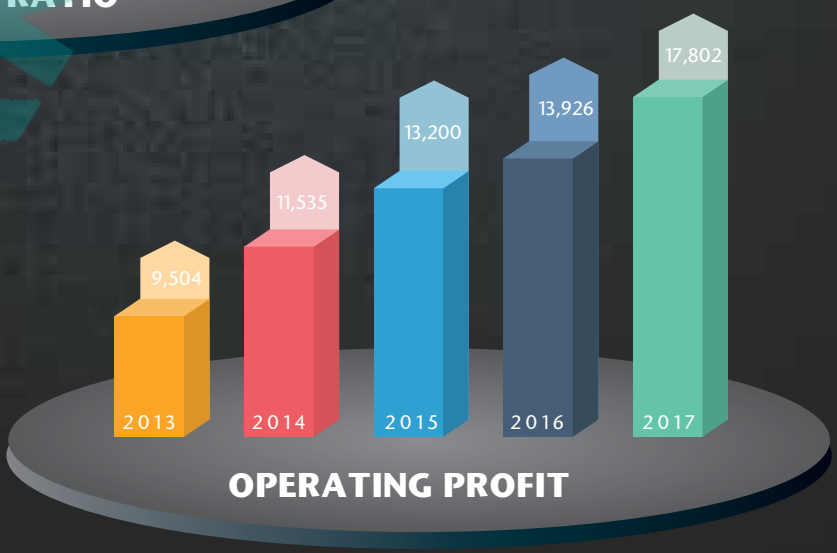
Government
Employee benefits
Shareholders dividend
Depreciation
Reserves and Surplus

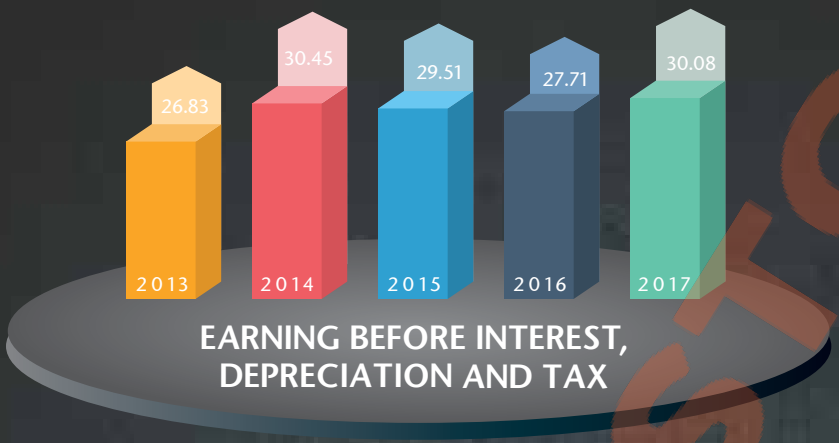
SHARESTOCK

KEY PERFORMANCE INDICATORS

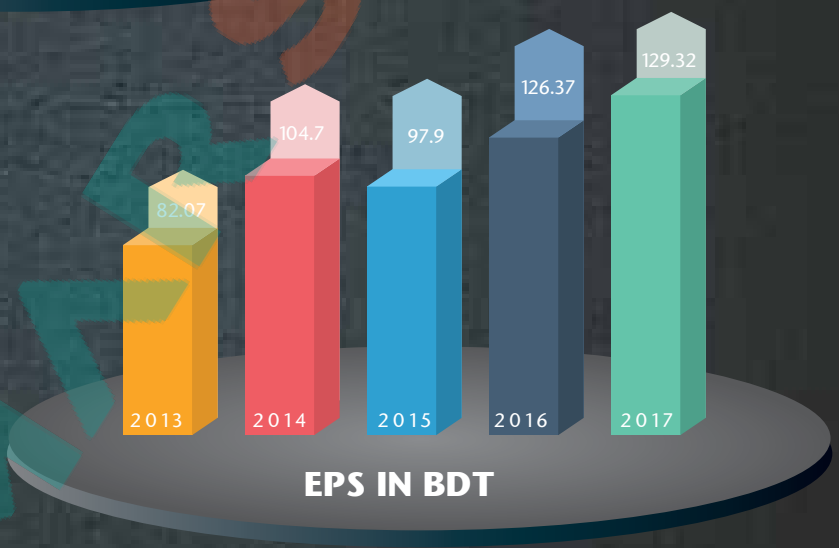








EARNING BEFORE INTEREST, DEPRECIATION AND TAX



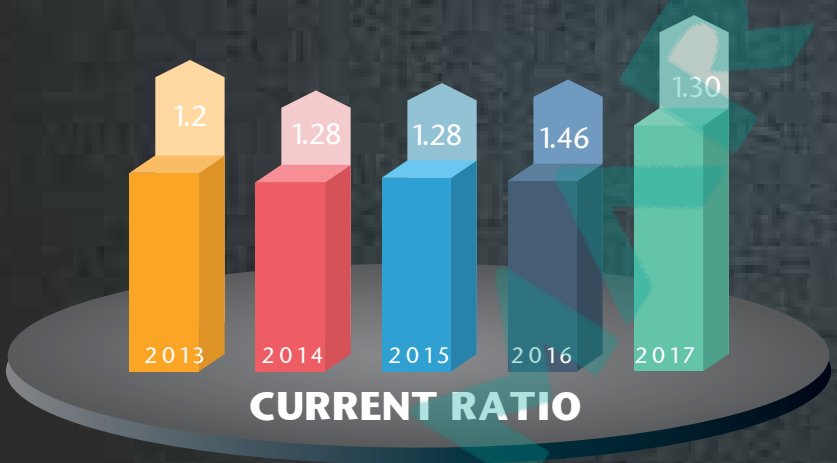
EPS IN BDT

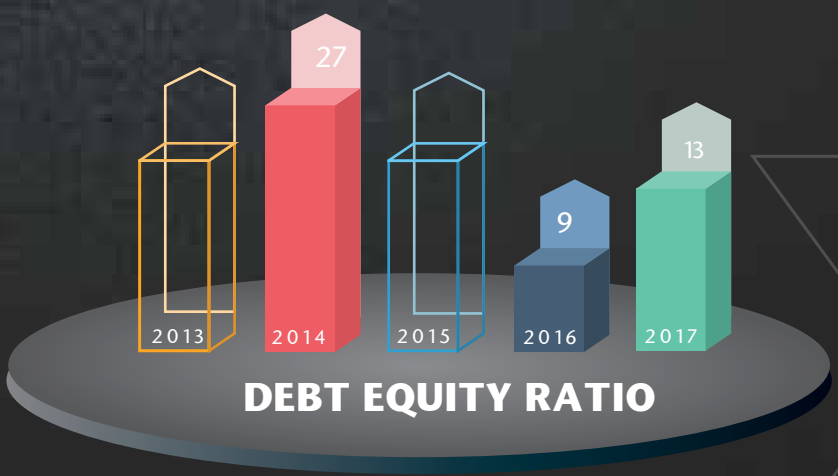


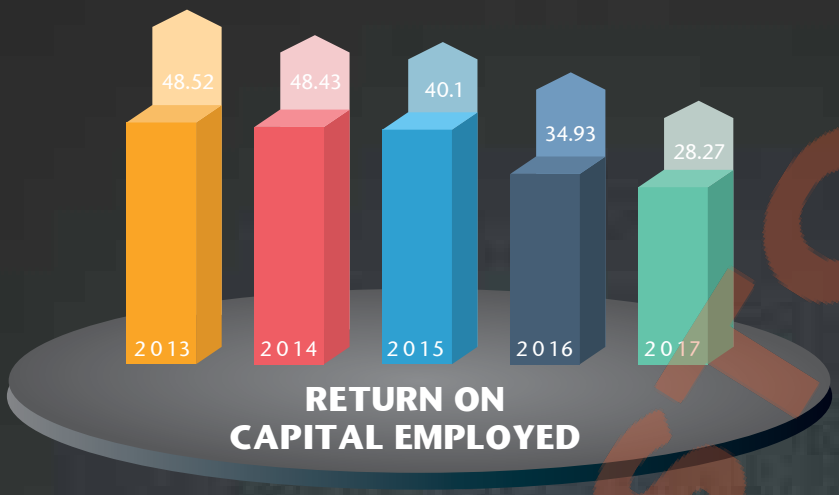
PRICE EARNING RATIO

FINANCIAL PERFORMANCE
AT A GLANCE

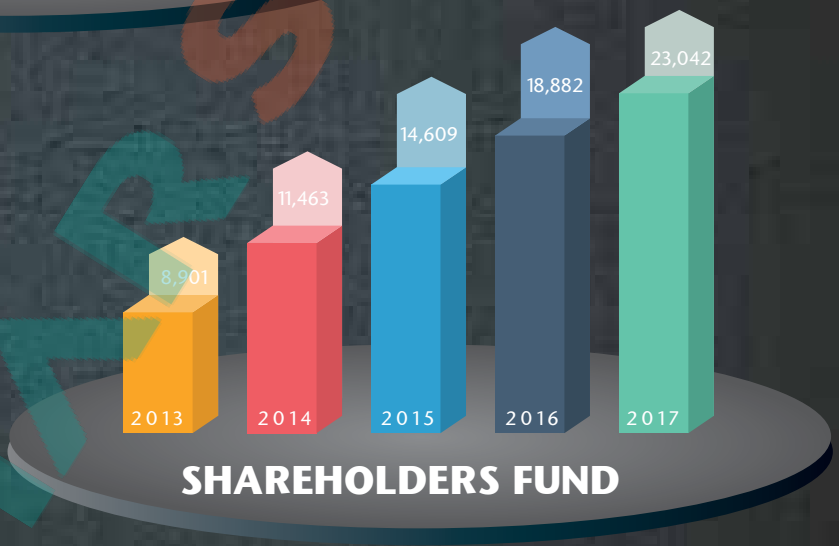




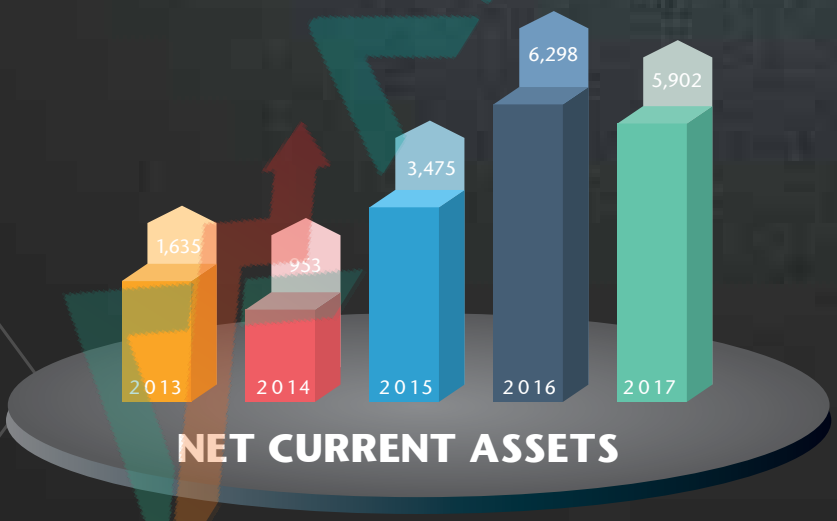




RETURN ON CAPITAL EMPLOYED



SHAREHOLDERS FUND



NET CURRENT ASSETS

EHS HIGHLIGHTS

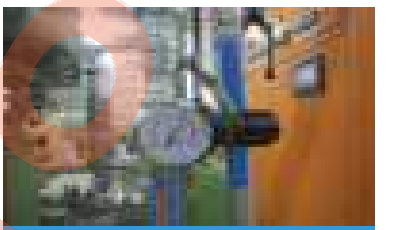
ENERGY, WATER SAVINGS INITIATIVE



LED Light Installation



Usage of Natural Light



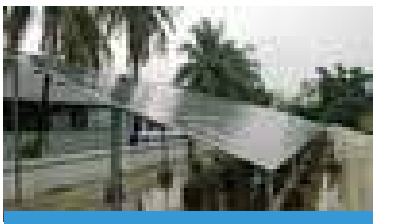
Leak Monitoring



Solid waste recycling



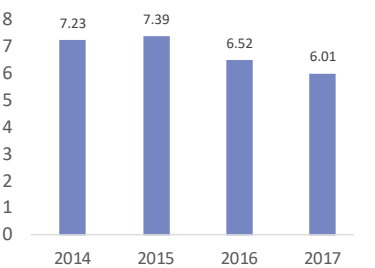
Water recycling



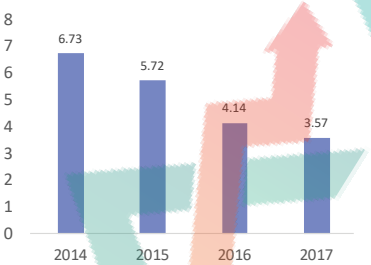
Solar Energy Usage

ENVIRONMENTAL PERFORMANCE

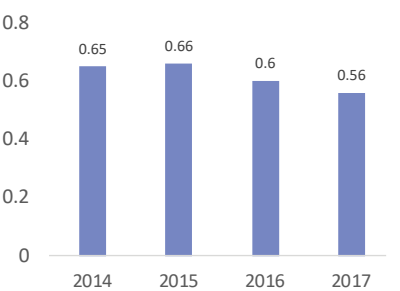
Energy Consumption (Gj/mce) /



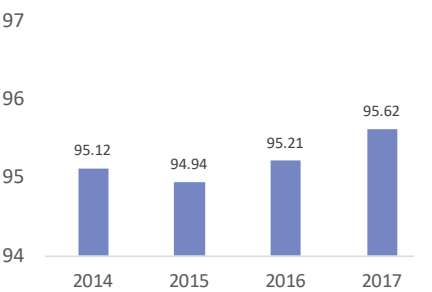
Water Consumption (Gj/mce)



CO2 Emission (Ton/mce)



Waste Recycling (%)



BAT Bangladesh is reducing environmental impact significantly each year and contributing to commitment to shareholders

TAMARISTOCK



STRIVING TOWARDS BETTER SAFETY

BAT Bangladesh is fully committed to ensure the safety and wellbeing of its people and to help complement the Government's effort to achieve the Sustainable Development Goals of Sustainable Cities and Communities. The Company launched a behaviour based Safety Campaign in 2016 that trained a staggering 1500 people over the last two years with clear observable benefits today. A week-long campaign titled 'EHS Awareness Week' is arranged every year focusing on safe work practices in production floor, warehouses, and offices. On environmental front, several initiatives were taken to reduce energy, water and waste consumption including an initiative to install solar panel equivalent to 155 kw supplying electricity to the main grid of the factory.

ENVIRONMENT, HEALTH AND SAFETY

The Journey Continues

BAT 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 (EHS) practices. As BATB's market is growing impressively, the betterment of EHS standard is even more important for the welfare of its employees and sustainability of environment. During the period of 2017, several initiatives were taken to further improve the facility and build awareness level of EHS among the employees and improve the work practices.

BATB is fully committed to ensure safety and health of its people who come into its premises as well as to 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.

BATB 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 way 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. This was launched in 2016 and gradually rolled out in all factories in 2017. A staggering 1,500 people have been trained over the last two years through PULSAR observation process. We are observing benefits of this system now.







REPORTING OF NEAR MISS OF BY COMPANY MANAGING DIRECTOR

To keep our people aware, we carried out various kinds of communications, awareness programs for managers, employees and contractors throughout the year. We arranged weeklong campaign titled 'EHS Awareness Week' focusing on safe work practices on production floor, warehouses and offices. This year's theme was 'SHARE TO CARE' focusing on 'Near Miss' reporting to develop a strong reporting culture highlighting the benefits of early reporting of issues.

VARIOUS INITIATIVES TO BRING AWARENESS ABOUT HEALTH THAT HAS BEEN CARRIED OUT DURING THE WEEK







Skit competition was arranged on predefined issues to bring awareness. Employees participated with enthusiasm and demonstrated innovative ways of conveying messages on EHS.

TRAINING PROGRAM WAS ARRANGED DURING THE WEEK TO REFRESH KNOWLEDGE ON KEY ISSUES.









EHS MESSAGES FROM THE TOP TEAM DISPLAYED AROUND THE PREMISE

EHS Messages All Around



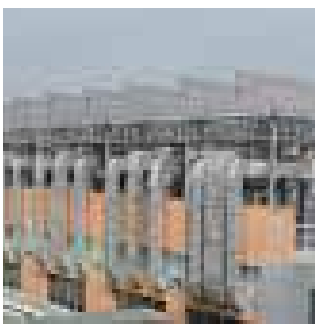






On environmental front, several initiatives were taken to reduce energy, water and waste consumption. The biggest initiative was installing solar panel equivalent to 155 kw supplying electricity to the main grid of the factory. It was well appreciated within the BAT group.





GOING GREEN

The world we see today is changing rapidly than we normally tend to pursue but we humans are the reason behind this modern change. What we do affects us in one way or the other even if we are unaware of it. The impact we have on the environment has come under a massive point of interest in the past few decades as the issue of global warming has been an alarming sign for all of us. However, this does not mean we stop and turn back but instead we call for sustainable business development through eco-friendly methods which will enable us to make the planet we live in 'Go Green'.





In BATB, the methods taken are indicated towards waste minimization, design for environment and cleaner production which promotes a green supply chain as this reduces the carbon emission footprints. The following procedures we have undertaken are an effort to help recent global challenge of greenhouse gases:

Trip Reduction Utilization

- By stacking 10% more goods on each trip made by the trucks we reduced the number of trips by 1400 over the last year which resulted in saving 152 MT carbon emissions
- Transporting leaf through routes which cover less distance has reduced mileages by 32,000 kilometers which resulted in saving 64 MT carbon emissions

Energy optimization

- Using sunlight through transparent sunroofs allows us to use daylight by additional 2hours as an innovative idea, we have saved over 486MW of electricity over



the past year and 200MT of carbon emissions

- All Finished Warehouse Factory produces 175KW daily from solar panels installed on the roof
- We have also installed in our newly built most energy efficient building:
- 43 Motion & Occupancy Sensors type lights, 3 Motion Sensing Water taps & 2 Sun duct, installed temper glass wall which ensured maximum use of natural lights & reduced electricity, VRF types AC in all offices which ensured 45% less electricity consumption than normal

Water recycling

- In all our Finished Good Warehouses we have placed water reservoirs for fire hydrants as fire preventive measure through rain water harvesting
- Effluent Treatment Plant (ETP): 60,000 liters of water daily is used for gardening, road cleaning, toilet flash and production support

Usage of modern technology for saving Energy

- We've applied Astec coating on total factory roof which radiate direct sunlight & save almost 10% of Air conditioning load
- Using natural turbine ventilator fans on all roofs of ware houses & Utilities plant which ensure natural cooling without electricity
- All lights in the entire BATB premises are energy efficient LED light which ensures 80% electricity savings from lighting load
- BATB is always prime in implementing latest technology machineries considering energy conservation & reducing footprint such as Magnetic Bearing Chiller, VSD for Chiller, AHU, Cooling tower, Compressor, Vacuum, & production machineries in both SMD & PMD.

Using stocks as fuel

- After replacing damp stocks from retail, we gather them all & supply to Board Manufacturers for use as fuel in their burners. Such initiative helps limit carbon emissions by 27MT

Over the last year, these methods have reduced carbon emissions by 443 metric tons in total which is equivalent to 266 metric tons of wood fuel. These adaptations help the environment and proves as a modern method for cost saving. As we progress towards the future we should always remind ourselves about the responsibility we have towards the environment not locally but globally. What we have started and the numbers we have stated is just the beginning of what is to come, and we encourage others to join with us in this initiative.

TEAMWORK stock

TOBACCO AND FACTORY WASTE BRIQUETTING:

A Sustainable Waste Management Approach

Leaf Oprations of BAT Bangladesh operates in a very efficient and responsible manner to ensure its sustainability. Efficient utilization of limited resources and managing the wastes proficiently have always been challenging, specially in a country like Bangladesh. Wastes recycling is the key to effective conservation of energy and natural resources and creating a pollution free environment.

Every year, around 6 million kg of tobacco factory waste are generated from green leaf processing operations as well as from leaf re-handling which have been identified as the by-products with limited opportunity to reuse. As a responsible organization, BATB Leaf Operations has taken the challenge to recycle the by-products for its reuse.

In 2016, BATB Leaf team has conducted a successful trial to convert the tobacco waste into briquettes to use them as an alternative fuel for tobacco curing. Trial results showed that the tobacco by-product briquettes are not only a potential source of



alternative fuel for curing but also capable of reducing Specific Fuel Consumption (SFC) in tobacco curing. Successful curing trial with tobacco by-products briquette and positive feedback from farmers had encouraged the Leaf team to engage with third party vendor for commercial manufacturing of the briquettes those will be used of 2018 crop season. The third-party manufacturer has started to distribute by-product briquettes with a planned target of 3,000 MT among BATB's registered farmers, by way of an interest free credit supply In the upcoming years, this supply of tobacco by-product briquette will be around 5,000 MT annually.



Collected waste briquette prior to curing



Curing through tobacco waste briquette

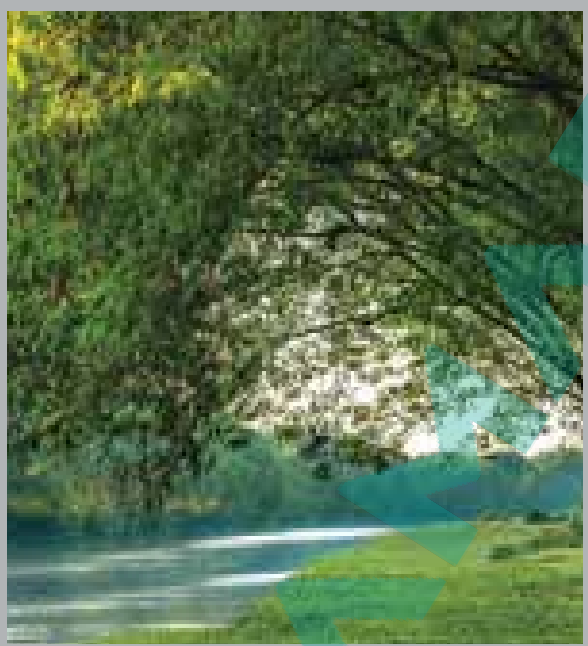
This initiative has manifold benefits for BATB as well as for the farmers. Company's warehouse capacity would not be wasted anymore by keeping unusable by-product stock. As a result, recycling of wastes will be maximized and the reduced SFC will have a positive impact on farmers' cost of production (COP). Apart from the financial benefit and better warehouse capacity utilization, this project has positive impacts on the environment as well. This initiative is aligned with Sustainable Development Goals (SDGs) 9, 11, 12 and 13 of the United Nations.



Quality cured leaf with happy farmer

CSR SUPPORTING SUSTAINABLE DEVELOPMENT GOALS

British American Tobacco Bangladesh ensures compliance throughout its 'Crop to Consumer' business. Being a responsible organization, BAT Bangladesh initiated three CSR programmes: Afforestation, Safe Drinking Water, Solar Home Systems, for the betterment of the rural communities. These initiatives complement the Bangladesh Government's efforts of keeping in line with the United Nation's Sustainable Development Goals (SGDs).



Lush Green Plantation in G-K Canal side, Kushtia



Kushtia bypass roadside afforestation

COMMITMENT FOR A GREENER TOMORROW

Afforestation, the flagship CSR Programme of BAT Bangladesh, started in the year 1980. Every year BATB distributes 4 million free saplings and so far, the organisation has distributed 95.5 million free saplings across the country. This relentless effort makes the programme, the largest private sector driven afforestation programme in the country. BATB is committed to continue this programme in line with the global and national drive to combat the adverse effects of climate change as well as to adhere to the Bangladesh Government's aspiration to achieve the Sustainable Development Goals (SDGs) set by the United Nations. Shah Amanat International Airport, Lalon Shah Bridge, Jamuna Multi-Purpose Bridge, Lama-Alikadam highway, Polashbari highway, Kushtia G-K canal side plantation etc. are some remarkable landmarks of this project.

STOCK

SAFE DRINKING WATER

Probaho is an initiative to provide arsenic free safe drinking water to the arsenic prone rural communities in greater Kushtia, Rangpur and Manikganj. This initiative is aligned with the Government's aim to achieve the Sustainable Development Goals (SDGs) of securing sustainable access to Clean Water and Sanitation. So far, BAT Bangladesh has established 73 water filtration plants in arsenic prone locations. These plants provide more than 400,000 litres of safe drinking water that is free from arsenic and other impurities to ensure pure drinking water for almost 190,000 people in this rural



Stream of Pure Drinking Water from Probaho Water Filtration Plant, Jhenaidah

SOLAR HOME SYSTEMS

The absence of electricity means that the lives of people in most rural areas almost always come to a halt after sunset. The Solar Home Systems project has been undertaken since 2011 in the name of 'Deepto' by BAT Bangladesh with an aim to bringing electricity to the lives of off-grid people of Bandarban, Khagrachari and Rangamati districts. Today, almost 12,000 people are getting electricity for the first time due to 2,064 units of solar home systems, installed by BATB. This initiative complements the Government's efforts in the renewable energy sector in achieveing the United Nations' Sustainable Development Goals (SDGs).BAT Bangladesh propels to support the Sustainable Development Goal (SDGs) of United Nations through its CSR programmes. So, BATB is committed to continue the CSR efforts in order to support the communities and the company aspires to increase the number of beneficiaries to create more impact in the society.



Indigenous Woman Weaving Basket under the Light of Deepto – Solar Home Systems, Lama

SUPPORTING A GREAT CAUSE – AUTISM

Every contribution counts

Being one of the pioneers of CSR patrons in Bangladesh, BAT Bangladesh has been actively contributing to the communities through various activities like afforestation programme, providing safe drinking water and solar home systems. Recently, we have been supporting the less and under privileged people in the society through our employee engagement.

BAT Bangladesh aspires to stand by the underprivileged autistic people to support through public and private partnerships and make them skilled individual to be independent and subsequently create employment opportunities for them. The company and its employees have been contributing in various organizations such as Proyash, PFDA-Vocational Training Centre, Aastha Trust, etc.

Bangladesh has become a role model in South Asia in driving awareness in Autism and we would like to be a part of this journey going forward by responsibly contributing every step of the way.









International Women's Day; with special-needs individuals

This year the Women's day was unique, spent for a purpose with the autistic members of the PFDA-Vocational Training Centre, their parents and mentors. We got a glimpse of their daily struggles from which they progress and rise beyond in their own capacity. Championing the motto #PressforProgress, we celebrated the occasion together by sharing stories and experiences with each other; followed by a cultural performance by them.

SUSTAINABLE AGRICULTURE

Improving soil fertility and conserving water are the integral elements of good agriculture practices(GAP). BAT Bangladesh provides the technical know-how and supports to install compost pits in the homesteads of its registered farmers. This significantly reduces dependence on the use of chemical fertilizers and also reduces the cost of production.

BAT Bangladesh acknowledges the impact and dependency on biodiversity & the value of ecosystem services such as forest products, soil and water resources. Hence, to make farming community aware on the importance of biodiversity and its contribution to the ecosystem. so far, 72 biodiversity corners have been established and they are located in the Kushtia, Meherpur, Chuadanga, Jhenaidah, Rangpur, Manikganj, Bandarban, Khagrachari and Cox's Bazar districts.

BAT Bangladesh follows ministry of agriculture's direction and direct all its farmers to grow tobacco 50 feets away from any water/river source. As a responsible company, none of our farmers grow tobacco near any religious or educational establishments and we maintain 200 feet distance from all religious/educational instituitions in the community.

The organic matter content of our soil is low (>1%) due to high crop intensity (180%). Lack of knowledge on negative impact among farmers leads to increased and imbalanced use of inorganic fertilizers, adding additional threat to soil health. The government is very keen to improve soil fertility by means of bio-friendly approaches. In support of this national agenda, BAT Bangladesh has introduced a couple of initiatives amongst its farmers with a view to reduce dependency on chemical fertilizers & essentially replenish the nitrogen content and organic matter level in the soil.

GREEN MANURING

Green Manuring with 'Dhaincha' (Sesbania sp.) cultivation is one of the most effective bio-friendly approaches. Dhaincha, being a member of the leguminous family, fixes atmospheric nitrogen through its root nodules and once it is ploughed back to the soil, the nitrogen as well as organic content matter of the soil is enhanced. Dhaincha in its vegetative growth stage (45-50 days after seed sowing) are ploughed back and incorporated into the soil and irrigated for faster decomposition (normally it takes 10-15 days to mix up with the soil).

Through strong motivation of the farmers, educating them on its benefits, free seed distribution and demonstrating the cultivation processes, BAT Bangladesh has successfully introduced and implementing this initiative among the farmers since 2000. Every year BAT Bangladesh distributes 250 MT Dhaincha seeds at free of cost with an intention to coverage 75% of the registered farmers.

Moreover, Dhaincha seed is directly purchased from the farmers at market price which also encourages farmers to grow Dhaincha on a commercial basis. Considering its benefit in light of sustainable agriculture, BAT Bangladesh will continue this initiative in future days.



COMPOST PIT

Compost is an organic matter that is decomposed in the soil and recycled as a fertilizer and plant nutrient. Compost is a key ingredient in organic farming. At the simplest level, the process of composting requires making a heap of wet organic matter known as green waste (leaves, food waste, animal excreta etc.) and allowing the materials to break down into humus after a period of weeks and months. To expedite the decomposition process, generally a lump of urea is added to the heap. The decomposition process is aided by shredding the plant matter, adding water and ensuring proper aeration by regularly turning over the mixture.

As a part of bio-friendly agricultural practices, the Company provides the technical know-how to install compost pits in the homesteads of the tobacco farmers and to use the decomposed organic manure. The farmers coverage of compost pits is around 62%. This significantly reduces dependency on the use of chemical fertilizers for agricultural production and also decreases the cost of production.





The Company has been expanding Integrated Pest Management (IPM) Clubs in Leaf Growing Areas in collaboration with the Department of Agricultural Extension of Govt. of Bangladesh, to educate the farmers for adopting to non-chemical alternatives for insects and pest managements 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. Therefore, they have adopted the biofriendly approaches like as Neem Leaf Decoction, Bird Perching, Trichodarma, Pheromone Traps, Yellow Board etc.

SUCCESS STORIES

Bangladesh is a land of infinite possibilities. However, it must be acknowledged that our main driver of development is agriculture, because only progress in agriculture can ensure the progress of industry, commerce, and business — or in other words, lead to overall growth. This is why agriculture is at the core of our identity, it is our roots. In this agriculture-centric nation, it is the farmers who forge our destiny and their hard work and dedication propels this nation forward. We want to bring you the stories of six such dedicated and visionary farmers who have propelled themselves forward through their firm convictions. Through the realisation of their own dreams, they have created for us a new horizon of hope and possibility. We believe that these individuals, who are defined by their roots, exemplify those ideals that we all can imitate. This is our humble effort to exalt these personalities — Sowing Seeds of Success.

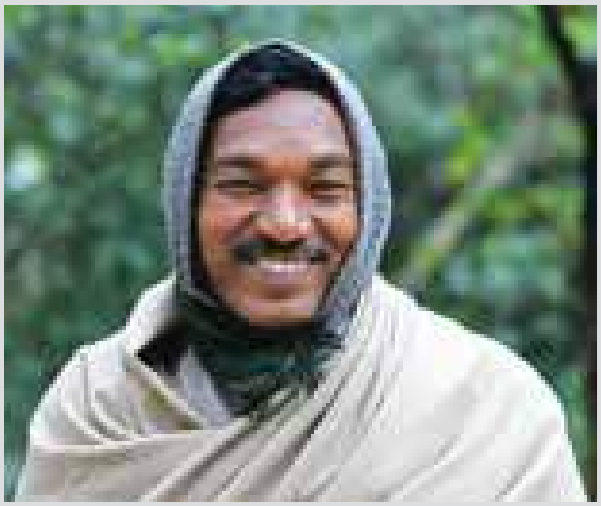
YUNUS ALI HEMM



GOCHING MARMA



MOHAMMAD SIRAJUL ISLAM





"Right next to the growing sons in his family, his trees also grew and provided the thick canopy of green on either sides of the canal. It was 1991 when he leased six kilometers on each side of the GK canal and that is when the rivalry against him began. For three years in a row in the cover of the night, his envious cowardly rivals chopped down his saplings. But Chhiru did not back down"

MOHAMMAD SIRAJUL ISLAM

In Horinakunda upazila of Jhenaidah district, there is a bus stand in Arekpur for buses departing to Dhaka. Mohammad Sirajul Islam's home is right here. But hardly anyone would recognize him by this formal name. He is known to all in Arekpur village by his nickname Chhiru Miah.

Chhiru Miah is an accomplished man as he stands outside of his doorstep. His life's tale is an elaborate one, where there is as much to tell about the long road to success through endurance and suffering, as there is to share about the harassment and abuse that he has been subjected to by the conspirational schemes of some envious and resentful acquaintances.

Chhiru Miah was bereaved of his father a very early age. His father had left behind a small amount of land, but there were several stakeholders who manipulated that property into their own control. So to ensure his own survival, he has had to forsake his education and plunge into the real world. There was almost nothing that he did not try – at some point he even ran errands, cleaned and fetched when asked! As he grew a bit older, he settled into the life of a sharecropper. The dark turbulent days of poverty and hardship slowly began to clear up. His fate changed a little more when he started growing tobacco. In the regions of Kushtia, Meherpur and Jhenaidah, farming tobacco was not a new thing. The reliance on the cash crop has existed for generations. Even better was that the market price also remained predictable. But to claim the benefit of a set price, one had to be a registered farmer with the Company. Because, he did not have his own land, Chhiru Miah could not register as a tobacco farmer in his early days. He started growing tobacco on a small patch of land in 1974. While it was true that the sale from tobacco gave him good income from time to time, he was never able to save a large amount because he did not own the land that



UNDER STORY

he farmed. One day, something surprising occurred. Inthe early morning, an officer from BATB appeared right in front of his house. He told Chhiru that he was going to take him to show a tree plantation. It was the year 1978 and that was the first time Chhiru rode a heavy duty vehicle. They toured many aread of Meherpur and Kushtia, and together they observed along the roadside, on stretches abandoned land, on the banks of the Ganga Kpotakkho project canals of Water Development Board, rows and rows of various types of trees. When the officer asked Chhiru if he could raise plantations like those given that land would not be an issue and seedlings too for free. Chhiru gave his assent. In Arekpur village, the canals of the GK project pass very near his house. He therefore, leased for four kilometers on each side of the canal, for a total of eight kilometers of planting ground. The deal was that ten percent of the proceeds from the sale of trees would go to the Water Development Board. The very next year, for four kilometers on either side of the canal, he planted 65,000 saplings of Ipil-ipil, Mahogany and Rain Tree. He hired three caretakers for 800 taka per month each to look after the trees.

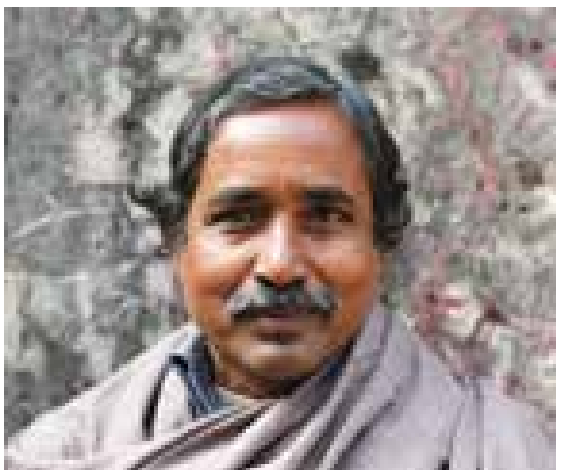
Chhiru Miah married in 1987. Two sons were born to him and his wife. Right next to the growing sons in his family, his trees also grew and provided the thick canopy of green on either sides of the canal. It was 1991 when he leased six kilometers on each side of the GK canal and that is when the rivalry against him began. For three years in a row in the cover of the night, his envious cowardly rivals chopped down his saplings. But Chhiru did not back down. Hi hired additional caretakers to patrol the plantations at night. He informed the Company about the incidents. He also brought it to the knowledge of the Water Development Board. They made a verbal complaint at the local police station on his behalf. Sometimes the police passed by the plantation to patrol. His enemies then were forced to stop cutting his trees.

The trees from the first planting were ready to be felled by the year 1998. He sold the trees and received cash worth eight hundred and fifty thousand taka. Using five hundred thousand taka of that money, plus one hundred thousand taka from his own savings and loan from the bank, he procured a Tata truck. He easily repaid the loan from his tobacco earnings on the following year. A part of the money from the sale of the trees remained as a partial investment in the truck. When he sold some more trees in the year 2000, he made an income of 1.6million taka. The following year, he invested the money on a 21 decimal piece of land next to Jhenidah Cadet College, bought another Tata truck for nine hundred and fifty thousand taka in the year 2005, and also brought a 7.5 decimal land in Arekpur village. In 2007, he bought his first Hino chair coach. Although he liked being in the transportation business, he admitted that it was not hassle-free. He has hired people for that business, who look after the vehicles. He has brought eight acres of land. He wants to spend his day doing what he likes best, farming and cultivation.

Chhiru has two chair coaches under his business named 'Chuadanga Paribahan'. One of them piles the Dhaka-Chuadanga route while the other serves the Dhaka-Narayangabj Route. He has two big trucks. His transportation company's offices is on the first floor of the shopping complex right next to the bus stand. So there should be nothing wrong in addressing in Chhiru Miah as a transportation businessman, but that is not the case, because he doesn't want that title for himself.

He only grows a small amount of tobacco now, on about one acre of land. And that too, is mainly for the reason of maintaining his very long-standing relationship with the Company. It is from the bounty of this Company that he has come so far. Chhiru Miah always like to reminisce, "This Company bought the truck, I heeded the advice of an office of the Company to change my clothing to trousers. I owe it to this Company that I have been able to educate both my sons, one of whom is studying at Jahangirnagar University and the other at Chuadanga Government College. I still have not cut my cord with the Company." As he said these words, Chhiru Miah, a man who has suffered perennial adversities, and he had toiled through the endless struggles, seemed to mellow – his voice became heavy and his eyes welled with tears. When such words are spoken couples with these emotions, their sincerity can hardly be of doubt.

VIVAR STOCK



YUNUS ALI HEMM

He sports a thick moustache. The salt and pepper hair on his head is a bit untied but suits his face just right. He is sixty years old. When he speaks, the laugh lines that show up at the corner of his mouth are truly compelling. He is Yunus Ali Hemm. He is from Bondobil village, Alamdanga Upazila of Chuadanga district.

He has been the breadwinner of his family for quite some time now. After the properties of his predecessors were divided up to the very last inch and the due shares of all family members were sorted and distributed, all that remained in his share in its entirety was a meagre of 4 acres. If one simply farmed jute and paddy run on that land, it would be almost impossible to sustain a family with the income. What truly salvaged him was the tobacco that he cultivated on 2 acres of that land. The income helped him from asking for relief from others and that was the main factor that enabled him to educate his son to become strong and independent.

All his dreams surround his only son, Saddam Hossain. Hemm himself had never had the chance to go to school. So he always thinks about giving quality education to his son. It seems like the dreams of the father became those of the son as well. Saddam obtained first division marks in his SSC exams from Chuadanga in 2000. He also obtained first division in his HSC that he appeared from Kushtia Government College. The son wanted to study Computer Science; he wanted to get admitted to BRAC University. That would cost almost one million taka. In 1.2 acres of his land, he had planting saplings of Ipil-ipil, Akashmoni and Rain Tree donated by BATB in 1990. He decided to arrange for the money for Saddam's university admission by selling those trees. Saddam left for Dhaka to begin his education.

It would take another one million taka before Saddam would finish his education. His school

"His son passed his Master's examination with flying colours. Hemm had said, ''Being a farmer with such little land, one cannot progress very much on the earnings. Even I would have not survived. It is only because of the earnings from tobacco that I could dream of my son's future, and educate him all the way''.

There is another memorable moment in Hemm's life. No sooner than his son had just finished his Master's course, did he find a teaching job at his alma matter BRAC University."



RESTORY

fees and other costs added up to quite a high amount, but Hemm did not despair. He would gather the funds no matter how difficult it may be. He drew courage from the fact that every year he had at least one certain source of income. That was his earnings from sale of tobacco. He felt that another solution would soon present itself. Alongside his crops, he introduced sheep and goats into his farm. By 2011, his animals numbered 40 sheep, 20 goats and 12 heads of cattle. In his own words, he had "Been a farmer and become a shepherd!" He worked tirelessly on his farm and fields. Little by little, saving grain by grain, he managed to gather the entire amount needed for his son's education. He didn't have to ask for help from anyone. His son passed his Master's examination with flying colours. Hemm had said, "Being a farmer with such little land, one cannot progress very much on the earnings. Even I would have not survived. It is only because of the earnings from tobacco that I could dream of my son's future, and educate him all the way".

There is another memorable moment in Hemm's life. No sooner than his son had just finished his Master's course, did he find a teaching job at his alma matter BRAC University. His son called him on the telephone and asked him to attend his convocation ceremony in Dhaka. He wasted no time ; accompanied by a relative , he went straight to Dhaka for his son's convocation. He described the event in this way - the ceremony was in a very large hall room. Expensive, gleaming cars pulled up there and students aligned from them with their parents. The students all filled up and collected their certificates from the decorated stage. At one time. Saddam also went onstage to receive his certificate. The sight of his son on stage made his heart want to explode with unexplainable pride and joy.

The ceremony came to an end. He had walked out with his son and they were standing outside of the hall room. Then a car pulled up at the entrance, and a man dressed in a suit came out of it with two children. When they saw Saddam, both children addressed him as 'Sir', and raise their hands in salaam. Saddam then introduced the children and their father to his own father, simply saying "My Father". Both the children gave their salaams to Hemm. He became slightly unnerved. He was totally moved by that show of respect by such educated children from the city, to a humbled man like him. But then he was to be completely overwhelmed when their father gave his salaam and approached him to grab his hand in a handshake. Hemm found no words to explain his feelings at that time.

"You will not believe what was going through my mind then. I felt that all the pain and suffering that I had endured all these years to raise my son, had been wiped away in one sweeping stroke." Hemm recalled then, his centenarian father Abu Musa Mollah who he had left at home, who had started cultivating tobacco as his livelihood from the time of Pakistan era. Both father and son had worked on their farm and field to feed the family.

Hemm has returned to the village. It is the land where the soil is enriched through his sweat. He has departed Dhaka with only these words of advice for his son - he had worked very hard himself to provide enough for his son's education through honest means, let there be no dishonest income ever to enter the household of his son.
Yunus Ali Hemm can even live in the city with his son now. "Will you move there if your son wants you to?" he is asked. No, he responds, he does not have any plans like that. Why would he go? Who would know him in the city? In this small village, everyone knows him, and they love him. Whenever people ask, he replies with pride, that his son lives in Dhaka and teaches at a University. No, his destiny is in his village with its simple ordinary people. He will roam the fields with them, and he would graze his sheep with content. The people around him would know that the man, who lives with the name Hemm, has reached the peak of contentment, and he lives in a deep calming peace.

WWF Copy



GOCHING MARMA

Mukhpara village lies on medium-sized hill, a short distance away from the jamchhari crossroads. Mukhpara is a village of the Marma community,18 kilometers of Bandarban town. Array of green hills surround this village. The house of one Goching Marma is located towards the middle of the settlement.

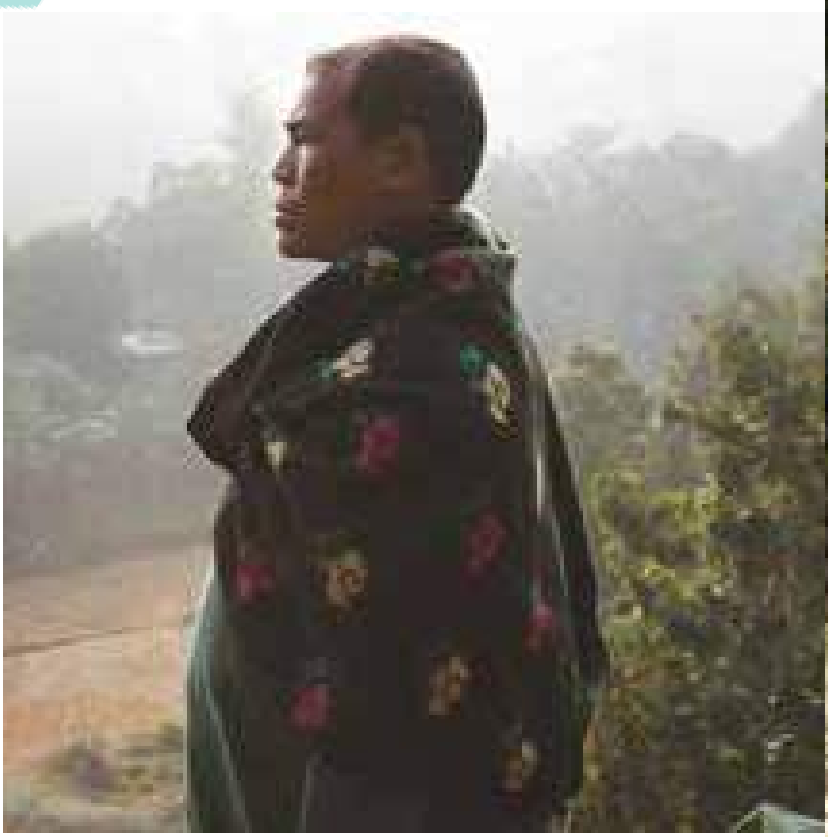
His life had begun amid dire poverty. His father owned a small patch of farming land where it was difficult to cultivate anything else except some nuts and mustards. From the time that he was barely old enough to work, Goching Marma has toiled as a day laborer in others' farm, or scraped together a living from cutting bamboo and wood from the forest.

His life took a turn in 2000.A few years before that, tobacco cultivation had startedbeing taken up in some of the areas of Bandarban. Acting on a neighbours suggestion, Goching Marma planted Tobacco on a portion of his family farming land. The crop cycle was a short three months and there was no hassle to find buyers. The company would directly buy his harvest. Goching swiftly found himself the owner of nearly one lac taka. With this cash windfall, his life deprivation and despair suddenly found new meaning. He found the means to move on.

With the earning from his first tobacco crop, Goching leased two more acres to farm tobacco the following year. In 2004 he cultivated four acres. He managed to put away a subtatial sum of cash in this way. At this juncture he wasted no time in defining the three main Goals of his life-to succeed in business, to give his children a proper education and to build a comfortable family home.

"The man who once worked for a daily wage at other people's farms or had to toil for an income by cutting bamboo and wood in the forest, no longer existed- he had become the proud provider for a happy family. Goching has two boys and two girls. He has spared no effort in providing good quality education to his children."

The man who once worked for a daily wage at other people's farms or had to toil for an income by cutting bamboo and wood in the forest, no longer existed- he had become the proud provider for a happy family. Goching has two boys and two girls. He has spared no effort in providing good quality education to his children. His eldest so Uchingma is a good student, Earning his Higher Secondary Certificate (HSC) from Bandarban Cantonment Public Scholl and college in 2011. He is now studying for his university admission examinations. Next in line are his two daughters. The elder Ongsin yuan



VIVAR STOCK

youngerUsongpru are studying together in class nine. The youngest son Ongala is student of class seven. The younger children live in Bandarban town in a house that Goching has rented for them, because it is near impossible to commute the long distance from their village home in Jamchhari crossroads to their school in town. Goching therefore made his alternative arrangement for their education. He even arranged for them to receive private tution in bandarban. Just like their elder brother they are all doing well in their studies.

An ambitious man Goching, realized his dream of doing business through first buying a rice mill.Although all the resident in his are awere rice growers,there had been no rice mill in their village until then. So in 2002 , he invested almost one hindred and fifty thousand taka to set a building next to his house and install a rice mill inside it. As the wheels of the mill Chugged, so swelled his income. In addition to that, he of course has a guranted income of around four hundred thousand taka every year from the tobacco that he farms. The following year brought more changes-he spent almost one hundred thousand taka to buy supplies with which he set up a small grocery store outside of his home. Later he bought a power tiller and then in partnership with his neighbours, procured joint ownership of a heavy duty vehicle. Lastly he put up a concrete building at Jamchhari crossroad to establish the largest grocery in the area and connected the area to satellite television channels. On the roof of his house sits three large glistening satellite antennas. In the city such a site of antennas will not arouse the curiosity of many but an array of these antennas on the roof of a village home, and that too in these hills 18 kilometres away from Bandarban town on difficult roads, is not only a matter of curiosity but also astonishment.

However, Goching does not bother about dwelling on such matters. He is least concerned about who is noticing and what they wonder about. Most importantly, where is the time for such thought? He is always thinking of new ideas that he can put to work.

Not having enough time on his hands, Goching has given the responsibility of managing the small shop in front of his home to his wife. He quite content to oversee the rice mill adjacent to the house, and manage the large grocery store at Jamchhary crossroad on his own.

Goching has not bought much land. He has not increased the size of the four cares that he used to lease while farming tobacco-the only diffence is that he now owns that land. Aside from that, his forefathers used to own a teck plantation deep in the hills which he had bought from his father around ten years ago at a cost of thirty thousand taka. The trees in that plantation are almost 25 years old now, and there are about thousand trees in that plantation, last year he sold 250 of them for 2.6 million taka. With the money that brought, he bought a 480sq. yard plot of land in Bandarban town. Now his plan is to build a house on that plot.

Goching Marma is no longer the name of a man with needs unmet; with his wife, four children and community of well-wishers, he is a person who who is never short of content.Goching now sets forth the countenance of an accomplished and joyful man who stands at the height of success like blazing sun among the marginalized people of the hills.

SHUTTERSTOCK



TOGETHER FOR A **BRIGHTER NATION**

The pervasive lack of energy supply and appropriate infrastructure had undeniably affected the rate of Bangladesh's progess in the past few decades. The Government of Bangladesh has been working continuously and vigorously to tackle the situation and aligning themselves to meet the SDG's. BAT in return has been engaging with the government to work alongside and thus introduced solar home systems project name "Deepto" in 2011. Through this initiative BATB has provided electricity to 12,000 people in rural areas by installing 2,064 units in Bandarban and Khagrachari districts.



STRONGER TOGETHER

BAT Bangladesh believes that its people are its strength. And keeping in line with the Government's SDG of promoting "Decent Work and Economic Growth", BATB puts in considerable efforts to develop its infrastructural capacity, policies, support mechanisms and leadership development trainings to ensure that its employees have an organisational environment that promotes considerable growth in terms of skill development and leadership. With such initiatives as the rigorous promotion of a gender-diverse organisation, BATB has been distinguished with numerous National and International awards, including the 'Diversity Impact Award', 'Best Recruitment Evaluation Technique' and 'HR Event of the Year' for Battle of Minds. The Company was recognised as the 'Dream Company to Work for' Award. Ms. Rumana Rahman, Head of HR, BAT Bangladesh recieved award from the Honorable State Minister of ICT Division Mr. Zunaid Ahmed Palak.

BATTLE OF MINDS '17

Battle of Minds (BoM) is a label recognised by all young and talented enthusiasts of the country as this name not only represents a well-regarded recruitment platform that congregates the most dynamic ideas and innovative strategy generation, but also provides a stage to prepare oneself to enter the corporate world. BoM has been concomitant with esteem, class and prominence for 14 years now. The tagline of the competition, "What are you made of?" depicts how strongly young minds of the country are able to manage the high-powered domains of any business environment by delivering their best efforts and capabilities through determination and resoluteness.

This year BoM alumni, with several BATB officials, visited some of the top universities of the country to hold roadshows. They took to the stage to enlighten the students about the competition and its rounds. They also utilised the opportunity to share inspiring tales of how the competition motivated them to showcase their expertise and skills and pushed them to their limits for results of distinction and brilliance. After completion of the roadshows, clear instructions were given to the students about how to apply for the competition. This year the competition reached great heights with more than 2,300 applicants, out of which only 500 preeminent candidates were selected in the first round, which was an online assessment for checking the cognitive and cultural mind-sets of the candidates. Later, they were tasked to prepare a video that portrayed their insights about one of the major issues of the city they live in and how as average citizens they could try to solve the problems they identified.

From the numerous original and innovative solutions that the candidates provided to solve various problems of the City, the best 175 participants were requested to participate in a daylong Boot Camp at the BATB head office. The day was titled "A day Full of Surprise" as the BATB team had organised various activities for the participants, who had little or no idea about what was awaiting them on that day. The day began with an ice-breaking session followed by a fun Zumba session. Afterwards the interactive



Workshop with DMP



Case kickoff with Semi Finalists

SHUTTERSTOCK



started with various speakers from different spheres of business sectors, inspiring the candidates with their success stories and insights. The day ended with a group discussion where the assessors tested the candidates' ability to deliver their knowledge on a given case study and their knack for influencing the group's thinking.

The top 40 participants triumphantly proceeded further from the Boot Camp session to the final ultimate challenge of resolving the problem of traffic congestion of Dhaka City with their groundbreaking extraordinary ideas. The participants were given guidance and support, and were mentored in every sphere of the competition. They were taken to meet the Commissioner of Dhaka Metropolitan Police to understand the current traffic situation of the City. The participants were divided into 10 teams, with 4 members in each team, who had to demonstrate their ideas in front of a panel of experienced judges, among which 6 teams qualified for the finale. The finalist teams were tasked with actually implementing their ideas which they had presented in the prior round, and monitor the constructive outcomes. After the fierce one and a half month of competition, Team 360 Degrees of BUET took home the trophy of Battle of Minds 2017 for the first time in 14 years. Murtaza Wasi, a member of the winning team, said, "Going to multiple locations of the City and analysing the traffic situation wasn't an easy task for us to do, given the many reasons why traffic jam is so widespread. We circulated our solution for traffic congestion around the major problem of illegal parking. Our idea was to create an app to facilitate other vehicles to park in empty parking spaces of residents who take their vehicles out for daily use."



BoM is unparalleled to any other competition. It augments and develops the capabilities of fresh graduates to a high degree of proficiency to prepare them as imminent business professionals. BoM also contributes further to the nationwide projection of human resource development. The Head of Legal and External Affairs at BATB, Mubina Asaf said, "It is a platform where fresh minds are utilised for the greater good of the society and where their talents are used to make this country a better place to live in."

WELFARE TO PROGRESS

BATB has been on the forefront of being a responsible and law-abiding organization due its continuous process of introduction and implementation corporate best practices. The organization has been relentlessly working to ensure employee satisfaction 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, BATB has consistently been recognized as one of the most preferred employers in the country. The organization 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.

FOOD & HEALTH SERVICES

Some of BATB's initiatives to ensure welfare of its employees include:

- Ensuring proper nourishment and hygiene of employees by providing them with food that is healthy and nutritious, as well as running free-of-cost campaigns on hygiene.
- Providing a full time doctor and a pharmacist are present in the premises at all times to ensure every common and emergency medical issue that may arise are given top priority.
- Keeping an ambulance standby at all times for any emergency support needed.
- Fully covers hospital tests and admission costs,along with providing regular blood pressure test services and medicines within the organisation's premises.

WORK WITH ENTERTAINMENT

BATB 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, snacks corners and henna painting corners are provided for entertainment of adults. Arrangements are made for family sketches and family portraits. This is a way for, the employees to have a full day of entertainment and extracurricular activities for all members of their families.



Kids Carnival

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

BATB holds 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 organization.

Children's Carnival, a half-day event, is also held annually at an amusement park. The 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, math race, as well as other contest. Next program Eid e-Milad-un Nabi celebration and Team-Iftar are held annually during the month of Holy Ramadan. In addition, there are also some of the Annual celebrations that are observed by the organization.





Family day activities

SUPPORTING EDUCATION

BATB provides scholarships for the highly meritorious children of its employees for exemplary results in S.S.C./O-Level and H.S.C./A-Level exams. This scholarship continues till their graduation to encourage the student to continue their education. In 2017, a total of 105 individuals were awarded scholarships based on their results.



Eid-e-Miladunnabi



Annual Picnic

SAFETY PROCEDURE

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

To ensure awareness among employees, the Company carried out various kinds of communications including awareness programs for managers, employees and contractors throughout the year. Weeklong campaign titled 'EHS Awareness Week' was arranged focusing on safe work practices on production floor and in warehouses and offices. BATB believes in 'Our People, Our Strength', and accordingly nurtures its employees with its best effort.

HUMAN RESOURCES VALUE CREATION

At British American Tobacco Bangladesh (BATB), our people are our strength. We create value for our employees whether they are management or a non-management by investing in them and ensuring that there is growth for them at BATB employee in terms of remuneration, learning and promotions. We acknowledge the contribution of every employee in the outstanding performance of our Company over time. We make sure that our employees are provided with a work life balance so that they can create value for the Company. By investing in our people, we have been able to keep our market lead in the tobacco industry in Bangladesh, ensuring high quality products manufactured in a safe setting and unique branding and marketing of the products and innovation in sales to confirm a continued sales growth. As the organisation grows in size, we ensure that value creation remains the same across all levels of the company in all regions of the country.

Creating Value for Our Employees			
Recruitment in 2017	Employee Development	Opportunity	Awareness on Social Issues
105	BDT 0.1 Million per Employee	74 Promotions 15 International Assignments	Onboarding, Fire & Safety Training, Health & Safety Training
Dignity, Health & Safety			

Human Resources Accounting

BATB is keen to measure the collective investment in human resources and consider its Rate of Return towards the organisational goals. In doing so, BATB has started to consider Human Resources Accounting (HRA), which is the process of identifying and reporting expenditures related to the human resources of an organisation that are presently unaccounted for in the conventional accounting practices. In addition to external financial reporting, HRA may be useful as a managerial tool to aid in making managerial decisions that will benefit the long-run strategic goals and profitability of the organisation. In the HRA approach, expenditures related to human resources are reported as assets on the balance sheet as opposed to the traditional accounting approach which treats costs related to the Company's human resources as expenses on the income statement that reduce profit.

Objectives and Benefits

Success of any entity, in today's competitive business world, comprehensively depends upon the quality of its human resources. It can be said with great emphasis that the human element is the most important input in any business enterprise. As a result, great attention must be paid on investment of human resources and on the return of such investments. The purpose of HRA is to evaluate the impact of the employees in monetary terms which focuses on how much investment the company has made on its employees and how much return it can expect from this investment. HRA enables the management to monitor the use of human resources and also increases managerial awareness for effective utilisation of manpower.

Financial Reporting Standards

International Financial Reporting Standards (IFRS) currently do not have any standards for HRA. In

FINANCIAL STOCK

Bangladesh, Human Resources Accounting has not yet been introduced as a requirement by any statutory authority or any regulatory bodies. As a result, disclosure of such information is voluntary for the organisation.

HRA in BATB

BATB is following conventional accounting practices as directed by the standards of regulatory bodies. As there are no specific accounting standards regarding HRA, valuing the human resources and measuring the direct impact of the cost of spending for employees is difficult. However, BATB is using the concepts of HRA in making important management decisions that will benefit the long-term strategic goals and objectives of the company.

Value Created by Our Employees

	Unit	2017	2016	2015	2014	2013
Full Time Employees	No.	1453	1,476	1400	1353	1251
Gross Turnover	BDT in Million per Employee	140.49	112.22	102.65	93.66	87.59
Operating Cost		4.80	4.02	3.92	3.13	3.37
Training Cost		0.17	0.11	0.17	0.16	0.22
Operating Profit		12.25	9.43	9.43	8.53	7.60
Profit Before Tax		11.53	8.92	8.90	8.03	7.28
Profit After Tax		5.39	5.14	4.20	4.64	3.94



BAT WAY Mastermind



Leading Self



Leading Managers



Will to Lead

STARSTOCK

HEADING FOR GENDER EQUALITY:

FEMALE FRIENDLY ORGANISATION

BAT Bangladesh has been committed to ensure equal opportunity and diversity within the workplace so that every gender, ethnicity and race are reflected within our workplace. We accord transparent employment opportunities and a working environment that guarantees fair treatment of all our employees regardless of their gender, status or other prejudicial grounds. Gender neutrality and impartiality are procedures and practices adopted by BAT Bangladesh in order to thrive and achieve the goal of providing everyone with an organisational culture that promotes and provides a discrimination free platform.

Through relentless efforts in developing infrastructural capacity and policies, support mechanisms and leadership development trainings, BAT Bangladesh promotes diversity and thus, there is currently 13% female representation within the workforce, with 29% of the company leadership roles being held by women. Females in this organisation embrace manifold facilities and trainings for developing themselves as stronger, secured and successful persons.

To ensure gender diversity and coexistence at our workplace, there is a guideline on behavioral codes in place along with a sexual harassment policy that is also a part of our Standards of Business Conduct (SoBC). The implementation of the policies is very strictly maintained in the organization and disciplinary actions are taken within shortest possible time based on the investigation findings for any kind of breach of sexual harassment policy and other behavioral codes. In addition, there are forums such as 'Gen W', 'Lean in Circle' etc. where females share any kind of jeopardy, conflicts etc. that they are facing. In 2016, BAT Bangladesh has incepted a Diversity platform known as 'Symmetry' including female and male represntatives. The philosophy of this initiative is to re-look at diversity through a different lens and evolve to 'Inclusive co-existence'- a step change from only focusing on 'gender diversity'. Symmetry is aimed at driving tangible outcomes. 6 work streams of this platform include Leadership Orientation, Recruitment, Policies, Shop Floor Diversity Readiness, Trade Marketing & Distribution Diversity Readiness and Symmetry Sessions. Till date, significant work has been done through this platform in building support forums, tailored recruitment process, diversity policies and awareness and upgrading infrastructure to make working environment more conducive for women in the field.

As an organization, we drive awareness campaigns in the likes of cervical cancer, breast cancer, Hepatitis B, Health Weeks, Occupational Health and Safety, and Environmental Hazard and Safety



Ms. Mubina Asaf, Head of Legal & External Affairs, Ms. Rumana Rahman, Head of HR and Mr. Shehzad Munim, Managing Director receiving the 'Most Female Friendly Organisation' Award at the Women Leadership Summit

that helps employees to stay alert on health hazards and seek necessary help as and when required. In addition to Health and Awareness campaigns, we have a 24-hour Dispensary equipped with an ambulance and a doctor round the clock. BAT Bangladesh is an organisation that helps it's female employees to embrace motherhood without compromising their careers. Apart from providing maternity leave, to address the unique needs of urban parents, the organisation has the amenities of a Day Care Center named 'Angel's Nest'. In addition to the above, facilities such as female prayer rooms, female washrooms, odd hour transportation facility and recreation facilities like sports fields, tennis and badminton courts ensure that female employees can have a healthy work-life balance.



Ms. Mubina Asaf, Head of Legal and External Affairs receiving the Wings Award of Excellence for Corporate Leadership

Women in BAT Bangladesh receive many trainings and development programmes such as 'WILL TO LEAD', 'WOMEN IN LEADERSHIP', etc. These programmes help them to develop their leadership skills for different leadership roles within the country and beyond. These platforms also allow them to experience a development opportunity and network with female colleagues across different regions. As a part of developing the future potential leaders within BATB, female managers also receive mentoring from senior managers and top team members. The mentorships are extended beyond day-to-day work and into fulfilling their potential, which has a very positive impact for both the mentor and the mentee. Every year, we celebrate womanhood on the occassion of the International Women's Day through real life experience sharing by inspirational women across boundaries. We also present greeting cards and goodies to all the women across the organisation to make our female colleagues feel energised and celebrated.



Ms Adrita Datta (right), HR Business Partner - Marketing and Ms. Farhana Chowdhury,(left) Area Manager - Marketing won the Progressive Women Leader Award and Aspiring Women Leader Award respectively

Our initiatives and endeavours for encouraging a gender-diverse organisation have recognised us with many National and International awards. We have been awarded with the 'Diversity Impact Award' at the Asia Best Employer Award 2017. On the occasion of International Women's Day, Bangladesh Brand Forum had awarded Ms Adrita Datta, HR Business Partner - Marketing and Ms. Farhana Chowdhury, Area Manager - Marketing with the 'Progressive Women Leader Award 2017' and 'Aspiring Women Leader Award 2017' respectively . These are the true testament of BAT Bangladesh's agenda in developing and empowering female managers for leadership. The female leaders of BATB are creating positive impacts in the society by leaving their footprints of success in in the national and international arena. BAT Bangladesh has also won the 'Dream Company to Work for' award in 2017 along with two other awards: 'Best Recruitment Evaluation Technique', and 'HR event of the year for Battle of Minds' from South Asian Business Excellence Award 2017.

ASIA RESPONSIBLE ENTREPRENEURSHIP AWARD

BAT Bangladesh won Asia Responsible Entrepreneurship Award 2017 in 'Social Empowerment' category for IPM Club given by Enterprise Asia



Mr. Masud siddique, Director and Mr. Anowarul Amin, Regulatory Affairs Manager, received the award.

HIGHEST TAX-PAYER AWARD
BY NATIONAL BOARD OF REVENUE (NBR)

BAT Bangladesh was recognized as the highest income taxpayer in 'manufacturing- others' category at Income Tax Fair Program.



BATB Chairman Mr. Golam Mainuddin and Managing Director Mr. Shehzad Munim received the award from State Minister of Finance M A Mannan MP, Dr. Md Abdur Razzaque, MP, Chariman of Parliamentary Standing Committee on Finance Ministry and Md. Nojibur Rahman, Chairman of the NBR.

ADAM SMITH AWARD

BAT Bangladesh has won the 'Adam Smith Asia Award' for treasury innovation and products in Asia-Pacific. BAT Bangladesh won the award in 'Harnessing the Power of Technology' category for mobile banking solution partnering with Standard Chartered Bank and BKash.



The Award was received by Khaled Rahman, Senior Corporate Finance Manager in presence of Nick Brunton, Regional Treasurer, BAT Asia Pacific.

SAFA AWARD

BAT Bangladesh won first position in Manufacturing category at the Prestigious South Asian Federation of Accountants (SAFA) Awards. The award was presented for BATB Annual Report 2016 which was deemed an icon for transparency, responsibility and excellence in corporate governance.



Mr. Azizur Rahman FCS, Head of Public Affairs and Company Secretary received the award.

ICAB AWARD
FOR BEST ANNUAL REPORT

The Institute of Chartered Accountants of Bangladesh (ICAB) has awarded British American Tobacco Bangladesh (BATB) with the "Best Presented Annual Reports 2016" in the manufacturing category for transparent disclosure of the Company's Financial Statements.



BATB's Chairman, Golam Mainuddin and Finance Director, William Pegel received the award

ICMAB AWARD

BAT Bangladesh was awarded First Prize in the Manufacturing category at ICMAB Best Corporate Award.



Managing Director, Mr. Shehzad Munim received the award from Mr. Abul Maal A. Muhith, Honourable Minister of Ministry of Finance.

ICSB AWARD

BAT Bangladesh was recognized in the ICSB National Award for Corporate Governance Excellence in Manufacturing Category.



Mr. Mosharraf Hossain Bhuiyan ndc, Director and Ms. Mubina Asaf, Head of Legal and External Affairs received the award from Mr. Tofail Ahmed, Honourable Minister of Ministry of Commerce

MAR STOCK

‘CEO OF THE YEAR’

SHEHZAD MUNIM
FROM ASIA BEST EMPLOYER BRAND AWARD 2017 PLATFORM

Mr. Shehzad Munim, Managing Director won the ‘CEO of the Year’ award from Asia Best Employer Brand Award 2017 platform

‘DIVERSITY IMPACT AWARD’

FROM ASIA BEST EMPLOYER BRAND AWARD 2017 PLATFORM

BAT Bangladesh won the ‘Diversity Impact Award’ from Asia Best Employer Brand Award 2017 platform

‘LEADERSHIP EXCELLENCE IN COMMUNITY SERVICES AWARD’

FROM ASIA BEST EMPLOYER BRAND AWARD 2017 PLATFORM

Mr. Zahurul Haque Sarker Won the ‘Leadership Excellence in Community Services Award’





‘BEST HR EVENT OF THE YEAR FOR BATTLE OF MINDS’

Battle of Minds won the HR Event of the Year Award in Bangladesh Best Employer Brand Awards 2017 organised by CMO Asia.

‘DREAM COMPANY TO WORK FOR’

BATB was awarded ‘Dream Company to Work for’ at the ‘South Asian Business Excellence Award 2017’ organized by CMO Asia.

‘BEST RECRUITMENT EVALUATION TECHNIQUES’

BATB won the ‘Best Recruitment Evaluation Techniques ’ Award in Bangladesh Best Employer Brand Awards 2017 organised by CMO Asia.



‘BEST CORPORATE SOCIAL RESPONSIBILITIES PRACTICE’

BATB won the ‘Best Corporate Social Responsibility Practice’ Award at the Bangladesh CSR Leadership Awards organised by CMO Asia.

AFFORESTATION AWARDS







RECEIVED NATIONWIDE











BATB IN MEDIA


South Asian Partnership Summit




The Daily Star

Acing business competition and real life

In conversation with Battle of Minds alumni





BUET wins 'Battle of Minds-2017' award


RESILIENCE PERSONIFIED

THE PRESIDENTIAL LEGACY OF BATTLE OF MINDS








প্রশিক্ষক হিসেবে
বাংলাদেশিরা ইউরোপে


পুঁজিবাজারে বহুজাতিক
কম্পানির মুনাফা বেড়েছে


Inspiring women
honoured


daily sun
Solar power brings
light, hope to
hill areas


daily sun
IPM system gains popularity
among hilly farmers


CHALLENGE
The single biggest
threat of victory

PEOPLE BRINGING THE DIFFERENCE



LEGAL & EXTERNAL AFFAIRS



SECURITY



HUMAN RESOURCES



INFORMATION TECHNOLOGY



MARKETING



BUSSINESS DEVELOPMENT



OPERATIONS



FINANCE



CBA REPRESENTATIVE



HUMAN RESOURCES
TEAM IN BATTLE OF MINDS EVENT



MARKETING
TEAM IN FUNCTIONAL EVENT



OPERATIONS
TEAM IN FUNCTIONAL EVENT



FINANCE
TEAM IN FUNCTIONAL EVENT

SNAPSHOT



BATTLE OF MINDS



50 MILLION PRODUCTION CELEBRATION



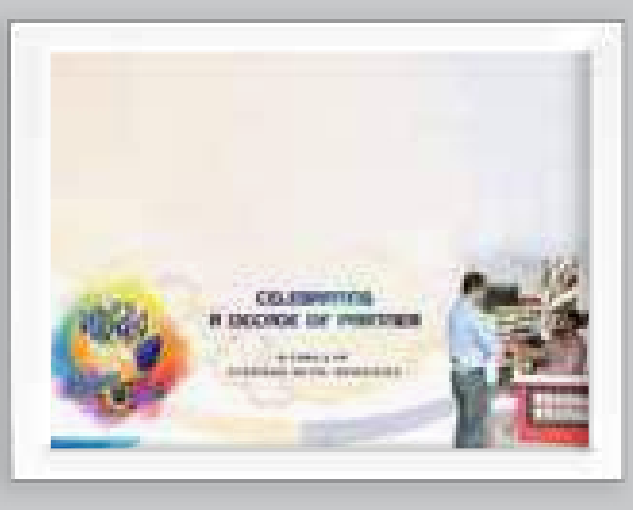
ANNUAL GENERAL MEETING



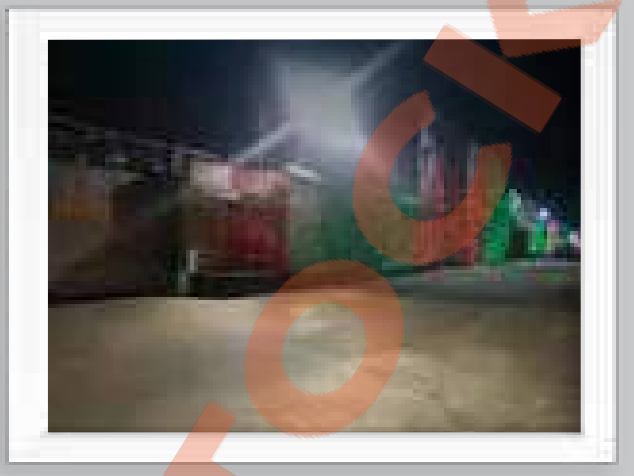
EHS WEEK



SOBC AND RM TRAINING



PARTNER 10 YEARS CELEBRATION



CELEBRATION FOR GRADUATING
TO DEVELOPING COUNTRY



EID E-MILAD-UN- NABI



OVERALL EQUIPMENT EFFICIENCY CELEBRATION



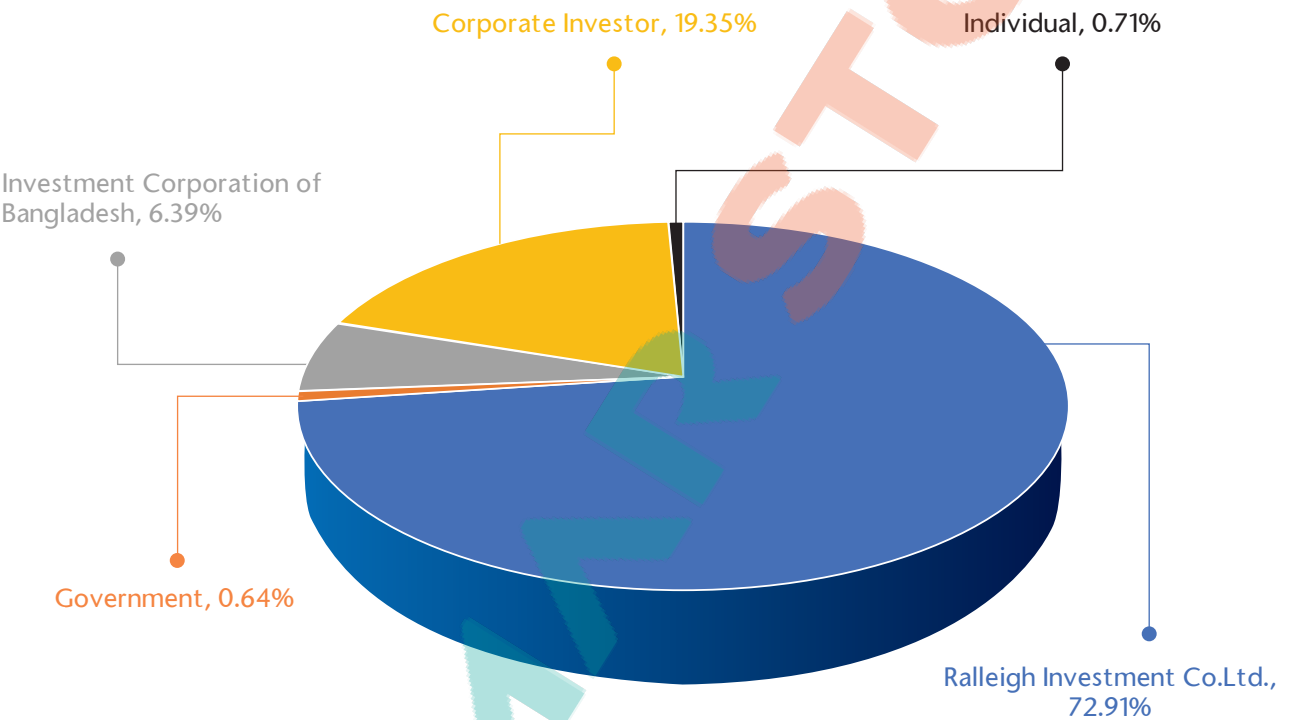
COMMS DAY ROAD SHOW

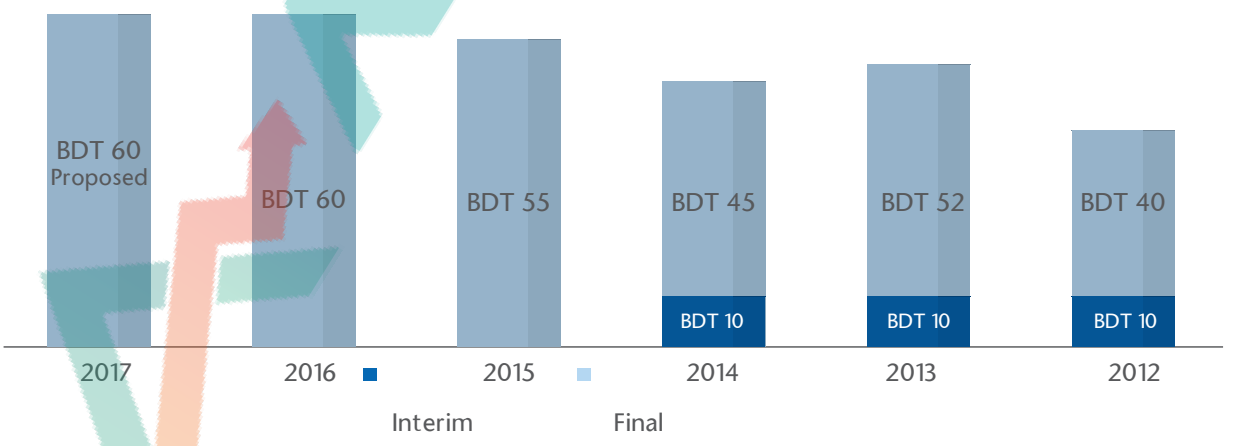


FAMILY DAY

SHAREHOLDER INFORMATION

Shareholding Position 31 December 2016:





Year Wise Dividend

AMAN STOCK

Share Performance 2017:

Month	Dhaka Stock Exchange			Chittagong Stock Exchange		
	High (BDT)	Low (BDT)	Close (BDT)	High (BDT)	Low (BDT)	Close (BDT)
January	2,511	2,490	2,494	2,545	2,454	2,517
February	2,511	2,482	2,504	2,522	2,413	2,506
March	2,507	2,430	2,430	2,524	2,412	2,412
April	2,576	2,451	2,548	2,570	2,500	2,560
May	2,791	2,525	2,791	2,800	2,570	2,800
June	2,819	2,738	2,819	2,849	2,740	2,820
July	3,020	2,827	3,020	3,020	2,800	3,020
August	3,005	2,934	3,005	3,000	2,960	2,960
September	3,000	2,969	2,993	3,000	2,940	2,990
October	3,101	2,767	3,101	3,080	2,900	3,080
November	3,346	3,003	3,300	3,255	3,000	3,153
December	3,520	3,317	3,402	3,465	3,311	3,350

Financial Calendar 2017

Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
	Accounts 2016	Record Date	AGM Q1 2017	Dividend Dispatch		H1 2017			Q3 2017		

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

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HELPING DRIVE THE COUNTRY'S ECONOMIC GROWTH

BATB is anchored with a strong set of values with transparency and honesty at its core. The contribution of the Company to the Government has been acknowledged as we received the "Highest Tax Payer Award" in 2017 from the National Board of Revenue. In 2017, the Company contributed BDT 16,426 crores to the National Exchequer. Over the past 5 years, the Company contributed over BDT 59,550 crores as Value added tax (VAT), Supplementary Duty (SD), Health Development Surcharge (HDSC), Income Tax & Custom duty. BAT Bangladesh is grateful to play its role in the economic development of Bangladesh.

KPMG

Rahman Rahman Huq
Chartered Accountants
9 & 5 Mohakhali C/A
Dhaka 1212
Bangladesh

Telephone + 880 (2) 988 6450-2
Fax + 880 (2) 988 6449
E- mail dhaka@kpmg.com
Internet www.kpmg.com/bd

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 2017, 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 2017 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 of the Supreme Court for 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.

Dhaka, 5 March 2018

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British American Tobacco Bangladesh Company Limited
Statement of Financial Position

In thousands of BDT	Note	31 December 2017	31 December 2016
Assets			
Property, plant and equipment	5	20,915,160	15,411,873
Non-current assets		**20,915,160**	**15,411,873**
Inventories	6	17,469,089	13,979,180
Trade and other receivables	7	2,315,457	1,062,450
Advances, deposits and prepayments	8	4,736,633	3,329,480
Cash and cash equivalents	9	978,169	1,564,600
Current assets		**25,499,348**	**19,935,710**
Total assets		**46,414,508**	**35,347,583**
Equity			
Share capital	10	600,000	600,000
Capital reserve	11	64,896	64,896
Retained earnings	12	22,447,542	18,217,686
Total equity attributable to owners of the Company		**23,112,438**	**18,882,582**
Liabilities			
Net defined benefit plans	13	869,114	800,663
Deferred tax liabilities	14	2,835,570	2,027,373
Non-current liabilities		**3,704,684**	**2,828,036**
Bank overdrafts	15	3,057,910	289,572
Short term bank loans	16	-	1,500,000
Trade and other payables	17	10,101,621	8,218,406
Current tax liabilities	18	5,364,697	2,499,269
Provisions	19	1,073,158	1,129,718
Current liabilities		**19,597,386**	**13,636,965**
Total liabilities		**23,302,070**	**16,465,001**
Total equity and liabilities		**46,414,508**	**35,347,583**

The notes on pages 180 to 211 are an integral part of these financial statements

Golam Mainuddin
Chairman

Shehzad Munim
Managing Director

Mohammad Moinuddin Abdullah
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, 5 March 2018

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British American Tobacco Bangladesh Company Limited

Statement of Profit or Loss and Other Comprehensive Income

In thousands of BDT	Note	31 December 2017	31 December 2016
Gross turnover		204,139,715	165,633,760
Supplementary duty and VAT		(152,175,972)	(121,879,985)
Net turnover	20	**51,963,743**	**43,753,775**
Cost of sales	21	(27,180,742)	(23,890,895)
Gross profit		**24,783,001**	**19,862,880**
Operating expenses	22	(6,980,580)	(5,936,146)
Operating profit		**17,802,421**	**13,926,734**
Net finance income/(expenses)	23	(185,291)	(36,468)
Non-operating income/(expenses)	24	24,469	(26,708)
Profit before contribution to WPPF		**17,641,599**	**13,863,558**
Contribution to WPPF		(882,080)	(693,178)
Profit before tax		**16,759,519**	**13,170,380**
Income tax expense			
Current tax	25	(8,121,466)	(5,622,651)
Deferred tax	26	(808,197)	34,733
		(8,929,663)	(5,587,918)
Net profit for the year		**7,829,856**	**7,582,462**
Other comprehensive income	27	-	(9,399)
Total comprehensive income		**7,829,856**	**7,573,063**
		BDT	**BDT**
Earning per share	28	**130.50**	**126.37**

The notes on pages 180 to 211 are an integral part of these financial statements

Golam Mainuddin
Chairman

Shehzad Munim
Managing Director

Mohammad Moinuddin Abdullah
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, 5 March 2018

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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**
Total comprehensive income for the year				
Profit for the year	-	-	7,582,462	7,582,462
Other comprehensive income for the year	-	-	(9,399)	(9,399)
Total comprehensive income for the year	**-**	**-**	**7,573,063**	**7,573,063**
Transactions with owners of the Company				
Dividends for the year 2015	-	-	(3,300,000)	(3,300,000)
Total transactions with owners of the Company	**-**	**-**	**(3,300,000)**	**(3,300,000)**
Balance at 31 December 2016	**600,000**	**64,896**	**18,217,686**	**18,882,582**
Balance at 1 January 2017	**600,000**	**64,896**	**18,217,686**	**18,882,582**
Total comprehensive income for the year				
Profit for the year	-	-	**7,829,856**	**7,829,856**
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**7,829,856**	**7,829,856**
Dividends for the year 2016	-	-	**(3,600,000)**	**(3,600,000)**
Balance at 31 December 2017	**600,000**	**64,896**	**22,447,542**	**23,112,438**

The notes on pages 180 to 211 are an integral part of these financial statements

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British American Tobacco Bangladesh Company Limited

Statement of Cash Flows

In thousands of BDT	For the year ended 31 December 2017	2016
Cash flows from operating activities		
Collection from distributors, leaf export and others	**202,936,614**	165,597,074
Payment for costs and expenses	**(33,797,266)**	(28,884,337)
Supplementary duty and VAT paid	**(153,963,812)**	(125,824,237)
Cash generated from operating activities	**1 5,175,536**	10,888,500
Income tax paid	**(5,256,038)**	(6,623,761)
Interest paid	**(186,124)**	(30,069)
Net cash from operating activities	**9,733,374**	4,234,670
Cash flows from investing activities		
Purchase of property, plant and equipment	**(8,030,294)**	(3,550,488)
Proceeds from sale of property, plant and equipment	**39,470**	35,591
Net cash used in investing activities	**(7,990,824)**	(3,514,897)
Cash flows from financing activities		
Proceeds from short term loan	**8,800,000**	1,500,000
Repayment of short term loan	**(10,300,000)**	-
Dividend paid	**(3,597,319)**	(3,301,747)
Net cash used in financing activities	**(5,097,319)**	(1,801,747)
Net decrease in cash and cash equivalents	**(3,354,769)**	(1,081,974)
Cash and cash equivalents at 1 January*	**1,275,028**	2,357,002
Cash and cash equivalents at 31 December*	**(2,079,741)**	1,275,028

**Cash and cash equivalents include bank overdrafts that are payable on demand and form an integral part of the Company's cash management.*

The notes on pages 180 to 211 are an integral part of these financial statements

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British American Tobacco Bangladesh Company Limited
Notes to the financial statements

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.

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

2.2 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on .....5 March 2018..... 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.

3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is both functional and presentational currency of the Company. The amounts in these financial statements have been rounded off to the nearest thousand, unless otherwise indicated. Because of these rounding off, in some instance the total may not match the sum of individual balance.

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Notes to the financial statements (continued)

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 prospectively.

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 plans
Note 14	Deferred tax liabilities
Note 18	Current tax liabilities
Note 19	Provisions
Note 38	Commitments
Note 39	Contingencies

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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5. Property, plant and equipment

See accounting policy in Notes 43A and 43D

In thousands of BDT	Freehold building	Freehold land	Furniture and fixtures	IT equipment	Laboratory equipment	Leasehold building	Office equipment	Plant and machinery	Vehicles	Assets under construction (AUC)	Total
Cost											
Balance at 1 January 2016	633,601	375,781	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	905,360	375,781	328,150	317,348	224,543	684,314	559,620	15,916,850	904,928	2,465,090	22,681,984
Balance at 1 January 2017	**905,360**	**375,781**	**328,150**	**317,348**	**224,543**	**684,314**	**559,620**	**15,916,850**	**904,928**	**2,465,090**	**22,681,984**
Additions	**25,220**	-	**25,270**	**77,277**	**35,571**	**19,899**	**172,104**	**2,319,314**	**203,997**	**6,363,168**	**9,241,820**
Disposals/transfers	-	-	**(98)**	**(36,984)**	-	-	**(2,580)**	**(120,335)**	**(96,794)**	**(2,178,123)**	**(2,434,914)**
Balance at 31 December 2017	**930,580**	**375,781**	**353,322**	**357,641**	**260,114**	**704,213**	**729,144**	**18,115,829**	**1,012,131**	**6,650,135**	**29,488,890**
Accumulated depreciation											
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
Balance at 1 January 2017	**156,603**	-	**201,232**	**244,086**	**121,209**	**134,732**	**181,382**	**5,710,951**	**519,916**	-	**7,270,111**
Depreciation for the year	**22,419**	-	**36,746**	**48,725**	**17,788**	**21,056**	**101,229**	**1,068,483**	**179,057**	-	**1,495,503**
Adjustment for disposal/transfers	-	-	**(97)**	**(36,862)**	-	-	**(2,549)**	**(56,508)**	**(95,868)**	-	**(191,884)**
Balance at 31 December 2017	**179,022**	-	**237,881**	**255,949**	**138,997**	**155,788**	**280,062**	**6,722,926**	**603,105**	-	**8,573,730**
Carrying amounts											
At 1 January 2016	492,512	375,781	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	748,757	375,781	126,918	73,262	103,334	549,582	378,238	10,205,899	385,012	2,465,090	15,411,873
At 31 December 2017	**751,558**	**375,781**	**115,441**	**101,692**	**121,117**	**548,425**	**449,082**	**11,392,903**	**409,026**	**6,650,135**	**20,915,160**

5.1 Allocation of depreciation

In thousands of BDT	Note	2017	2016
Manufacturing overhead	21.1	**1,084,022**	908,457
Operating expenses	22	**181,093**	172,901
Charge to leaf		**230,388**	180,704
		1,495,503	1,262,062

6 Inventories

See accounting policy in Note 43F.

In thousands of BDT	2017	2016
Inventories in hand	**17,079,612**	13,220,243
Inventories in transit	**389,477**	758,937
	17,469,089	13,979,180
Inventories in hand		
Leaf	**7,078,690**	5,135,824
Wrapping materials	**816,559**	559,749
Work in process	**54,411**	21,201
Finished goods		
Cost of finished goods	**1,874,650**	1,606,869
VAT, Supplementary Duty and *HDS on finished goods	**6,714,709**	5,374,217
Consumable stores	**540,593**	522,383
	17,079,612	13,220,243

*Health Development Surcharge

Inventories in transit		
Leaf	**31,250**	156,921
Wrapping materials	**322,084**	436,390
Consumable stores	**36,143**	165,626
	389,477	758,937

7 Trade and other receivables

See accounting policy in Note 43(B) (i) (a)

In thousands of BDT	2017	2016
Trade receivables	**2,236,665**	961,068
Intercompany receivables	**55,218**	35,508
Sundry receivables	**23,574**	65,874
	2,315,457	1,062,450

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

See accounting policy in Note 43(B) (i) (b)

In thousands of BDT	2017	2016
Advances		
Advance to suppliers	**3,601,669**	2,650,691
Supplementary duty and VAT	**1,088,211**	640,863
Advance to employees	**31,600**	21,604
	4,721,480	3,313,158
Deposits		
Security deposit	**14,636**	16,322
	14,636	16,322
Prepayments		
Insurance	**517**	-
	517	-
	4,736,633	3,329,480

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9 Cash and cash equivalents

See accounting policy in Note 43(B) (i) (c)

In thousands of BDT	2017	2016
Cash in hand	**825**	1,117
Cash at bank		
Dividend account	**42,705**	40,024
Foreign currency accounts	**896,269**	1,256,489
Current accounts	**38,370**	266,970
	977,344	1,563,483
Cash and cash equivalents in the statement of financial position	**978,169**	1,564,600
Bank overdrafts used for cash management purpose	**(3,057,910)**	(289,572)
Cash and cash equivalent in the statement of cash flows	**(2,079,741)**	1,275,028

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 11,761 million (2016: BDT 8,496 million). Facilities of BDT 3,058 million (bank overdraft of BDT 3,058 million) was availed as at 31 December 2017 (2016: bank overdraft of BDT 289 million and short term loan of BDT 1,500 million were availed). Facilities are renewable on annual basis.

10 Share capital

See accounting policy in Note 43C.

In BDT	2017	2016
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

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10.1 Shareholding Position

See accounting policy in Note 43C

Name of shareholder	2017			2016		
	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	3,836,218	38,362,180	6.39%	4,232,813	42,328,130	7.05%
Sadharan Bima Corporation	1,694,047	16,940,470	2.82%	1,694,047	16,940,470	2.82%
Bangladesh Development Bank Limited	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	10,140,177	101,401,770	16.90%	9,743,582	97,435,820	16.24%
	60,000,000	600,000,000	100%	60,000,000	600,000,000	100%

10.2 Share distribution schedule

A distribution schedule of the shares at the reporting date is given below following the requirement of listing regulations:

Shareholder's range	2017			2016		
	Number of shareholders	Total Number of shares	Percentage of holding	Number of shareholders	Total Number of shares	Percentage of holding
Less than 501 shares	2,048	146,893	0.24%	2,680	188,320	0.31%
501 to 5,000 shares	164	222,830	0.37%	202	258,815	0.43%
5,001 to 10,000 shares	17	126,110	0.21%	16	121,976	0.20%
10,001 to 20,000 shares	14	181,435	0.30%	24	355,268	0.59%
20,001 to 30,000 shares	8	205,539	0.34%	3	76,244	0.13%
30,001 to 40,000 shares	5	178,974	0.30%	6	207,322	0.35%
40,001 to 50,000 shares	4	169,348	0.28%	2	87,183	0.15%
50,001 to 100,000 shares	8	612,896	1.02%	9	659,227	1.10%
100,001 to 1,000,000 shares	15	5,006,219	8.34%	16	5,207,633	8.68%
Over 1,000,000 shares	5	53,149,756	88.58%	5	52,838,012	88.06%
	2,288	60,000,000	100%	2,963	60,000,000	100%

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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	2017	2016
Balance as at 1 January	**18,217,686**	13,944,623
Total comprehensive income for the year:		
Profit for the year	**7,829,856**	7,582,462
Other comprehensive income	**-**	(9,399)
	26,047,542	21,517,686
Dividends during the year:		
Final dividend for previous year	**(3,600,000)**	(3,300,000)
Balance at 31 December	**22,447,542**	18,217,686

13. Net defined benefit plans

See accounting policy in Note 43G.

In thousands of BDT	Note	2017 Gratuity fund	2017 Pension fund	2017 Total	2016 Gratuity fund	2016 Pension fund	2016 Total
Defined benefit obligation	13.1	**(869,114)**	**(263,797)**	**(1,132,911)**	(800,663)	(250,472)	(1,051,135)
Fair value of plan assets	13.2	**-**	**263,797**	**263,797**	-	250,472	250,472
Net surplus/(deficit)		**(869,114)**	**-**	**(869,114)**	(800,663)	-	(800,663)

13.1 Movement in defined benefit obligation

In thousands of BDT	Gratuity fund	Pension fund	Total
Defined benefit obligation at 1 January 2017	**800,663**	**250,472**	**1,051,135**
Current service cost	**65,416**	**32,171**	**97,587**
Interest cost	**65,824**	**-**	**65,824**
Past Service Cost - Plan amendments	**-**	**-**	**-**
Benefit paid by the fund	**-**	**(18,846)**	**(18,846)**
Benefit paid directly by the Company	**(62,789)**	**-**	**(62,789)**
Actuarial (gain)/loss	**-**	**-**	**-**
Defined benefit obligation at 31 December 2017	**869,114**	**263,797**	**1,132,911**

13.2 Movement in the fair value of plan assets

In thousands of BDT	Gratuity fund	Pension fund	Total
Fair value of plan assets at 1 January 2017	-	250,472	250,472
Employer's contribution	-	11,520	11,520
Expected return on plan assets	-	20,651	20,651
Benefits paid by the plan	-	(18,846)	(18,846)
Actuarial gain/(loss)	-	-	-
Fair value of plan assets at 31 December 2017	-	263,797	263,797

13.3 Defined benefit plan charge to profit or loss and other comprehensive income in 2017

In thousands of BDT	Gratuity fund	Pension fund	Total
Profit or loss			
Current service costs	65,416	32,171	97,587
Past Service Cost - Plan amendments	-	-	-
Interest accrued on defined benefit obligation	65,824	-	65,824
Expected return on plan assets	-	(20,651)	(20,651)
Net finance expense/(income) for the benefit plans	65,824	(20,651)	45,173
	131,240	11,520	142,760

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%

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14. Deferred tax liabilities

See accounting policy in Note 43K.

31 December 2017

In thousands of BDT	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
Property, plant and equipment excluding land and AUC	**13,740,299**	**6,694,421**	**7,045,878**
Provision for inventories	**(207,143)**	**-**	**(207,143)**
Provision for gratuity	**(869,114)**	**-**	**(869,114)**
Net temporary difference			**5,969,621**
Applicable tax rate			**47.5%**
Deferred tax liabilities			**2,835,570**

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	(800,663)	-	(800,663)
Net temporary difference			4,505,277
Applicable tax rate			45%
Deferred tax liabilities			2,027,373

15 Bank overdrafts

See accounting policy in Note 43B (i) (c)

In thousands of BDT	2017	2016
Standard Chartered Bank	**1,589,324**	289,572
Citibank, N.A.	**324,012**	-
HSBC	**766,385**	-
Commercial Bank of Ceylon PLC	**367,191**	-
Pubali Bank Limited	**4,877**	-
Sonali Bank Limited	**6,121**	-
	3,057,910	289,572

The Company is enjoying overdraft facilities from the above mentioned banks for the purpose of meeting working capital requirements, such overdrafts are repayable on demand.

16 Short term bank loans

In thousands of BDT	Note	2017	2016
Standard Chartered Bank	16.1	-	1,000,000
Commercial Bank of Ceylon PLC	16.1	-	500,000
		-	1,500,000

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16.1 Terms and repayment schedule

In thousands of BDT	Currency	2017 Loan limit	2017 Loan outstanding	2016 Loan limit	2016 Loan outstanding
Standard Chartered Bank	BDT	**4,000,000**	-	3,100,000	1,000,000
Commercial Bank of Ceylon PLC	BDT	**800,000**	-	636,000	500,000
		4,800,000	-	3,736,000	1,500,000

The Company is enjoying short term loan facilities from Standard Chartered Bank, Commercial Bank of Ceylon PLC, Citibank N.A., HSBC and Pubali Bank for the purpose of meeting working capital requirements, with no loans outstanding at year-end mentioned in Note 16. Such short term loans are repayable on maturity.

17 Trade and other payables

See accounting policy in Note 43B (ii) (a)

In thousands of BDT	Note	2017	2016
Trade payables		**1,956,760**	2,188,088
Intercompany payables		**4,457,647**	3,862,386
Workers' Profit Participation Fund (WPPF)		**47,080**	273,178
Wages and other benefits		**546,500**	423,769
Unclaimed dividend	29	**42,705**	40,024
Accrued expenses		**2,701,521**	1,093,244
Sundry payables		**349,408**	337,717
		10,101,621	8,218,406

18 Current tax liabilities

See accounting policy in Note 43K.

In thousands of BDT	2017	2016
Balance at 1 January	**2,499,269**	3,500,379
Provision made during the year	**8,121,466**	5,622,651
	10,620,735	9,123,030
Advance payment of corporate tax	**(5,256,038)**	(6,623,761)
Balance at 31 December	**5,364,697**	2,499,269

19 Provisions

See accounting policy in Note 43H.

In thousands of BDT	2017	2016
Provision for expenses	**1,073,158**	1,129,718
	1,073,158	1,129,718

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20. Net turnover

See accounting policy in Note 43J.

In thousands of BDT	Unit	Quantity 2017	Quantity 2016	Amount 2017	Amount 2016
Gross turnover from domestic sale	Million sticks	**53,204**	**48,340**	**201,917,560**	163,998,007
Supplementary duty and VAT				**(151,972,929)**	(121,715,125)
				49,944,631	42,282,882
Gross turnover from tobacco leaf export	**Million kg**	**8.86**	**7.29**	**2,222,155**	1,635,753
Export duty				**(203,043)**	(164,860)
				2,019,112	1,470,893
Net turnover				**51,963,743**	**43,753,775**

21 Cost of sales

In thousands of BDT	Note	2017	2016
Opening stock of raw materials		**6,288,884**	5,921,599
Purchase of raw materials		**23,452,152**	19,129,601
Raw materials available		**29,741,036**	25,051,200
Closing stock of raw materials		**(8,248,582)**	(6,288,884)
Raw materials consumption		**21,492,454**	18,762,316
Opening work in process		**21,201**	24,534
Closing work in process		**(54,411)**	(21,201)
		21,459,244	18,765,649
Manufacturing overhead	21.1	**5,454,362**	5,363,648
Total cost of goods manufactured		**26,913,606**	24,129,297
Opening stock of finished goods		**1,606,869**	924,009
Closing stock of finished goods		**(1,874,650)**	(1,606,869)
Total cost of goods sold excluding royalty		**26,645,825**	23,446,437
Royalty		**534,917**	444,458
Total cost of sales		**27,180,742**	23,890,895

21.1 Manufacturing overhead

In thousands of BDT	Note	2017	2016
Salaries and wages		**1,503,306**	1,445,524
Depreciation	5.1	**1,084,022**	908,457
Printing and stationary		**25,291**	29,261
Utilities		**374,178**	368,641
Repairs and maintenance		**999,089**	1,307,083
Security and safety		**161,931**	114,804
Rent, services and transportation		**1,002,371**	846,058
Insurance		**76,582**	91,900
Research and development		**4,961**	3,239
Travelling and training		**99,732**	88,028
Other expenses		**122,899**	160,653
		5,454,362	5,363,648

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22 Operating expenses

In thousands of BDT	2017	2016
Salaries and wages	**1,007,151**	1,073,270
Utilities	**35,440**	49,433
Rent, services and transportation	**610,052**	452,881
Repairs and maintenance	**246,334**	195,318
Depreciation	**181,093**	172,901
Travelling and training	**254,147**	159,784
Trade support expenditure	**1,203,608**	789,153
Printing and stationery	**43,526**	30,598
Security and safety	**53,345**	45,393
Social responsibility	**57,974**	34,516
Legal, secretarial and professional fee	**70,315**	54,387
Insurance	**11,842**	9,800
Audit fee	**900**	800
Information technology	**374,442**	360,382
Technical and advisory fee	**1,065,213**	836,274
Market research & operational expenditure	**1,390,388**	1,067,178
Other expenses	**374,810**	604,078
	6,980,580	5,936,146

23 Net finance income/(expenses)

See accounting policy in Note 43M.

In thousands of BDT	2017	2016
Interest income	**6,535**	14,029
Interest expense	**(191,826)**	(50,497)
	(185,291)	(36,468)

24 Non-operating income/(expenses)

In thousands of BDT	2017	2016
Profit/(loss) on disposal of property, plant and equipment	**(25,437)**	(111,714)
Other income	**49,906**	85,006
	24,469	(26,708)

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
Furniture and fixtures	(98)	97	(1)	-	(1)	Written off
IT equipment	(36,984)	36,862	(122)	521	399	Third party
Office equipment	(2,580)	2,549	(31)	154	123	Third party
Plant and machinery	(120,335)	56,508	(63,827)	-	(63,827)	Written off
Vehicles	(96,794)	95,868	(926)	38,795	37,869	Employees of the Company
2017 total	**(256,791)**	**191,884**	**(64,907)**	**39,470**	**(25,437)**	
2016 total	489,013	341,708	147,305	35,591	(111,714)	

All asset disposals were as per Company policy.

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25 Income tax expenses

In thousands of BDT	Note	2017	2016
Current tax	18	**8,121,466**	5,622,651
Deferred tax expenses/(income)	26	**808,197**	(34,733)
		8,929,663	5,587,918

25.1 Reconciliation of effective tax rate

		2017		2016
	%	BDT'000	%	BDT'000
Profit before tax		**16,759,519**		13,170,380
Current tax expense	**48.46%**	**8,121,466**	42.69%	5,622,651
Deferred tax expense	**4.82%**	**808,197**	-0.26%	(34,733)
Total tax expense	**53.28%**	**8,929,663**	42.43%	5,587,918
Expected income tax using applicable tax rate	**47.50%**	**7,960,772**	45.00%	5,926,671
Prior year adjustment	**1.90%**	**319,111**	-0.92%	(121,353)
Tax on non deductible expenses	**-0.95%**	**(158,417)**	-1.39%	(182,667)
Effective current tax	**48.46%**	**8,121,466**	42.69%	5,622,651
Effective deferred tax	**4.82%**	**808,197**	-0.26%	(34,733)
	53.28%	**8,929,663**	42.43%	5,587,918

26 Deferred tax (expense)/income

In thousands of BDT	Note	2017	2016
Deferred tax liabilities at the beginning of the year	14	**2,027,373**	2,069,796
Deferred tax liabilities at the end of the year	14	**2,835,570**	2,027,373
		(808,197)	42,423
Deferred tax attributable to actuarial loss recognised directly in equity		-	(7,690)
Deferred tax (expense)/income recognised directly in profit		**(808,197)**	34,733

27 Other comprehensive income

In thousands of BDT	2017	2016
Actuarial gain/(loss) on defined benefit plans	-	(17,089)
Deferred tax gain/(charge) for actuarial loss on defined benefit plans	-	7,690
	-	(9,399)

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:

	2017	2016
Total profit attributable to shareholders (BDT'000)	**7,829,856**	7,582,462
Weighted average number of shares outstanding ('000)	**60,000**	60,000
Earning per share (BDT)	**130.50**	126.37

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 2017, no ordinary shares were issued or bought back. Therefore, the weighted average number of shares outstanding at 31 December 2017 is the same as at the start of the year i.e. 1 January 2017.

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	2017	2016
Opening unclaimed dividend		**40,024**	41,771
Dividend declared:			
Final dividend for 2016/2015		**3,600,000**	3,300,000
		3,640,024	3,341,771
Closing unclaimed dividend	29.1	**42,705**	40,024
Dividend paid		**3,597,319**	3,301,747

29.1 Ageing analysis of unclaimed dividend

In thousands of BDT	Prior to 2015	2015	2016	2017	Total
Unclaimed dividend at 1 January 2017	**27,765**	**9,361**	**2,898**	**-**	**40,024**
Unclaimed dividend at 31 December 2017	**26,735**	**9,361**	**2,898**	**3,711**	**42,705**

30 Remittances of foreign currency

In thousands of USD	2017	2016
Royalty	**-**	5,171
Technical and advisory fee	**9,969**	8,854
Dividend	**28,896**	27,637
	38,865	41,662

Technical and advisory fee comprises amounts incurred for the year 2015. All these fees are remitted after obtaining approval from Bangladesh Investment Development Authority. All of the above remittances are made after deduction of withholding tax as per law.

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

In thousands of BDT	2017	2016
Raw and packing materials	**2,497,628**	2,492,268
Spares and others	**1,265,049**	911,441
Capital goods	**1,901,734**	1,351,795
	5,664,411	4,755,504

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32 Value of leaf export earnings received

In thousands of USD	2017	2016
Value of leaf export earnings received	**26,580**	20,815

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.

	2017	2016
Actual production of cigarettes (in million sticks)	**53,734**	50,027

34 Segment Reporting

The Company is domiciled in Bangladesh. The gross revenue from cigarettes is BDT 201,917 million (2016: BDT 163,998 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 32,053 million (2016: BDT 23,190 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	2017		2016	
	Wrapping material	Leaf	Wrapping material	Leaf
Imported:				
Opening	**941,320**	**266,168**	245,138	331,307
Purchases	**5,126,700**	**1,244,231**	4,923,984	972,767
Consumption	**(4,975,903)**	**(1,241,359)**	(4,227,802)	(1,037,906)
Closing (a)	**1,092,117**	**269,040**	941,320	266,168
Domestic:				
Opening	**54,819**	**5,026,577**	448,057	4,897,097
Purchases	**5,110,280**	**11,970,941**	4,470,723	8,762,127
Consumption	**(5,118,573)**	**(8,456,753)**	(4,863,961)	(7,433,482)
Export	**-**	**(1,699,866)**	-	(1,199,165)
Closing (b)	**46,526**	**6,840,899**	54,819	5,026,577
Closing stock (a+b)	**1,138,643**	**7,109,939**	996,139	5,292,745

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.

		Carrying amount								Fair value			
In thousands of BDT	Note	Held-for-trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total amount	Level 1	Level 2	Level 3	Total
31 December 2017													
Financial assets not measured at fair value													
Trade and other receivables	7	-	-	-	-	2,315,457	-	-	2,315,457	-	-	-	-
Deposits	8	-	-	-	-	14,636	-	-	14,636	-	-	-	-
Cash at bank	9	-	-	-	-	977,344	-	-	977,344	-	-	-	-
		-	-	-	-	3,307,437	-	-	3,307,437	-	-	-	-
Financial liabilities not measured at fair value													
Bank overdrafts	15	-	-	-	-	-	-	3,057,910	3,057,910	-	3,057,910	-	3,057,910
Short term bank loans	16	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	17	-	-	-	-	-	-	10,101,621	10,101,621	-	-	-	-
		-	-	-	-	-	-	13,159,531	13,159,531	-	3,057,910	-	3,057,910
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													
Bank overdrafts	15	-	-	-	-	-	-	289,572	289,572	-	289,572	-	289,572
Short term bank loans	16	-	-	-	-	-	-	1,500,000	1,500,000	-	1,500,000	-	1,500,000
Trade and other payables	17	-	-	-	-	-	-	8,218,406	8,218,406	-	-	-	-
		-	-	-	-	-	-	10,007,978	10,007,978	-	1,789,572	-	1,789,572

The Company has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair value.

ALAMIN STOCK

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	2017	2016
Trade and other receivables	7	**2,315,457**	1,062,450
Deposits	8	**14,636**	16,322
Cash at bank	9	**977,344**	1,563,483
		3,307,437	2,642,255

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	2017	2016
Past due 30 days	**2,303,940**	1,052,671
Past due 31-90 days	**752**	1,925
Past due 91-180 days	**-**	7,310
Past due over 180 days	**10,765**	544
	2,315,457	1,062,450

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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 2017

			Contractual cash flows					
In thousands of BDT	Note	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	10,101,621	10,101,621	6,072,502	2,090,418	1,938,041	660	-
		10,101,621	10,101,621	6,072,502	2,090,418	1,938,041	660	-

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

31 December 2016

			Contractual cash flows					
In thousands of BDT	Note	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**	-
		8,218,406	**8,218,406**	**5,538,179**	**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.

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.

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i) Exposure to currency risk

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

31 December 2017

In thousands	USD	GBP	EUR
Foreign currency denominated assets			
Cash at bank	**10,776**	-	-
Trade receivables	-	-	-
Intercompany receivables	-	-	-
	10,776	-	-
Foreign currency denominated liabilities			
Trade payables	**28**	**14**	**24**
Intercompany payables	**8,683**	**22,945**	**15**
	8,711	**22,959**	**39**
Net exposure	**2,065**	**(22,959)**	**(39)**

31 December 2016

In thousands	USD	GBP	EUR
Foreign currency denominated assets			
Cash at bank	15,993	-	-
Trade receivables	-	-	-
Intercompany receivable	-	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)

The following significant exchange rates have been applied:

	Average rate		Year-end spot rate	
BDT	**2017**	**2016**	**2017**	**2016**
USD 1	**81.29**	78.52	**83.18**	79.00
GBP 1	**104.80**	106.37	**112.51**	97.96
EUR 1	**91.88**	86.89	**99.88**	83.66

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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.

2017

In thousands of BDT	**Strengthening** ***profit or (loss)***	**Weakening** ***profit or (loss)***
USD (5 percent movement)	**(8,587)**	**8,587**
GBP (5 percent movement)	**129,162**	**(129,162)**
EUR (5 percent movement)	**195**	**(195)**
	120,770	**(120,770)**

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)

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	**2017**	**2016**
Meeting attendance fee	**79**	90
Meeting expense	**4,516**	3,820
Remuneration	**67,749**	53,917
Retirement benefit scheme	**7,929**	5,522
Medical and welfare	**241**	1,085
Housing	**15,300**	14,415
	95,814	78,849

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ii) Other related party transactions

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

		Transaction values for the year ended 31 December		Receivable/ (Payable) outstanding as at 31 December	
In thousands of BDT	Relationship	2017	2016	2017	2016
Income					
a. Leaf export and sale of goods					
BAT (GLP) Limited	BAT Group company	**900,230**	572,780	-	-
Pakistan Tobacco Company Limited	BAT Group company	**482,639**	125,121	**55,218**	28,580
		1,382,869	697,901	**55,218**	28,580
b. Other fee					
Other fee received/to be received from:					
BAT Holdings Limited	Holding company	**2,365**	544	-	544
BAT AsPac Service Centre Sdn Bhd	BAT Group company	**3,708**	-	-	-
BAT Japan	BAT Group company	-	7,401	-	6,384
BAT Korea	BAT Group company	-	3,604	-	-
BAT Vietnam	BAT Group company	-	941	-	-
		6,073	12,490	-	6,928
Total related party income and balance receivables		**1,388,942**	710,391	**55,218**	35,508
Expenses					
c. Procurement of services					
BASS GSD limited	BAT Group company	**458,306**	410,820	**(510,877)**	(499,705)
BAT Holdings Limited	Holding company	-	111	**(4,058)**	(4,058)
BAT Asia-Pacific Region Limited	BAT Group company	**18,075**	18,957	**(46,980)**	(28,905)
BAT AsPac Service Centre Sdn Bhd	BAT Group company	**151,333**	124,558	**(545,709)**	(402,851)
BAT PT Export Leaf Indonesia, Malang	BAT Group company	**1,620**	854	**(1,104)**	(854)
BAT PT Export Leaf Indonesia, Kartasura	BAT Group company	-	-	-	(250)
BAT SAA Service (Private) Limited	BAT Group company	-	23,622	-	-
BAT GSD (KL) Sdn Bhd	BAT Group company	**1,704**	-	**(1,704)**	-
		631,038	578,922	**(1,110,432)**	(936,623)
d. Purchase of leaf & goods					
Purchase of leaf and wrapping materials from:					
BAT Singapore (Private) limited	BAT Group company	**873,351**	518,597	**(8,821)**	(184,301)
BAT (GLP) Limited*	BAT Group company	**483,223**	409,082	**100,672**	92,048
		1,356,574	927,679	**91,851**	(92,253)
e. Royalty					
Royalty paid/payable to:					
BAT Holdings Limited**	Holding company	**534,917**	444,458	**(1,436,783)**	(901,866)
		534,917	444,458	**(1,436,783)**	(901,866)
f. Technical and advisory fee					
Payment of fees for technical and advisory support services to:					
BAT Investments Ltd**	BAT Group company	**1,063,891**	836,274	**(1,900,165)**	(1,814,467)
		1,063,891	836,274	**(1,900,165)**	(1,814,467)

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In thousands of BDT	Relationship	Transaction values for the year ended 31 December 2017	2016	Receivable/ (Payable) outstanding as at 31 December 2017	2016
g. Purchase of equipment					
Purchase of equipment from:					
Pakistan Tobacco Company Limited	BAT Group company	**309,560**	119,443	-	(25,129)
BAT Colombia S.A.S	BAT Group company	-	21,285	-	-
Tabacalera Hondurena S.A.	BAT Group company	-	44,162	-	-
Tobacco Importers & Manufacturers Sdn.Bhd, Malaysia*	BAT Group company	**92,105**	180,658	**21,453**	10,566
BAT Germany GMBH	BAT Group company	**1,006**	-	**(1,006)**	-
British-American Tobacco Polska S.A	BAT Group company	**440**	-	**(440)**	-
		403,111	365,548	**20,007**	(14,563)
Total related party expenses and outstanding balances		**3,989,531**	3,152,881	**(4,335,522)**	(3,759,772)

*Advance paid.
**Closing balance consists of royalty and technical & advisory fee of 2016 and 2017.

38 Commitments

38.1 Capital expenditure

In thousands of BDT	31 December 2017	31 December 2016
Authorised but not provided for	**2,435,330**	2,661,524

39 Contingencies

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

In thousands of BDT	31 December 2017	31 December 2016
Letter of credit		
Citibank, N.A.	**396,141**	1,056,912
Commercial Bank of Ceylon PLC	**158,811**	131,634
The Hongkong and Shanghai Banking Corporation Limited	**402,875**	234,771
Standard Chartered Bank	**694,106**	743,771
	1,651,933	2,167,088
Bank Guarantee		
Standard Chartered Bank	**41,045**	37,751
	41,045	37,751

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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. The said reduction was due to a portion of the original claim being time-barred.

Management believes that the claim is unfounded and has been engaging with all the relevant stakeholders concerning this unfounded demand. No provision has been made for this claim based on Legal Opinion. The matter came up before the Appellate Division of the Supreme Court on 13 November 2017 for hearing on admission of appeal. Upon hearing the parties, the court was pleased to admit the appeal and fixed the matter for final hearing. The matter is appearing in the list for appeal hearing in the Appellate Division.

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 2017	31 December 2016
Number of employees	**1,453**	1,476

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 2017 at the board meeting held on 5 March 2018. 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 2017 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.

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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.

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(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	
	2017	**2016**	**2017**	**2016**
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 2017.

(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.

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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.

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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.

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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% corporate tax and 2.5% surcharge on income.

(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 Company 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 borrowings from bank.

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 Company'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.

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44 Standards issued but not yet effective

In January 2018, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification, this recent adoption will not have any impact on the financial statements of the Company going forward.

A number of new standards and amendments to standards are effective for annual periods beginning on or 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.

The following standards are expected to have no impact on the Company's retained earnings and reserve in the period of initial application.

A. Estimated impact of the adoption of IFRS 9 and IFRS 15

The Company is required to adopt IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers from 1 January 2018. The Company has assessed the estimated impact that the initial application of IFRS 9 (see (B)) and IFRS 15 (see (C)) will have on its financial statements. The estimated impact of the adoption of these standards on the Company's equity as at 1 January 2018 is based on assessments undertaken to date and is summarised below. The actual impacts of adopting the standards at 1 January 2018 may change because the new accounting policies are subject to change until the Company presents its first financial statements that include the date of initial application.

Estimated impact of adoption of IFRS 9 and IFRS 15

In thousands of BDT	As reported at 31 December 2017	Estimated adjustments due to adoption of IFRS 9	Estimated adjustments due to adoption of IFRS 15	Estimated adjusted opening balance at 1 January 2018
Capital Reserve	64,896	-	-	64,896
Retained earnings	22,447,542	-	-	22,447,542

B. IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39: Financial Instruments: Recognition and Measurement. IFRS 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 IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company has assessed the potential impact of IFRS 9 on its financial statements. Based on its assessment, the Company does not believe that the new classification requirements will have a material impact on its accounting for trade receivables and loans. The Company does not hold any investments in debt securities and investments in equity securities that are managed on a fair value basis.

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C. IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing recognition guidance, including IAS 18: Revenue, IAS 11: Construction Contracts and IFRI 13: Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. BATB has assessed the estimated impact of the initial application of IFRS 15 on its financial statements. As per BATB's assessment adoption of IFRS 15 would have the following estimated adjustment (pretax) in recognition of revenue and trade support expenditure:

Estimated impact of adoption of IFRS 15

In thousands of BDT	As reported at 31 December 2017	Estimated adjustments due to adoption of IFRS 15	Estimated adjusted opening balance at 1 January 2018
Gross turnover from domestic sale	201,917,560	(209,516)	201,708,044
Trade support expenditure	(1,203,608)	209,516	(994,092)
	200,713,952	-	200,713,952

D. IFRS 16 Leases:

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Company's borrowing rate at 1 January 2019, the composition of the Company's lease portfolio at that date, the Company's latest assessment of whether it will exercise any lease renewal options and the extent to which the Company chooses to use practical expedients and recognition exemptions.

AMARSTOCK

SHARE HOLDERS









BRITISH AMERICAN TOBACCO
BANGLADESH

৪৫ তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড-এর ৪৫ তম বার্ষিক সাধারণ সভা নিম্নলিখিত আলোচ্যসূচী সম্পাদনকল্পে আগামী ১৭ এপ্রিল, ২০১৭ রোজ মঙ্গলবার সকাল ১০:৩০ মিনিটে সোনারগাঁও হোটেল, ১০৭ কাজী নজরুল ইসলাম এভিনিউ, কারওয়ান বাজার ঢাকা-১২১৫-এর বলরুমে অনুষ্ঠিত হবে:

১. ডিসেম্বর ৩১, ২০১৭ তারিখে সমাপ্ত বছরের আর্থিক বিবরণী, পরিচালকমণ্ডলীর প্রতিবেদন এবং নিরীক্ষকবৃন্দের প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।
২. ডিসেম্বর ৩১, ২০১৭ তারিখে সমাপ্ত বছরের নগদ লভ্যাংশ অনুমোদন।
৩. পরিচালকমণ্ডলীর নির্বাচন।
৪. ২০১৮ সালের জন্য বিধিবদ্ধ নিরীক্ষক নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ।

বোর্ডের সিদ্ধান্তক্রমে

SD/-

২৮ মার্চ ২০১৮

মোঃ আজিজুর রহমান এফসিএস
কোম্পানি সচিব

দ্রষ্টব্য:

- যে সকল শেয়ারহোল্ডারগণের নাম কোম্পানির সদস্য বহি কিংবা ডিপোজিটরি বহিতে রেকর্ড ডেটে (২৭ মার্চ, ২০১৮) 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 ১৩ এপ্রিল, ২০১৮ 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 ২০১৭ যদি কোন কারনে না পৌছায়, সদস্যগণ তা কোম্পানির শেয়ার অফিস থেকে ১৩ এপ্রিল ২০১৮ 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 সাধারন সভায় কোন প্রকার উপহার/খাবার/ কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

AMAR STOCK

KPMG

Rahman Rahman Huq
Chartered Accountants
9 & 5 Mohakhali C/A
Dhaka 1212
Bangladesh

Telephone + 880 (2) 988 6450-2
Fax + 880 (2) 988 6449
E- mail dhaka@kpmg.com
Internet www.kpmg.com/bd

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড
শেয়ারহোল্ডারদের প্রতি স্বতন্ত্র অডিটরের প্রতিবেদন

আর্থিক বিবরণী সমূহের উপর প্রতিবেদন
আমরা ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড এর আর্থিক বিবরণীসমূহ অডিট করেছি যার মধ্যে রয়েছে ৩১ ডিসেম্বর ২০১৭ 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 বস্তুগত ত্রুটিবিচ্যুতি মুক্ত আর্থিক বিবরণী উপস্থাপনা নিশ্চিত করে।

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

একটি অডিটের প্রধান কার্যাবলির মধ্যে রয়েছে আর্থিক প্রতিবেদনের অর্থের অংক সংক্রান্ত উপাত্ত ও ব্যাখ্যাসমূহের যথেষ্ট প্রমাণাদি সংগ্রহ করা। অডিটে কোন কার্যপদ্ধতি অনুসরণ করা হবে তা নির্ভর করে আমাদের বিচার-বিবেচনার ওপর এবং সেই সাথে আর্থিক বিবরণীসমূহে প্রতারণা বা ভুলের কারণে সৃষ্ট কোন বস্তুগত 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 অডিটের পন্থা নির্বাচনের ক্ষেত্রেও সহযোগিতা করে। তবে এক্ষেত্রে অভ্যন্তরীণ নিয়ন্ত্রণের যথার্থতা নিয়ে মতামত প্রকাশ করা এর উদ্দেশ্য নয়। অডিটে হিসাবরক্ষণে ব্যবহৃত পন্থাসমূহের যথার্থতা এবং ব্যবস্থাপনা কর্তৃক নির্ধারিত আনুমানিকতার যৌক্তিক অংশসমূহ নিশ্চিত করা হয় এবং আর্থিক প্রতিবেদনের প্রকাশনার মানদণ্ড বিচার করা হয়।

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

মতামত
আমাদের মতে, আর্থিক বিবরণীসমূহ বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস) অনুযায়ী ৩১ ডিসেম্বর ২০১৭ 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 টীকা ৩৯.১ এর প্রতি দৃষ্টি আকর্ষণ করছি যেখানে ব্যবস্থাপনা কর্তৃপক্ষ জাতীয় রাজস্ব বোর্ড কর্তৃক উত্থাপিত কোম্পানির পাইলট ও ব্রিস্টল ব্র্যান্ডের ওপর ১৭,৮০৬ মিলিয়ন টাকার ভ্যাট ও সম্পূরক শুল্কের ভূতাপেক্ষ দাবি সম্পর্কে ব্যাখ্যা করে। বিষয়টি বর্তমানে সুপ্রিম কোর্টের আপিল বিভাগে 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 উলেখ করছি যেঃ
ক) আমাদের জানামতে এই অডিট কাযের 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।

ঢাকা, ৫ মার্চ ২০১৮

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

আর্থিক অবস্থার বিবরণী

টাকা '০০০	টীকা	৩১ ডিসেম্বর ২০১৭	৩১ ডিসেম্বর ২০১৬
সম্পদ			
সম্পত্তি, কারখানা এবং যন্ত্রপাতি	৫	২০,৯১৫,১৬০	১৫,৪১১,৮৭৩
স্থায়ী সম্পদ		**২০,৯১৫,১৬০**	**১৫,৪১১,৮৭৩**
মজুদ পণ্য	৬	১৭,৪৬৯,০৮৯	১৩,৯৭৯,১৮০
বানিজ্য ও অন্যান্য প্রাপ্য	৭	২,৩১৫,৪৫৭	১,০৬২,৪৫০
অগ্রিম, জমা ও অগ্রিম পরিশোধ	৮	৪,৭৩৬,৬৩৩	৩,৩২৯,৪৮০
নগদ অর্থ ও নগদ সমতুল্য	৯	৯৭৮,১৬৯	১,৫৬৪,৬০০
চলতি সম্পদ		২৫,৪৯৯,৩৪৮	১৯,৯৩৫,৭১০
মোট সম্পদ		**৪৬,৪১৪,৫০৮**	**৩৫,৩৪৭,৫৮৩**
মালিকানাস্বত্ব			
শেয়ার মূলধন	১০	৬০০,০০০	৬০০,০০০
সংরক্ষিত মূলধন তহবিল	১১	৬৪,৮৯৬	৬৪,৮৯৬
সংরক্ষিত মুনাফা তহবিল	১২	২২,৪৪৭,৫৪২	১৮,২১৭,৬৮৬
কোম্পানির স্বত্বাধীকারীর ওপর আরোপিত মালিকানাস্বত্ব		**২৩,১১২,৪৩৮**	**১৮,৮৮২,৫৮২**
দায়			
নিট নির্ধারিত বেনিফিট পরিকল্পনা	১৩	৮৬৯,১১৪	৮০০,৬৬৩
বিলম্বিত কর দায়	১৪	২,৮৩৫,৫৭০	২,০২৭,৩৭৩
মোট দীর্ঘমেয়াদি দায়		**৩,৭০৪,৬৮৪**	**২,৮২৮,০৩৬**
ব্যাংক জমাতিরিক্ত	১৫	৩,০৫৭,৯১০	২৮৯,৫৭২
স্বল্প মেয়াদি ব্যাংক ঋণ	১৬	-	১,৫০০,০০০
ব্যবসা ও অন্যান্য প্রদেয়	১৭	১০,১০১,৬২১	৮,২১৮,৪০৬
চলতি আয়কর এর দায়	১৮	৫,৩৬৪,৬৯৭	২,৪৯৯,২৬৯
সঞ্চিতি ও প্রদেয়	১৯	১,০৭৩,১৫৮	১,১২৯,৭১৮
চলতি দায়		**১৯,৫৯৭,৩৮৬**	**১৩,৬৩৬,৯৬৫**
মোট দায়		**২৩,৩০২,০৭০**	**১৬,৪৬৫,০০১**
মোট মালিকানাস্বত্ব ও দায়		**৪৬,৪১৪,৫০৮**	**৩৫,৩৪৭,৫৮৩**

২২০-২৫১ পৃষ্ঠার সংযোজিত টীকাসমূহ এই আর্থিক বিবরণীর অবিচ্ছেদ্য অংশ।

গোলাম মইন উদ্দিন
চেয়ারম্যান

শেহ্‌জাদ মুনিম
ব্যবস্থাপনা পরিচালক

মোহাম্মদ মঈনুদ্দিন আবদুল্লাহ
পরিচালক

উইলিয়াম ফ্রান্সিস পেগেল
অর্থ পরিচালক

মোঃ আজিজুর রহমান এফ সি এস
কোম্পানি সচিব

আমাদের একই তারিখের প্রতিবেদন অনুযায়ী প্রস্তুতকৃত।

রহমান রহমান হক
চার্টার্ড একাউন্ট্যান্টস

ঢাকা, ৫ মার্চ ২০১৮

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

লাভ ও ক্ষতি এবং অন্যান্য সম্মিলিত আয়ের বিবরণী

টাকা '০০০	টীকা	৩১ ডিসেম্বর তারিখে সমাপ্ত বছরের জন্য ২০১৭	২০১৬
মোট বিক্রয়		২০৪,১৩৯,৭১৫	১৬৫,৬৩৩,৭৬০
সম্পূরক শুল্ক ও মূল্য সংযোজন কর		(১৫২,১৭৫,৯৭২)	(১২১,৮৭৯,৯৮৫)
নিট বিক্রয়লব্ধ অর্থ	২০	**৫১,৯৬৩,৭৪৩**	**৪৩,৭৫৩,৭৭৫**
বিক্রিত পণ্যের ব্যয়	২১	(২৭,১৮০,৭৪২)	(২৩,৮৯০,৮৯৫)
মোট মুনাফা		**২৪,৭৮৩,০০১**	**১৯,৮৬২,৮৮০**
পরিচালন ব্যয়	২২	(৬,৯৮০,৫৮০)	(৫,৯৩৬,১৪৬)
পরিচালন মুনাফা		**১৭,৮০২,৪২১**	**১৩,৯২৬,৭৩৪**
নিট আর্থিক আয়/ (ব্যয়)	২৩	(১৮৫,২৯১)	(৩৬,৪৬৮)
অ-পরিচালন আয়/ (ব্যয়)	২৪	২৪,৪৬৯	(২৬,৭০৮)
শ্রমিক কল্যান তহবিল পূর্ব মুনাফা		**১৭,৬৪১,৫৯৯**	**১৩,৮৬৩,৫৫৮**
শ্রমিকের অংশগ্রহণ তহবিল		(৮৮২,০৮০)	(৬৯৩,১৭৮)
আয়কর পূর্ব মুনাফা		**১৬,৭৫৯,৫১৯**	**১৩,১৭০,৩৮০**
আয়কর সংক্রান্ত ব্যয়			
চলতি আয়কর	২৫	(৮,১২১,৪৬৬)	(৫,৬২২,৬৫১)
বিলম্বিত আয়কর	২৬	(৮০৮,১৯৭)	৩৪,৭৩৩
		(৮,৯২৯,৬৬৩)	**(৫,৫৮৭,৯১৮)**
বছরের নিট মুনাফা		**৭,৮২৯,৮৫৬**	**৭,৫৮২,৪৬২**
অন্যান্য সম্মিলিত আয়	২৭	-	(৯,৩৯৯)
সর্বমোট সম্মিলিত বাৎসরিক আয়		**৭,৮২৯,৮৫৬**	**৭,৫৭৩,০৬৩**
		টাকা	টাকা
শেয়ার প্রতি আয়	২৮	**১৩০.৫০**	**১২৬.৩৭**

২২০-২৫১ পৃষ্ঠার সংযোজিত টীকাসমূহ এই আর্থিক বিবরণীর অবিচ্ছেদ্য অংশ।

গোলাম মইন উদ্দিন
চেয়ারম্যান

শেহ্‌জাদ মুনিম
ব্যবস্থাপনা পরিচালক

মোহাম্মদ মঈনুদ্দিন আবদুল্লাহ
পরিচালক

উইলিয়াম ফ্রান্সিস পেগেল
অর্থ পরিচালক

মোঃ আজিজুর রহমান এফ সি এস
কোম্পানি সচিব

আমাদের একই তারিখের প্রতিবেদন অনুযায়ী প্রস্তুতকৃত।

রহমান রহমান হক
চার্টার্ড একাউন্ট্যান্টস

ঢাকা, ৫ মার্চ ২০১৮

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
সর্বমোট সম্মিলিত বাৎসরিক আয়				
সম্মিলিত আয়	-	-	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)
কোম্পানির মালিকদের সাথে মোট লেনদেন	-	-	**(৩,৩০০,০০০)**	**(৩,৩০০,০০০)**
৩১ ডিসেম্বর ২০১৬ সালের ব্যালেন্স	৬০০,০০০	৬৪,৮৯৬	১৮,২১৭,৬৮৬	১৮,৮৮২,৫৮২
১ জানুয়ারি ২০১৭ সালের ব্যালেন্স	৬০০,০০০	৬৪,৮৯৬	১৮,২১৭,৬৮৬	১৮,৮৮২,৫৮২
সর্বমোট সম্মিলিত বাৎসরিক আয়				
সম্মিলিত বাৎসরিক আয়	-	-	৭,৮২৯,৮৫৬	৭,৮২৯,৮৫৬
অন্যান্য সম্মিলিত আয়	-	-	-	-
সর্বমোট সম্মিলিত বাৎসরিক আয়	-	-	৭,৮২৯,৮৫৬	৭,৮২৯,৮৫৬
চূড়ান্ত লভ্যাংশ ২০১৬	-	-	(৩,৬০০,০০০)	(৩,৬০০,০০০)
৩১ ডিসেম্বর ২০১৭ সালের ব্যালেন্স	৬০০,০০০	৬৪,৮৯৬	২২,৪৪৭,৫৪২	২৩,১১২,৪৩৮

২২০-২৫১ পৃষ্ঠার সংযোজিত টীকাসমূহ এই আর্থিক বিবরণীর অবিচ্ছেদ্য অংশ।

AMNR STOCK

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

নগদ অর্থ প্রবাহের বিবরণী

টাকা '০০০	৩১ ডিসেম্বর তারিখে সমাপ্ত বছরের জন্য ২০১৭	২০১৬
পরিচালনা কার্যক্রম থেকে নগদ অর্থ প্রবাহ		
পরিবেশক, তামাক রপ্তানি এবং অন্যান্য আয় থেকে লব্ধ	২০২,৯৩৬,৬১৪	১৬৫,৫৯৭,০৭৪
মূল্য এবং খরচাদি পরিশোধ	(৩৩,৭৯৭,২৬৬)	(২৮,৮৮৪,৩৩৭)
সম্পূরক শুল্ক এবং মূল্য সংযোজন কর প্রদান	(১৫৩,৯৬৩,৮১২)	(১২৫,৮২৪,২৩৭)
পরিচালনা কার্যক্রম থেকে প্রাপ্ত নগদ অর্থ	১৫,১৭৫,৫৩৬	১০,৮৮৮,৫০০
পরিশোধকৃত আয়কর	(৫,২৫৬,০৩৮)	(৬,৬২৩,৭৬১)
পরিশোধকৃত সুদ	(১৮৬,১২৪)	(৩০,০৬৯)
পরিচালনা কার্যক্রম থেকে নগদ অর্থ	৯,৭৩৩,৩৭৪	৪,২৩৪,৬৭০
বিনিয়োগ কার্যক্রম থেকে নগদ অর্থ প্রবাহ		
সম্পত্তি, কারখানা ও যন্ত্রপাতি ক্রয়	(৮,০৩০,২৯৪)	(৩,৫৫০,৪৮৮)
সম্পত্তি, কারখানা ও যন্ত্রপাতি বিক্রয়লব্ধ আয়	৩৯,৪৭০	৩৫,৫৯১
বিনিয়োগ কার্যক্রমে নগদ অর্থের ব্যবহার	(৭,৯৯০,৮২৪)	(৩,৫১৪,৮৯৭)
আর্থিক কার্যক্রম থেকে নগদ অর্থ প্রবাহ		
স্বল্প মেয়াদী ঋণ হতে আয়	৮,৮০০,০০০	১,৫০০,০০০
স্বল্প মেয়াদী ঋণ পরিশোধ	(১০,৩০০,০০০)	-
পরিশোধকৃত লভ্যাংশ	(৩,৫৯৭,৩১৯)	(৩,৩০১,৭৪৭)
আর্থিক কার্যক্রমে নগদ অর্থের ব্যবহার	(৫,০৯৭,৩১৯)	(১,৮০১,৭৪৭)
বছরের নিট নগদ অর্থ ও নগদ সমতুল্য সম্পদের বৃদ্ধি/(হ্রাস)	(৩,৩৫৪,৭৬৯)	(১,০৮১,৯৭৪)
বছরের প্রারম্ভিক নগদ অর্থ ও নগদ সমতুল্য সম্পদ	১,২৭৫,০২৮	২,৩৫৭,০০২
বছরের সমাপনী নগদ অর্থ ও অর্থসদৃশ্য সম্পদ	(২,০৭৯,৭৪১)	১,২৭৫,০২৮

** ব্যাংক ওভারড্রাফট নগদ এবং নগদ সমতুল্যের অন্তভূর্ক্ত যা দাবি সাপেক্ষে পরিশোধযোগ্য এবং ইহা কোম্পানীর নগদ পরিচালনার একটি অবিচ্ছেদ্য অংশ।*

২২০-২৫১ পৃষ্ঠার সংযোজিত টীকাসমূহ এই আর্থিক বিবরণীর অবিচ্ছেদ্য অংশ।

AMARSTOCK

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

হিসাব সংক্রান্ত টীকা

ডিসেম্বর ৩১, ২০১৭ 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 নিবন্ধনকৃত কার্যালয় হচ্ছে নিউ ডিওএইচএস রোড, মহাখালী, ঢাকা-১২০৬, বাংলাদেশ।

১.২ ব্যবসার ধরন

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 থ্রেশিং 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 আইন ১৯৯৪, বাংলাদেশ সিকিউরিটিজ এবং এক্সচেঞ্জ নীতিমালা ১৯৮৭ এবং অন্যান্য আইন ও বিধানের সাথে সঙ্গতি বজায় রেখে প্রস্তুত করা হয়েছে। বাংলাদেশ সিকিউরিটিজ এবং এক্সচেঞ্জ নীতিমালা ১৯৮৭ তে নির্দেশিত বিধি অনুযায়ী পরিচালনা কর্মকাণ্ডের নগদ অর্থ প্রবাহের হিসাব করা হয়েছে।

কোম্পানির হিসাবরক্ষণের নীতিমালার বিশদ বিবরণ এবং এদের পরিবর্তন টীকা ৪২, ৪৩ এবং ৪৪ এ বর্ণনা করা হয়েছে।

২.২ অনুমোদন

পরিচালনা পর্ষদ কর্তৃক এই আর্থিক বিবরণীসমূহ ৫ মার্চ ২০১৮ তারিখে অনুমোদিত।

২.৩ প্রতিবেদনের সময়কাল

এই কোম্পানির আর্থিক হিসাবকাল ১ জানুয়ারি থেকে ৩১ ডিসেম্বর যা ধারাবাহিকভাবে অনুসরণ করা হচ্ছে।

৩. পরিচালন এবং প্রদর্শিত মূল্যের একক

এই আর্থিক বিবরণীটি বাংলাদেশী টাকার এককে প্রদর্শিত হয়েছে, যা কোম্পানির পরিচালন এবং প্রদর্শিত মূল্যের একক। 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।

AMARSTOCK

৪. অনুমান এবং মূল্যায়নের প্রয়োগ

বিএফআরএস অনুসারে এই আর্থিক বিবরণী প্রস্তুতিতে হিসাবরক্ষণ নীতিতে দায়, আয় এবং খরচের ব্যবহারিক নীতিতে মূল্যায়ন, অনুমান এবং ধারনার প্রয়োগ করা হয়েছে। বাস্তবিক হিসাব এসব নিরীক্ষিত হিসাব থেকে ভিন্ন হতে পারে।

এ সকল অনুমান ও ধারনাগুলো একটি চলমান প্রক্রিয়ায় পুনঃপর্যবেক্ষণ করা হয়। 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 ১৩- নীট নির্ধারিত বেনিফিট পরিকল্পনা

নোট ১৪- বিলম্বিত কর দায়

নোট ১৮- চলতি কর দায়

নোট ১৯- সঞ্চিতি ও প্রদেয়

নোট ৩৮- অঙ্গিকার

নোট ৩৯- সম্ভাব্য দায়

যখন স্থাবর বা অস্থাবর সম্পদ অথবা দায়বদ্ধতার ন্যায্য মূল্য পরিমাপ করা হয়, তখন কোম্পানি যতদূর সম্ভব বাজার পরিসংখ্যানযোগ্য/পর্যবেক্ষণযোগ্য তথ্য ব্যবহার করে। ব্যবহৃত ইনপুটগুলোর উপর ভিত্তি মূল্যায়ন কৌশলগুলোতে যে ন্যায্য মূল্য নির্ধারণ করা হয় এবং যথাযথ মূল্যগুলো একটি সুষ্ঠ মূল্যের অনুক্রমের বিভিন্ন স্তরে শ্রেণিভুক্ত করা হয় তা নিম্নরূপ:

- ধাপ ১: স্থাবর বা অস্থাবর সম্পদ অথবা দায়বদ্ধতার জন্য সক্রিয় বাজারে উদ্ধৃত মূল্য (অপ্রয়োজনীয়/যোগ না করা)।
- ধাপ ২: ধাপ ১ এ অন্তর্ভুক্ত উদ্ধৃত মূল্যের চেয়ে অন্যান্য ইনপুট স্থাবর বা অস্থাবর সম্পদ অথবা দায়বদ্ধতার জন্য পরিসংখ্যানযোগ্য/পর্যবেক্ষণযোগ্য হয়, কখনো প্রতক্ষ্যভাবে (উদাহরণস্বরূপ মূল্য) কখনো বা পরোক্ষভাবে (উদাহরণস্বরূপ মূল্য থেকে উদ্ভূত)।
- ধাপ ৩: স্থাবর বা অস্থাবর সম্পদ অথবা দায়বদ্ধতার জন্য প্রদত্ত ইনপুট যেগুলো বাজারের পরিসংখ্যানযোগ্য/পর্যবেক্ষণযোগ্য তথ্য ভিত্তিক নয় (পরিসংখ্যানযোগ্য নয়/পর্যবেক্ষণযোগ্য নয় এমন ইনপুট)।

যদি স্থাবর বা অস্থাবর সম্পদ অথবা দায়বদ্ধতার ন্যায্য মূল্য পরিমাপ করতে ইনপুট ব্যবহার করা হয় সেক্ষেত্রে ন্যায্য মূল্য অনুক্রমের বিভিন্ন স্তরে শ্রেণিকরণ করা যেতে পারে, তারপর ন্যায্য মূল্য পরিমাপ তার সম্পূর্ণভাবে ন্যায্য মূল্য অনুক্রমের একই স্তরে শ্রেণিভুক্ত করা হয়, তবে সর্বনিম্ন স্তরের ইনপুট সমগ্র পরিমাপের জন্য গুরুত্বপূর্ণ।

রিপোর্টিংয়ের মেয়াদ শেষ হওয়ার পরে কোম্পানি সম্পদের সুনির্দিষ্ট ন্যায্য মূল্য এবং অনুক্রমের বিভিন্ন মাত্রা শ্রেণি পর্যায়ের স্থানান্তর সনাক্ত করে।

৫. সম্পত্তি, কারখানা ও যন্ত্রপাতি

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ (ক) এবং ৪৩ (খ) দেখুন

টাকা '০০০	নিষ্কর ভবন	নিষ্কর ভূমি	আসবাবপত্রাদি	আই. টি. সরঞ্জাম	ল্যাবরেটরি সরঞ্জাম	ইজারাধীন ভবন	অফিস সরঞ্জাম	কারখানা ও যন্ত্রাদি	যানবাহন	নির্মাণাধীন সম্পদ	সর্বমোট
খরচ											
১ জানুয়ারি ২০১৬ তারিখের ব্যালেন্স	৬৩৩,৬০১	৩৭৫,৭৮১	২৬৭,০০২	২৭৫,৪৭২	২০৮,৭৬৫	৫৮৪,২৯৯	২৮৮,৫৫৫	১৪,২০৯,৩১৫	৮৭৩,৮৮৯	২,২৯৯,২১২	২০,০১৫,৮৯১
সংযোজন	২৭৫,৪৩৭	-	৬২,৯২৯	৪২,০৭৫	১৭,২৭৭	১১২,৭৮৭	২৮২,২৩৮	২,০৮৮,৩৮০	১১৪,৯৮৬	২,৫৩৯,২৩৮	৫,৫৩৫,৩৪৭
নিষ্পত্তি/সমন্বয়	(৩,৬৭৮)	-	(১,৭৮১)	(১৯৯)	(১,৪৯৯)	(১২,৭৭২)	(১১,১৭৩)	(৩৮০,৮৪৫)	(৮৩,৯৪৭)	(২,৩৭৩,৩৬০)	(২,৮৬৯,২৫৪)
৩১ ডিসেম্বর ২০১৬ তারিখের ব্যালেন্স	৯০৫,৩৬০	৩৭৫,৭৮১	৩২৮,১৫০	৩১৭,৩৪৮	২২৪,৫৪৩	৬৮৪,৩১৪	৫৫৯,৬২০	১৫,৯১৬,৮৫০	৯০৪,৯২৮	২,৪৬৫,০৯০	২২,৬৮১,৯৮৪
১ জানুয়ারি ২০১৭ তারিখের ব্যালেন্স	৯০৫,৩৬০	৩৭৫,৭৮১	৩২৮,১৫০	৩১৭,৩৪৮	২২৪,৫৪৩	৬৮৪,৩১৪	৫৫৯,৬২০	১৫,৯১৬,৮৫০	৯০৪,৯২৮	২,৪৬৫,০৯০	২২,৬৮১,৯৮৪
সংযোজন	২৫,২২০	-	২৫,২৭০	৭৭,২৭৭	৩৫,৫৭১	১৯,৮৯৯	১৭২,১০৪	২,৩১৯,৩১৪	২০৩,৯৯৭	৬,৩৬৩,১৬৮	৯,২৪১,৮২০
নিষ্পত্তি/সমন্বয়	-	-	(৯৮)	(৩৬,৯৮৪)	-	-	(২,৫৮০)	(১২০,৩৩৫)	(৯৬,৭৯৪)	(২,১৭৮,১২৩)	(২,৪৩৪,৯১৪)
৩১ ডিসেম্বর ২০১৭ তারিখের ব্যালেন্স	৯৩০,৫৮০	৩৭৫,৭৮১	৩৫৩,৩২২	৩৫৭,৬৪১	২৬০,১১৪	৭০৪,২১৩	৭২৯,১৪৪	১৮,১১৫,৮২৯	১,০১২,১৩১	৬,৬৫০,১৩৫	২৯,৪৮৮,৮৯০
সঞ্চিত অবচয়											
১ জানুয়ারি ২০১৬ তারিখের ব্যালেন্স	১৪১,০৮৯	-	১৭৬,৬৪২	১৯৬,০৯৭	১০৬,৮৭২	১২৪,১৭৩	১৩১,৯৫৯	৫,০৩৬,৩২৮	৪৩৭,৭১৬	-	৬,৩৫০,৮৭৬
চলতি বছরে অবচয় মূল্য	১৬,৬৯২	-	২৬,১৮১	৪৮,১৮৭	১৫,৮৩৬	১৬,৪৯১	৫১,৯১৬	৯২৫,৬৪৮	১৬১,১১১	-	১,২৬২,০৬২
নিষ্পত্তি/স্থানান্তর সমন্বয়	(১,১৭৮)	-	(১,৫৯১)	(১৯৮)	(১,৪৯৯)	(৫,৯৩২)	(২,৪৯৩)	(২৫১,০২৫)	(৭৮,৯১১)	-	(৩৪২,৮২৭)
৩১ ডিসেম্বর ২০১৬ তারিখের ব্যালেন্স	১৫৬,৬০৩	-	২০১,২৩২	২৪৪,০৮৬	১২১,২০৯	১৩৪,৭৩২	১৮১,৩৮২	৫,৭১০,৯৫১	৫১৯,৯১৬	-	৭,২৭০,১১১
১ জানুয়ারি ২০১৭ তারিখের ব্যালেন্স	১৫৬,৬০৩	-	২০১,২৩২	২৪৪,০৮৬	১২১,২০৯	১৩৪,৭৩২	১৮১,৩৮২	৫,৭১০,৯৫১	৫১৯,৯১৬	-	৭,২৭০,১১১
চলতি বছরে অবচয় মূল্য	২২,৪১৯	-	৩৬,৭৪৬	৪৮,৭২৫	১৭,৭৮৮	২১,০৫৬	১০১,২২৯	১,০৬৮,৪৮৩	১৭৯,০৫৭	-	১,৪৯৫,৫০৩
নিষ্পত্তি/স্থানান্তর সমন্বয়	-	-	(৯৭)	(৩৬,৮৬২)	-	-	(২,৫৪৯)	(৫৬,৫০৮)	(৯৫,৮৬৮)	-	(১৯১,৮৮৪)
৩১ ডিসেম্বর ২০১৭ তারিখের ব্যালেন্স	১৭৯,০২২	-	২৩৭,৮৮১	২৫৫,৯৪৯	১৩৮,৯৯৭	১৫৫,৭৮৮	২৮০,০৬২	৬,৭২২,৯২৬	৬০৩,১০৫	-	৮,৫৭৩,৭৩০
চলমান পরিমাণ											
১ জানুয়ারি ২০১৬	৪৯২,৫১২	৩৭৫,৭৮১	৯০,৩৬০	৭৯,৩৭৫	১০১,৮৯৩	৪৬০,১২৬	১৫৬,৫৯৬	৯,১৭২,৯৮৭	৪৩৬,১৭৩	২,২৯৯,২১২	১৩,৬৬৫,০১৫
৩১ ডিসেম্বর ২০১৬	৭৪৮,৭৫৭	৩৭৫,৭৮১	১২৬,৯১৮	৭৩,২৬২	১০৩,৩৩৪	৫৪৯,৫৮২	৩৭৮,২৩৮	১০,২০৫,৮৯৯	৩৮৫,০১২	২,৪৬৫,০৯০	১৫,৪১১,৮৭৩
৩১ ডিসেম্বর ২০১৭	৭৫১,৫৫৮	৩৭৫,৭৮১	১১৫,৪৪১	১০১,৬৯২	১২১,১১৭	৫৪৮,৪২৫	৪৪৯,০৮২	১১,৩৯২,৯০৩	৪০৯,০২৬	৬,৬৫০,১৩৫	২০,৯১৫,১৬০

৫.১অবচয়ের বন্টন

টাকা '০০০	নোট	২০১৭	২০১৬
উৎপাদনের উপরি ব্যয়	২১.১	১,০৮৪,০২২	৯০৮,৪৫৭
পরিচালনা ব্যয়	২২	১৮১,০৯৩	১৭২,৯০১
তামাকের জন্য ব্যয়		২৩০,৩৮৮	১৮০,৭০৪
		১,৪৯৫,৫০৩	১,২৬২,০৬২

৬ মজুদ পণ্য

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ (চ) দেখুন

টাকা '০০০	২০১৭	২০১৬
হাতে মজুদ	১৭,০৭৯,৬১২	১৩,২২০,২৪৩
ট্রানজিটে মজুদ	৩৮৯,৪৭৭	৭৫৮,৯৩৭
	১৭,৪৬৯,০৮৯	১৩,৯৭৯,১৮০
হাতে মজুদ		
তামাক পাতা	৭,০৭৮,৬৯০	৫,১৩৫,৮২৪
মোড়ক সামগ্রী	৮১৬,৫৫৯	৫৫৯,৭৪৯
প্রক্রিয়াধীন কাজ	৫৪,৪১১	২১,২০১
উৎপাদিত পণ্য		
উৎপাদিত পণ্যের ব্যয়	১,৮৭৪,৬৫০	১,৬০৬,৮৬৯
উৎপাদিত পণ্যের সম্পূরক শুল্ক ও মূল্য সংযোজন কর এবং স্বাস্থ্য উন্নয়ন সারচার্জ	৬,৭১৪,৭০৯	৫,৩৭৪,২১৭
ভোগ্য মালামাল	৫৪০,৫৯৩	৫২২,৩৮৩
	১৭,০৭৯,৬১২	১৩,২২০,২৪৩
ট্রানজিটে মজুদ		
তামাক পাতা	৩১,২৫০	১৫৬,৯২১
মোড়ক সামগ্রী	৩২২,০৮৪	৪৩৬,৩৯০
ভোগ্য মালামাল	৩৬,১৪৩	১৬৫,৬২৬
	৩৮৯,৪৭৭	৭৫৮,৯৩৭

৭ বাণিজ্য এবং অন্যান্য প্রাপ্য

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ (খ) (i) (অ) দেখুন

টাকা '০০০	২০১৭	২০১৬
বাণিজ্যিক দেনাদার	২,২৩৬,৬৬৫	৯৬১,০৬৮
আন্তঃকোম্পানি দেনাদার	৫৫,২১৮	৩৫,৫০৮
অন্যান্য প্রাপ্য	২৩,৫৭৪	৬৫,৮৭৪
	২,৩১৫,৪৫৭	১,০৬২,৪৫০

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

৮ অগ্রিম, জমা এবং অগ্রিম পরিশোধ

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ (খ) (i) (আ) দেখুন

টাকা '০০০	২০১৭	২০১৬
অগ্রিম		
সরবরাহকারীদেরকে অগ্রিম প্রদান	৩,৬০১,৬৬৯	২,৬৫০,৬৯১
সম্পূরক শুল্ক ও মুল্য সংযোজন কর	১,০৮৮,২১১	৬৪০,৮৬৩
কর্মচারীদেরকে অগ্রিম প্রদান	৩১,৬০০	২১,৬০৪
	৪,৭২১,৪৮০	৩,৩১৩,১৫৮
জমা		
নিরাপত্তা জামানত	১৪,৬৩৬	১৬,৩২২
	১৪,৬৩৬	১৬,৩২২
অগ্রিম পরিশোধ		
বীমা	৫১৭	-
	৫১৭	-
	৪,৭৩৬,৬৩৩	৩,৩২৯,৪৮০

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৯ নগদ অর্থ ও নগদ সমতুল্য

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ (খ) (i) (ই) দেখুন

টাকা '০০০	২০১৭	২০১৬
নগদ অর্থ	৮২৫	১,১১৭
ব্যাংকে জমা		
লভ্যাংশ হিসাব	৪২,৭০৫	৪০,০২৪
বৈদেশিক মুদ্রার হিসাব	৮৯৬,২৬৯	১,২৫৬,৪৮৯
চলতি হিসাব	৩৮,৩৭০	২৬৬,৯৭০
	৯৭৭,৩৪৪	১,৫৬৩,৪৮৩
আর্থিক অবস্থার বিবরনীতে নগদ ও নগদ সমতুল্য	৯৭৮,১৬৯	১,৫৬৪,৬০০
তারল্য পরিচালনার জন্য ব্যবহারিত ব্যাংক ওভারড্রাফট	(৩,০৫৭,৯১০)	(২৮৯,৫৭২)
নগদ অর্থ প্রবাহ বিবরনীতে নগদ ও নগদ সমতুল্য	(২,০৭৯,৭৪১)	১,২৭৫,০২৮

উপরে উল্লেখ্য নগদ অর্থ সমুহ তফসিলি ও রাষ্ট্রায়ত্ত 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 ১১,৭৬১ মিলিয়ন টাকা (২০১৬ : ৮,৪৯৬ মিলিয়ন টাকা) স্বল্প মেয়াদি চলতি তহবিল সংগ্রহের ব্যবস্থা রয়েছে। ৩১ শে ডিসেম্বর ২০১৭ তারিখ পর্যন্ত মোট ৩,০৫৮ মিলিয়ন টাকা (ব্যাংক থেকে অতিরিক্ত অর্থ ৩,০৫৮ মিলিয়ন টাকা) স্বল্প মেয়াদি চলতি তহবিল সুবিধা গ্রহন করা হয়। (২০১৬: ব্যাংক থেকে অতিরিক্ত অর্থ ২৮৯ মিলিয়ন টাকা। এবং স্বল্প মেয়াদি ঋণ ১,৫০০ মিলিয়ন টাকা) স্বল্প মেয়াদি চলতি তহবিল সুবিধা প্রতি বছর নবায়ন করা হয়।

১০ শেয়ার মূলধন

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ (গ) দেখুন

টাকা' ০০০	২০১৭	২০১৬
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

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১০.১ শেয়ারহোল্ডিং অবস্থান

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ (গ) দেখুন

	২০১৭			২০১৬		
শেয়ার হোল্ডারদের নাম	শেয়ারের সংখ্যা	মূল্য (টাকা)	শতাংশ	শেয়ারের সংখ্যা	মূল্য (টাকা)	শতাংশ
রেলি ইনভেস্টমেন্ট কোং লিঃ ইউকে	৪৩,৭৪৫,৩৫৮	৪৩৭,৪৫৩,৫৮০	৭২.৯১%	৪৩,৭৪৫,৩৫৮	৪৩৭,৪৫৩,৫৮০	৭২.৯১%
ইনভেস্টমেন্ট কর্পোঃ অব বাংলাদেশ	৩,৮৩৬,২১৮	৩৮,৩৬২,১৮০	৬.৩৯%	৪,২৩২,৮১৩	৪২,৩২৮,১৩০	৭.০৫%
সাধারণ বীমা কর্পোরেশন	১,৬৯৪,০৪৭	১৬,৯৪০,৪৭০	২.৮২%	১,৬৯৪,০৪৭	১৬,৯৪০,৪৭০	২.৮২%
বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিঃ	১৯৭,৩৭৬	১,৯৭৩,৭৬০	০.৩৩%	১৯৭,৩৭৬	১,৯৭৩,৭৬০	০.৩৩%
বাংলাদেশ সরকার	৩৮৬,৮২৪	৩,৮৬৮,২৪০	০.৬৪%	৩৮৬,৮২৪	৩,৮৬৮,২৪০	০.৬৪%
অন্যান্য	১০,১৪০,১৭৭	১০১,৪০১,৭৭০	১৬.৯০%	৯,৭৪৩,৫৮২	৯৭,৪৩৫,৮২০	১৬.২৪%
	৬০,০০০,০০০	৬০০,০০০,০০০	১০০%	৬০,০০০,০০০	৬০০,০০০,০০০	১০০%

১০.২ শেয়ার বন্টনসূচি

লিস্টিং রুলের চাহিদা অনুযায়ী উল্লিখিত শেয়ারের বন্টনসূচি ৩১ ডিসেম্বর ২০১৭ পর্যন্ত দেওয়া হলো:

	২০১৭			২০১৬		
শেয়ার সংখ্যা	শেয়ার হোল্ডারের সংখ্যা	মোট শেয়ার সংখ্যা	শতকরা হার	শেয়ার হোল্ডারের সংখ্যা	মোট শেয়ার সংখ্যা	শতকরা হার
৫০১ এর কম শেয়ার	২,০৪৮	১৪৬,৮৯৩	০.২৪%	২,৬৮০	১৮৮,৩২০	০.৩১%
৫০১ থেকে ৫,০০০ শেয়ার	১৬৪	২২২,৮৩০	০.৩৭%	২০২	২৫৮,৮১৫	০.৪৩%
৫,০০১ থেকে ১০,০০০ শেয়ার	১৭	১২৬,১১০	০.২১%	১৬	১২১,৯৭৬	০.২০%
১০,০০১ থেকে ২০,০০০ শেয়ার	১৪	১৮১,৪৩৫	০.৩০%	২৪	৩৫৫,২৬৮	০.৫৯%
২০,০০১ থেকে ৩০,০০০ শেয়ার	৮	২০৫,৫৩৯	০.৩৪%	৩	৭৬,২৪৪	০.১৩%
৩০,০০১ থেকে ৪০,০০০ শেয়ার	৫	১৭৮,৯৭৪	০.৩০%	৬	২০৭,৩২২	০.৩৫%
৪০,০০১ থেকে ৫০,০০০ শেয়ার	৪	১৬৯,৩৪৮	০.২৮%	২	৮৭,১৮৩	০.১৫%
৫০,০০১ থেকে ১০০,০০০শেয়ার	৮	৬১২,৮৯৬	১.০২%	৯	৬৫৯,২২৭	১.১০%
১০০,০০১ থেকে ১,০০০,০০০ শেয়ার	১৫	৫,০০৬,২১৯	৮.৩৪%	১৬	৫,২০৭,৬৩৩	৮.৬৮%
১,০০০,০০০ শেয়ারের বেশি	৫	৫৩,১৪৯,৭৫৬	৮৮.৫৮%	৫	৫২,৮৩৮,০১২	৮৮.০৬%
	২,২৮৮	৬০,০০০,০০০	১০০%	২,৯৬৩	৬০,০০০,০০০	১০০%

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১১ সংরক্ষিত মূলধন তহবিল

সংরক্ষিত মূলধন তহবিল বলতে ৬৪.৯০ মিলিয়ন টাকা অপ্রত্যার্পনযোগ্য 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	২০১৭	২০১৬
১ জানুয়ারি তারিখের ব্যালেন্স	**১৮,২১৭,৬৮৬**	১৩,৯৪৪,৬২৩
চলতি বছরের সম্মিলিত আয়:		
চলতি বছরের মুনাফা	**৭,৮২৯,৮৫৬**	৭,৫৮২,৪৬২
অন্যান্য সম্মিলিত আয়	-	(৯,৩৯৯)
	২৬,০৪৭,৫৪২	২১,৫১৭,৬৮৬
চলতি বছরের লভ্যাংশ সমূহ:		
পূর্ববর্তী বছরের চূড়ান্ত লভ্যাংশ	**(৩,৬০০,০০০)**	(৩,৩০০,০০০)
৩১ ডিসেম্বর তারিখের ব্যালেন্স	**২২,৪৪৭,৫৪২**	১৮,২১৭,৬৮৬

১৩. নীট নির্ধারিত বেনিফিট পরিকল্পনা

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ (ছ) দেখুন

টাকা '০০০	নোট	২০১৭			২০১৬		
		গ্র্যাচুয়িটি তহবিল	পেনশন তহবিল	সর্বমোট	গ্র্যাচুয়িটি তহবিল	পেনশন তহবিল	সর্বমোট
নির্ধারিত বেনিফিটের দায়	১৩.১	**(৮৬৯,১১৪)**	**(২৬৩,৭৯৭)**	**(১,১৩২,৯১১)**	(৮০০,৬৬৩)	(২৫০,৪৭২)	(১,০৫১,১৩৫)
পরিকল্পিত সম্পত্তির ন্যায্য মূল্য	১৩.২	-	**২৬৩,৭৯৭**	**২৬৩,৭৯৭**	-	২৫০,৪৭২	২৫০,৪৭২
নীট উদ্বৃত্ত/(ঘাটতি)		**(৮৬৯,১১৪)**	-	**(৮৬৯,১১৪)**	(৮০০,৬৬৩)	-	(৮০০,৬৬৩)

১৩.১ নির্ধারিত বেনিফিটের দায়ের গতিবিধি

টাকা '০০০	গ্র্যাচুয়িটি তহবিল	পেনশন তহবিল	সর্বমোট
নির্ধারিত বেনিফিটের দায় ১ জানুয়ারি ২০১৭ তারিখে	**৮০০,৬৬৩**	২৫০,৪৭২	১,০৫১,১৩৫
চলতি সেবা ব্যয়	**৬৫,৪১৬**	৩২,১৭১	৯৭,৫৮৭
সুদের ব্যয়	**৬৫,৮২৪**	-	৬৫,৮২৪
পূর্বের সেবা ব্যয়- পরিকল্পনা সংশোধন	-	-	-
তহবিল হতে সুবিধা প্রদান	-	(১৮,৮৪৬)	(১৮,৮৪৬)
কোম্পানি হতে সুবিধা প্রদান	**(৬২,৭৮৯)**	-	(৬২,৭৮৯)
এ্যাকচুরিয়াল (লাভ)/ক্ষতি	-	-	-
নির্ধারিত বেনিফিটের দায় ৩১ ডিসেম্বর ২০১৭ তারিখে	**৮৬৯,১১৪**	**২৬৩,৭৯৭**	**১,১৩২,৯১১**

১৩.২ পরিকল্পিত সম্পত্তির ন্যায্য মূল্যের গতিবিধি

টাকা '০০০	গ্র্যাচুয়িটি তহবিল	পেনশন তহবিল	সর্বমোট
পরিকল্পনা সম্পত্তি ন্যায্য মূল্য ১ জানুয়ারি ২০১৭	-	২৫০,৪৭২	২৫০,৪৭২
কর্মচারীদের চাঁদা	-	১১,৫২০	১১,৫২০
পরিকল্পনা সম্পত্তির প্রত্যাশিত রিটার্ন	-	২০,৬৫১	২০,৬৫১
পরিকল্পনা অনুযায়ী সুবিধা প্রদান	-	(১৮,৮৪৬)	(১৮,৮৪৬)
এ্যাকচুরিয়াল (লাভ)/ক্ষতি	-	-	-
পরিকল্পনা সম্পত্তি ন্যায্যমূল্য ৩১ ডিসেম্বর ২০১৭	-	২৬৩,৭৯৭	২৬৩,৭৯৭

১৩.৩ ২০১৭ 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	৬৫,৪১৬	৩২,১৭১	৯৭,৫৮৭
পূর্বের সেবা ব্যয়-পরিকল্পনা সংশোধন	-	-	-
নির্ধারিত বেনিফিট দায়ের বকেয়া সুদ	৬৫,৮২৪	-	৬৫,৮২৪
পরিকল্পনা সম্পত্তির প্রত্যাশিত রিটার্ন	-	(২০,৬৫১)	(২০,৬৫১)
প্ল্যানের জন্য নীট আর্থিক খরচ (আয়)	৬৫,৮২৪	(২০,৬৫১)	৪৫,১৭৩
	১৩১,২৪০	১১,৫২০	১৪২,৭৬০

১৩.৪ এ্যাকচ্যুারিয়াল অনুমান সমূহ

প্রতিবেদনের তারিখের প্রধান এ্যাকচ্যুরিয়াল অনুমান সমূহ নিম্ন রূপ

	গ্রাচুইটি তহবিল	পেনশন তহবিল
ডিসকাউন্টের হার	৮.৫%	৯%
বেতনের বার্ষিক বৃদ্ধির হার	১১%	১১%

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১৪. বিলম্বিত করের দায়

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ ট দেখুন

৩১ ডিসেম্বর, ২০১৭

টাকা '০০০	প্রতিবেদনের তারিখে চলমান পরিমান	করের ভিত্তি	করারোপ যোগ্য/কর্তন যোগ্য অস্থায়ী পার্থক্য
নির্মাণাধীন সম্পদ ও জমি ব্যতিত সম্পত্তি কারখানা এবং যন্ত্রপাতি	১৩,৭৪০,২৯৯	৬,৬৯৪,৪২১	৭,০৪৫,৮৭৮
মজুদের সঞ্চিতি	(২০৭,১৪৩)	-	(২০৭,১৪৩)
গ্র্যাচুইটির সঞ্চিতি	(৮৬৯,১১৪)	-	(৮৬৯,১১৪)
নীট অস্থায়ী ব্যবধান			৫,৯৬৯,৬২১
প্রযোজ্য করের হার			৪৭.৫%
বিলম্বিত করের দায়			২,৮৩৫,৫৭০

৩১ ডিসেম্বর, ২০১৬

টাকা '০০০	প্রতিবেদনের তারিখে চলমান পরিমান	করের ভিত্তি	করারোপ যোগ্য/ কর্তন যোগ্য অস্থায়ী পার্থক্য
নির্মানাধিন 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	(৮০০,৬৬৩)	-	(৮০০,৬৬৩)
নীট অস্থায়ী ব্যবধান			৪,৫০৫,২৭৭
প্রযোজ্য করের হার			৪৫%
বিলম্বিত করের দায়			২,০২৭,৩৭৩

১৫ ব্যাংক জমাতিরিক্ত

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ বি (i) (ই) দেখুন

টাকা '০০০	২০১৭	২০১৬
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	১,৫৮৯,৩২৪	২৮৯,৫৭২
সিটি ব্যাংক এন. এ	৩২৪,০১২	-
এইচ এস বি সি	৭৬৬,৩৮৫	-
কমার্শিয়াল ব্যাংক অফ সিলন পিএলসি	৩৬৭,১৯১	-
পূবালী ব্যাংক লি.	৪,৮৭৭	-
সোনালী ব্যাংক লি.	৬,১২১	-
	৩,০৫৭,৯১০	২৮৯,৫৭২

চলতি মূলধনের চাহিদা পূরণের জন্য কোম্পানীর উপরে ব্যাংক সমূহ হতে ব্যাংক ওভারড্রাফট সুবিধা গ্রহণ করে থাকে, উক্ত ওভারড্রাফট সমূহ দাবি সাপেক্ষে পরিশোধ করা হয়।

১৬ স্বল্পমেয়াদী ব্যাংক ঋণ

টাকা '০০০	নোট	২০১৭	২০১৬
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

		২০১৭		২০১৬	
টাকা '০০০	মুদ্রা	ঋণের সীমা	ঋণের পরিমাণ	ঋণের সীমা	ঋণের পরিমাণ
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	টাকা	৪,০০০,০০০	-	৩,১০০,০০০	১,০০০,০০০
কমার্শিয়াল ব্যাংক অব সিলন পি এল সি	টাকা	৮০০,০০০	-	৬৩৬,০০০	৫০০,০০০
		৪,৮০০,০০০	-	৩,৭৩৬,০০০	১,৫০০,০০০

চলতি মূলধনের চাহিদা মেটানোর জন্য কোম্পানী বর্তমানে ১৬ নম্বার নোটে দেওয়া উপরে উল্লেখিত স্ট্যান্ডার্ড চার্টার্ড ব্যাংক, কমার্শিয়াল ব্যাংক অব সিলন পি এল সি, সিটি ব্যাংক এন এ, এইচ এস বি সি এবং পূবালী ব্যাংক থেকে স্বল্পকালীন ঋণ সুবিধা ভোগ করছে, বছর শেষে ১৬ নম্বার নোটে উল্লেখিত ব্যাংক সমূহে কোন ঋণ সুবিধা বকেয়া নেই। এই ধরনের স্বল্পকালীন ঋণ সুবিধা মেয়াদান্তে ফেরত যোগ্য।

১৭. ব্যবসা ও অন্যান্য প্রদেয়

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ (খ) (ii) (অ) দেখুন

টাকা '০০০	নোট	২০১৭	২০১৬
বাণিজ্যিক পাওনাদার		১,৯৫৬,৭৬০	২,১৮৮,০৮৮
আন্তঃকোম্পানি পাওনাদার		৪,৪৫৭,৬৪৭	৩,৮৬২,৩৮৬
মুনাফায় শ্রমিকদের অংশীদারিত্ব তহবিল		৪৭,০৮০	২৭৩,১৭৮
মজুরি এবং অন্যান্য সুবিধা		৫৪৬,৫০০	৪২৩,৭৬৯
অদাবীকৃত লভ্যাংশ (টীকা ২৯)	২৯	৪২,৭০৫	৪০,০২৪
ব্যয় বকেয়া		২,৭০১,৫২১	১,০৯৩,২৪৪
বিবিধ প্রদেয়		৩৪৯,৪০৮	৩৩৭,৭১৭
		১০,১০১,৬২১	৮,২১৮,৪০৬

১৮. চলতি আয়কর প্রদেয়

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ ট দেখুন

টাকা '০০০	২০১৭	২০১৬
প্রারম্ভিক জের	২,৪৯৯,২৬৯	৩,৫০০,৩৭৯
চলতি বছরের সংরক্ষণ	৮,১২১,৪৬৬	৫,৬২২,৬৫১
	১০,৬২০,৭৩৫	৯,১২৩,০৩০
অগ্রিম কর্পোরেট কর পরিশোধ	(৫,২৫৬,০৩৮)	(৬,৬২৩,৭৬১)
সমাপনী জের	৫,৩৬৪,৬৯৭	২,৪৯৯,২৬৯

১৯. সঞ্চিতি ও প্রদেয়

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ জ দেখুন

টাকা '০০০	২০১৭	২০১৬
সংরক্ষিত ব্যয়	১,০৭৩,১৫৮	১,১২৯,৭১৮
	১,০৭৩,১৫৮	১,১২৯,৭১৮

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২০. নিট বিক্রয়

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ ঞ দেখুন

		পরিমান		টাকা' ০০০	
টাকা '০০০		**২০১৭**	**২০১৬**	**২০১৭**	**২০১৬**
অভ্যন্তরীন বিক্রয়	একক মিলিয়ন শলকা	৫৩,২০৪	৪৮,৩৪০	২০১,৯১৭,৫৬০	১৬৩,৯৯৮,০০৭
সম্পূরক শুল্ক এবং মূল্য সংযোজন কর				(১৫১,৯৭২,৯২৯)	(১২১,৭১৫,১২৫)
				৪৯,৯৪৪,৬৩১	৪২,২৮২,৮৮২
তামাক পাতা রপ্তানি থেকে আয়	**মিলিয়ন কেজি**	৮.৮৬	৭.২৯	২,২২২,১৫৫	১,৬৩৫,৭৫৩
রপ্তানি কর				(২০৩,০৪৩)	(১৬৪,৮৬০)
				২,০১৯,১১২	১,৪৭০,৮৯৩
নিট বিক্রয়				৫১,৯৬৩,৭৪৩	৪৩,৭৫৩,৭৭৫

২১ বিক্রিত পণ্যের ব্যয়

টাকা '০০০	নোট	২০১৭	২০১৬
প্রারম্ভিক কাঁচামাল মজুদ		৬,২৮৮,৮৮৪	৫,৯২১,৫৯৯
কাঁচামাল ক্রয়		২৩,৪৫২,১৫২	১৯,১২৯,৬০১
ব্যবহারযোগ্য কাঁচামাল		২৯,৭৪১,০৩৬	২৫,০৫১,২০০
সমাপনী কাঁচামাল মজুদ		(৮,২৪৮,৫৮২)	(৬,২৮৮,৮৮৪)
ব্যবহৃত কাঁচামাল		২১,৪৯২,৪৫৪	১৮,৭৬২,৩১৬
প্রারম্ভিক চলমান কাজ		২১,২০১	২৪,৫৩৪
সমাপনী চলমান কাজ		(৫৪,৪১১)	(২১,২০১)
		২১,৪৫৯,২৪৪	১৮,৭৬৫,৬৪৯
উৎপাদন উপরি ব্যয়	২১.১	৫,৪৫৪,৩৬২	৫,৩৬৩,৬৪৮
পন্য উৎপাদনে সর্বমোট খরচ		২৬,৯১৩,৬০৬	২৪,১২৯,২৯৭
প্রারম্ভিক তৈরীকৃত পণ্য মজুদ		১,৬০৬,৮৬৯	৯২৪,০০৯
সমাপনী তৈরীকৃত পণ্য মজুদ		(১,৮৭৪,৬৫০)	(১,৬০৬,৮৬৯)
রয়্যালটি বাদে বিক্রয় লব্ধ পণ্যের খরচ		২৬,৬৪৫,৮২৫	২৩,৪৪৬,৪৩৭
রয়্যালটি		৫৩৪,৯১৭	৪৪৪,৪৫৮
সর্বমোট বিক্রীত পণ্যের ব্যয়		৫৩৪,৯১৭	৪৪৪,৪৫৮

২১.১ উৎপাদন উপরি ব্যয়

টাকা '০০০	নোট	২০১৭	২০১৬
বেতন ও মজুরি		১,৫০৩,৩০৬	১,৪৪৫,৫২৪
অবচয়	৫.১	১,০৮৪,০২২	৯০৮,৪৫৭
প্রিন্টিং এন্ড স্টেশনারি		২৫,২৯১	২৯,২৬১
বিদ্যুৎ ও জ্বালানী		৩৭৪,১৭৮	৩৬৮,৬৪১
মেরামত ও রক্ষণাবেক্ষণ		৯৯৯,০৮৯	১,৩০৭,০৮৩
নিরাপত্তা সেবা		১৬১,৯৩১	১১৪,৮০৪
ভাড়া,সেবা ও বিপণন খরচ		১,০০২,৩৭১	৮৪৬,০৫৮
বীমা		৭৬,৫৮২	৯১,৯০০
গবেষনা ও উন্নয়ন		৪,৯৬১	৩,২৩৯
ভ্রমণ ও প্রশিক্ষণ		৯৯,৭৩২	৮৮,০২৮
অন্যান্য ব্যয়		১২২,৮৯৯	১৬০,৬৫৩
		৫,৪৫৪,৩৬২	৫,৩৬৩,৬৪৮

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২২ পরিচালন ব্যয়

টাকা '০০০	২০১৭	২০১৬
বেতন ও মজুরি	১,০০৭,১৫১	১,০৭৩,২৭০
বিদ্যুৎ ও জ্বালানী	৩৫,৪৪০	৪৯,৪৩৩
ভাড়া,সেবা ও বিপণন খরচ	৬১০,০৫২	৪৫২,৮৮১
মেরামত ও রক্ষণাবেক্ষণ	২৪৬,৩৩৪	১৯৫,৩১৮
অবচয়	১৮১,০৯৩	১৭২,৯০১
যানবাহন ও প্রশিক্ষণ খাতে ব্যয়	২৫৪,১৪৭	১৫৯,৭৮৪
ব্যবসা সহায়তা খরচ	১,২০৩,৬০৮	৭৮৯,১৫৩
প্রিন্টিং ও স্টেশনারী	৪৩,৫২৬	৩০,৫৯৮
নিরাপত্তা সেবা	৫৩,৩৪৫	৪৫,৩৯৩
সামাজিক দায়বদ্ধতা	৫৭,৯৭৪	৩৪,৫১৬
আইন, সাচিবিক ও পেশাগত ফি	৭০,৩১৫	৫৪,৩৮৭
বীমা	১১,৮৪২	৯,৮০০
নিরীক্ষণ ফি	৯০০	৮০০
তথ্য প্রযুক্তি	৩৭৪,৪৪২	৩৬০,৩৮২
কারিগরী ও পরামর্শ সহায়তা ফি	১,০৬৫,২১৩	৮৩৬,২৭৪
বাজার গবেষণা ও পরিচালনা ব্যয়	১,৩৯০,৩৮৮	১,০৬৭,১৭৮
অন্যান্য ব্যয়	৩৭৪,৮১০	৬০৪,০৭৮
	৬,৯৮০,৫৮০	৫,৯৩৬,১৪৬

২৩ নীট আর্থিক আয়/ (ব্যয়)

অ্যাকাউন্টিং নীতির জন্য নোট ৪৩ ড দেখুন

টাকা '০০০	২০১৭	২০১৬
সুদ বাবদ আয়	৬,৫৩৫	১৪,০২৯
সুদ বাবদ ব্যয়	(১৯১,৮২৬)	(৫০,৪৯৭)
	(১৮৫,২৯১)	(৩৬,৪৬৮)

২৪ অ-পরিচালন আয়/ (খরচ)

টাকা '০০০	২০১৭	২০১৬
সম্পত্তি, কারখানা এবং যন্ত্রপাতির নিস্পত্তিজনিত লাভ বা (ক্ষতি)	(২৫,৪৩৭)	(১১১,৭১৪)
অন্যান্য আয়	৪৯,৯০৬	৮৫,০০৬
	২৪,৪৬৯	(২৬,৭০৮)

২৪.১ চলতি বছরের স্থায়ী সম্পত্তি বিক্রয়

টাকা '০০০	খরচ	সঞ্চিত অবচয়	অবলিখিত মূল্য	বিক্রয়	(লাভ)/ ক্ষতি	ক্রেতা/অবলোপন
আসবাবপত্রাদি	(৯৮)	৯৭	(১)	-	(১)	অবলোপন
আই. টি. সরঞ্জাম	(৩৬,৯৮৪)	৩৬,৮৬২	(১২২)	৫২১	৩৯৯	তৃতীয় পক্ষ
অফিস সরঞ্জাম	(২,৫৮০)	২,৫৪৯	(৩১)	১৫৪	১২৩	তৃতীয় পক্ষ
কারখানা ও যন্ত্রাদি	(১২০,৩৩৫)	৫৬,৫০৮	(৬৩,৮২৭)	-	(৬৩,৮২৭)	অবলোপন
যানবাহন	(৯৬,৭৯৪)	৯৫,৮৬৮	(৯২৬)	৩৮,৭৯৫	৩৭,৮৬৯	কোম্পানির কর্মচারী বৃন্দ
২০১৭ সর্বমোট	**(২৫৬,৭৯১)**	**১৯১,৮৮৪**	**(৬৪,৯০৭)**	**৩৯,৪৭০**	**(২৫,৪৩৭)**	
২০১৬ সর্বমোট	৪৮৯,০১৩	৩৪১,৭০৮	১৪৭,৩০৫	৩৫,৫৯১	(১১১,৭১৪)	

কোম্পানির পলিসি অনুযায়ী সকল সম্পত্তি বিক্রয় করা হয়

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২৫ আয়কর খরচ

টাকা '০০০	নোট	২০১৭	২০১৬
চলতি কর	১৮	৮,১২১,৪৬৬	৫,৬২২,৬৫১
বিলম্বিত কর ব্যয়/(আয়)	২৬	৮০৮,১৯৭	(৩৪,৭৩৩)
		৮,৯২৯,৬৬৩	৫,৫৮৭,৯১৮

২৫.১ কার্যকরী কর হার সমন্বয়

		২০১৭		২০১৬
	%	টাকা '০০০	%	টাকা '০০০
কর পূর্ব লাভ		১৬,৭৫৯,৫১৯		১৩,১৭০,৩৮০
চলতি কর ব্যয়	৪৮.৪৬%	৮,১২১,৪৬৬	৪২.৬৯%	৫,৬২২,৬৫১
বিলম্বিত কর ব্যয়	৪.৮২%	৮০৮,১৯৭	-০.২৬%	(৩৪,৭৩৩)
মোট কর ব্যয়	৫৩.২৮%	৮,৯২৯,৬৬৩	৪২.৪৩%	৫,৫৮৭,৯১৮
প্রযোজ্য কর হার অনুযায়ী সম্ভাব্য আয়কর	৪৭.৫০%	৭,৯৬০,৭৭২	৪৫.০০%	৫,৯২৬,৬৭১
পূর্ববর্তী বছরের সমণ্বয়	১.৯০%	৩১৯,১১১	-০.৯২%	(১২১,৩৫৩)
অ-কর্তন যোগ্য ব্যয়ের উপর কর	-০.৯৫%	(১৫৮,৪১৭)	-১.৩৯%	(১৮২,৬৬৭)
কার্যকরী চলতি কর	৪৮.৪৬%	৮,১২১,৪৬৬	৪২.৬৯%	৫,৬২২,৬৫১
কার্যকরী বিলম্বিত কর	৪.৮২%	৮০৮,১৯৭	-০.২৬%	(৩৪,৭৩৩)
	৫৩.২৮%	৮,৯২৯,৬৬৩	৪২.৪৩%	৫,৫৮৭,৯১৮

২৬ বিলম্বিত করের (খরচ)/আয়

টাকা '০০০		২০১৭	২০১৬
বছরের শুরুতে বিলম্বিত করের দায়	১৪	২,০২৭,৩৭৩	২,০৬৯,৭৯৬
বছরের শেষে বিলম্বিত করের দায়	১৪	২,৮৩৫,৫৭০	২,০২৭,৩৭৩
		(৮০৮,১৯৭)	৪২,৪২৩
মালিকানাসত্ত্বে সরাসরি স্বীকৃত বিলম্বিত করের আরোপ যোগ্য এ্যাকচ্যুরিয়াল ক্ষতি		-	(৭,৬৯০)
মুনাফায় সরাসরি স্বীকৃত বিলম্বিত করের (খরচ)/আয়		**(৮০৮,১৯৭)**	**৩৪,৭৩৩**

২৭ অন্যান্য সম্মিলিত আয়

টাকা '০০০	২০১৭	২০১৬
পরিকল্পিত নির্ধারিত বেনিফিটের এ্যাকচুরিয়াল লাভ / (ক্ষতি)	-	(১৭,০৮৯)
পরিকল্পিত নির্ধারিত বেনিফিট প্ল্যানের জন্য বিলম্বিত করের লাভ / (ক্ষতি)	-	৭,৬৯০
	-	(৯,৩৯৯)

২৮ শেয়ার প্রতি আয়

২৮.১ প্রতি শেয়ারে মৌলিক আয়

বাংলাদেশ একাউন্টিং স্ট্যান্ডর্ডস্ (বিএএস) ৩৩: শেয়ার প্রতি আয় অনুযায়ী প্রতি শেয়ারে মৌলিক আয় হিসাব করা হয়েছে।
শেয়ার প্রতি আয়ের সমন্বয় নিচে দেওয়া হলো:

	২০১৭	২০১৬
চলতি বছরের মোট সম্মিলিত আয়	**৭,৮২৯,৮৫৬**	৭,৫৮২,৪৬২
পরিমাপ কৃত গড় পরিশোধিত শেয়ারের সংখ্যা	**৬০,০০০**	৬০,০০০
শেয়ার প্রতি আয়	**১৩০.৫০**	**১২৬.৩৭**

পরিমান কৃত গড় সাধারণ পরিশোধিত শেয়ার সংখ্যা বছরের শুরুতে পরিশোধিত সাধারণ গড় শেয়ার সংখ্যার সমান যেটি সমণ্বয় 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 শে ডিসেম্বর ২০১৭ সাল থেকে পূর্ববর্তী ১ বছর কোন সাধারণ শেয়ার নতুন করে ইস্যু করা অথবা কিনে নেয়া হয়নি বিধায় মূল্যায়ন কৃত গড় শেয়ারের পরিমান ৩১ ডিসেম্বর ২০১৭ তারিখে পরিমান কৃত গড় শেয়ারের পরিমান গত ১ জানুয়ারি ২০১৭ 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	২০১৭	২০১৬
অদাবীকৃত লভ্যাংশের প্রারম্ভিক জের		৪০,০২৪	৪১,৭৭১
ঘোষণাকৃত লভ্যাংশ			
চূড়ান্ত লভ্যাংশ ২০১৬/২০১৫		৩,৬০০,০০০	৩,৩০০,০০০
		৩,৬৪০,০২৪	৩,৩৪১,৭৭১
অদাবীকৃত লভ্যাংশের সমাপনী জের	২৯.১	৪২,৭০৫	৪০,০২৪
প্রদত্ত লভ্যাংশ		৩,৫৯৭,৩১৯	৩,৩০১,৭৪৭

২৯.১ অদাবিকৃত লভ্যাংশের সময় পর্যালোচনা

টাকা '০০০	২০১৫ এর পূর্বের	২০১৫	২০১৬	২০১৭	মোট
আদাবিকৃত লভ্যাংশ ১ জানুয়ারি ২০১৭	২৭,৭৬৫	৯,৩৬১	২,৮৯৮	-	৪০,০২৪
আদাবিকৃত লভ্যাংশ ৩১ ডিসেম্বর ২০১৭	২৬,৭৩৫	৯,৩৬১	২,৮৯৮	৩,৭১১	৪২,৭০৫

৩০ প্রত্যার্পণযোগ্য বৈদেশিক মুদ্রা

ইউএসডি '০০০	২০১৭	২০১৬
রয়্যালটি	-	৫,১৭১
কারিগরি ও পরামর্শ ফি	৯,৯৬৯	৮,৮৫৪
লভ্যাংশ	২৮,৮৯৬	২৭,৬৩৭
	৩৮,৮৬৫	৪১,৬৬২

কারিগরি ও পরামর্শ ফি এর মধ্যে রয়েছে এর জন্য ২০১৫ সালে প্রদত্ত অর্থ যার জন্য বাংলাদেশ ইনভেস্টমেন্ট ডেভেলপমেন্ট অথরিটি (পূর্বতন নাম বোর্ড অব ইনভেস্টমেন্ট) থেকে অনুমোদন নেওয়া হয়েছে। উপরে উল্লেখিত সকল প্রেরিত অর্থ থেকে নিয়ম অনুযায়ী ট্যাক্স কর্তন করা হয়েছে।

৩১ আদমানীকৃত পণ্যের সিআইএফ (CIF) এর ভিত্তিতে মূল্য

টাকা '০০০	২০১৭	২০১৬
কাচাঁমাল ও প্যাকেজিং উপাদান	২,৪৯৭,৬২৮	২,৪৯২,২৬৮
খুচরা যন্ত্রাংশ ও অন্যান্য	১,২৬৫,০৪৯	৯১১,৪৪১
মূলধন জাতীয় পণ্য	১,৯০১,৭৩৪	১,৩৫১,৭৯৫
	৫,৬৬৪,৪১১	৪,৭৫৫,৫০৪

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৩২ তামাক রপ্তানিতে হতে উপার্জিত আয়

ইউএসডি '০০০	২০১৭	২০১৬
রপ্তানি থেকে অর্জিত আয়	**২৬,৫৮০**	২০,৮১৫

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 উদ্ভুত যেকোন প্রয়োজন মেটানোর জন্য পর্যাপ্ত পরিকল্পনা রয়েছে।

	২০১৭	২০১৬
সিগারেটের প্রকৃত উৎপাদন (মিলিয়ন শলকা)	**৫৩,৭৩৪**	৫০,০২৭

৩৪ সেগমেন্ট প্রতিবেদন

প্রতিষ্ঠানটির কার্যক্রম বাংলাদেশভিত্তিক।গ্রাহকদের কাছ থেকে সিগারেট বিক্রয় থেকে উপার্জিত আয়ের পরিমাণ ২০১,৯১৭ মিলিয়ন টাকা (২০১৬: ১৬৩,৯৯৮ মিলিয়ন টাকা)। বাংলাদেশের বাইরে প্রতিষ্ঠানটির কোনো স্থায়ী সম্পত্তি নেই। কোন একক বহির্মুখী গ্রাহকের সাথে লেনদেনের মাধ্যমে মোট সিগারেট বিক্রির আয় কোম্পানির মোট রাজস্ব আয়ের মধ্যে ৩২,০৫৩ মিলিয়ন টাকা (২০১৬ : ২৩,১৯০ 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 টীকা ২০ এ প্রদত্ত রয়েছে।

৩৫ আমদানিকৃত এবং স্থানীয় কাঁচামালের ব্যবহার

টাকা '০০০	২০১৭		২০১৬	
	মোড়ক সামগ্রী	লিফ	মোড়ক সামগ্রী	লিফ
আমদানিকৃত:				
প্রারম্ভিক মজুদ	**৯৪১,৩২০**	**২৬৬,১৬৮**	২৪৫,১৩৮	৩৩১,৩০৭
ক্রয়	**৫,১২৬,৭০০**	**১,২৪৪,২৩১**	৪,৯২৩,৯৮৪	৯৭২,৭৬৭
ব্যবহার	**(৪,৯৭৫,৯০৩)**	**(১,২৪১,৩৫৯)**	(৪,২২৭,৮০২)	(১,০৩৭,৯০৬)
সমাপনী মজুদ (ক)	**১,০৯২,১১৭**	**২৬৯,০৪০**	**৯৪১,৩২০**	**২৬৬,১৬৮**
স্থানীয়:				
প্রারম্ভিক মজুদ	**৫৪,৮১৯**	**৫,০২৬,৫৭৭**	৪৪৮,০৫৭	৪,৮৯৭,০৯৭
ক্রয়	**৫,১১০,২৮০**	**১১,৯৭০,৯৪১**	৪,৪৭০,৭২৩	৮,৭৬২,১২৭
ব্যবহার	**(৫,১১৮,৫৭৩)**	**(৮,৪৫৬,৭৫৩)**	(৪,৮৬৩,৯৬১)	(৭,৪৩৩,৪৮২)
রপ্তানি	-	**(১,৬৯৯,৮৬৬)**	-	(১,১৯৯,১৬৫)
সমাপনী মজুদ (খ)	**৪৬,৫২৬**	**৬,৮৪০,৮৯৯**	৫৪,৮১৯	৫,০২৬,৫৭৭
সমাপনী মজুদ (ক+খ)	**১,১৩৮,৬৪৩**	**৭,১০৯,৯৩৯**	**৯৯৬,১৩৯**	**৫,২৯২,৭৪৫**

৩৬ আর্থিক উপাদানসমুহ- ফেয়ার ভ্যালুজ এবং ঝুঁকি ব্যবস্থাপনা

ক. হিসাববিজ্ঞান শ্রেণীবিভাগ এবং ফেয়ার ভ্যালুজ

নিম্নে বর্ণিত ছক যেখানে প্রযোজ্য সেখানে আর্থিক সম্পদ এবং আর্থিক দায়ের চলতি পরিমান এবং ফেয়ার ভ্যালুজ দেখানো হয়েছে। এখানে আর্থিক সম্পদ ও দায়ের ক্ষেত্রে ফেয়ার ভ্যালুজ তথ্য অন্তর্ভুক্ত করা হয় নি যদি চলতি পরিমান ফেয়ার ভ্যালুজ যথার্থ অনুমান হয়ে থাকে।

		চলমান পরিমান							ফেয়ার ভ্যালু			
টাকা '০০০	নোট	বিক্রয়ের জন্য গৃহীত	ফেয়ার ভ্যালুতে মনোনিত	ফেয়ার ভ্যালুতে হেজিং ইন্সট্রুমেন্ট	পরিপক্কতা পর্যন্ত গৃহীত	ধার এবং পাওনাসমুহ	বিক্রয়ের জন্য লভ্য	অন্যান আর্থিক দায়সমুহ	সর্বমোট পরিমান	ধাপ ১	ধাপ ২	ধাপ ৩	মোট
৩১ ডিসেম্বর ২০১৭													
ফেয়ার ভ্যালুতে হিসাব না করা আর্থিক সম্পদ													
বানিজ্য এবং অন্যান্য প্রাপ্য সমুহ	৭	-	-	-	-	২,৩১৫,৪৫৭	-	-	২,৩১৫,৪৫৭	-	-	-	-
আমানত সমুহ	৮	-	-	-	-	১৪,৬৩৬	-	-	১৪,৬৩৬	-	-	-	-
ব্যাংকে নগদ অর্থ	৯	-	-	-	-	৯৭৭,৩৪৪	-	-	৯৭৭,৩৪৪	-	-	-	-
		-	-	-	-	৩,৩০৭,৪৩৭	-	-	৩,৩০৭,৪৩৭	-	-	-	-
ফেয়ার ভ্যালুতে হিসাব না করা আর্থিক দায়													
ব্যাংক ওভারড্রাফট	১৫	-	-	-	-	-	-	৩,০৫৭,৯১০	৩,০৫৭,৯১০	-	৩,০৫৭,৯১০	-	৩,০৫৭,৯১০
স্বল্প মেয়াদী ব্যাংক ঋণ	১৬	-	-	-	-	-	-	-	-	-	-	-	-
বানিজ্য এবং অন্যান্য প্রদেয়সমুহ	১৭	-	-	-	-	-	-	১০,১০১,৬২১	১০,১০১,৬২১	-	-	-	-
		-	-	-	-	-	-	১৩,১৫৯,৫৩১	১৩,১৫৯,৫৩১	-	৩,০৫৭,৯১০	-	৩,০৫৭,৯১০
৩১ ডিসেম্বর ২০১৬													
ফেয়ার ভ্যালুতে হিসাব না করা আর্থিক সম্পদ													
বানিজ্য এবং অন্যান্য প্রাপ্য সমুহ	৭	-	-	-	-	১,০৬২,৪৫০	-	-	১,০৬২,৪৫০	-	-	-	-
আমানত সমুহ	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 সম্পদ													
ব্যাংক ওভারড্রাফট	১৫	-	-	-	-	-	-	২৮৯,৫৭২	২৮৯,৫৭২	-	২৮৯,৫৭২	-	২৮৯,৫৭২
স্বল্প মেয়াদী ব্যাংক ঋণ	১৬	-	-	-	-	-	-	১,৫০০,০০০	১,৫০০,০০০	-	১,৫০০,০০০	-	১,৫০০,০০০
বানিজ্য এবং অন্যান্য প্রদেয়সমুহ	১৭	-	-	-	-	-	-	৮,২১৮,৪০৬	৮,২১৮,৪০৬	-	-	-	-
		-	-	-	-	-	-	১০,০০৭,৯৭৮	১০,০০৭,৯৭৮	-	১,৭৮৯,৫৭২	-	১,৭৮৯,৫৭২

আর্থিক সম্পদের ক্ষেত্রে কোম্পানি তাদের ফেয়ার ভ্যালুজ প্রকাশ করেনি কারন তাদের চলমান পরিমানসমুহই ফেয়ার ভ্যালুজ যথার্থ ন্যায্য অনুমান

AMARSTOCK

খ. আর্থিক ঝুঁকি ব্যবস্থাপনা

আর্থিক ইন্সট্রুমেন্ট ব্যবহারের ক্ষেত্রে কোম্পানি নিম্নক্ত ঝুঁকির সম্মুখিন হতে পারে

I) আমানত ঝুঁকি
II) তারল্য ঝুঁকি
III) বাজার ঝুঁকি

কোম্পানির সার্বিক ঝুঁকি ব্যবস্থাপনা অবকাঠামো নির্মান এবং পরিদর্শনের দায়িত্ব বোর্ড অব ডিরেক্টরের কাছে থাকে। কোম্পানির ঝুঁকি ব্যবস্থাপনা নীতিমালা প্রতিষ্ঠা করা হয় কোম্পানি যেসব ঝুঁকির মুখোমুখি হয় তা চিহ্নিত এবং বিশ্লেষন 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 উপকরনের বিপক্ষ কোনো পার্টি তাদের চুক্তির বাধ্যবাধকতাসমুহ পূরণ করতে ব্যর্থ হয় এবং মুলত তৈরি হয় কাস্টমার এবং অন্যান্য পার্টির কাছে থেকে প্রাপ্য সমুহ থেকে। ব্যবস্থাপনার কিছু আমানত নীতিমালা রয়েছে এবং আমানত ঝুঁকিতে পড়ার সম্ভাবনার বিষয়টি নিয়মিত পর্যবেক্ষন করা হয়। আমানত ঝুঁকি পর্যবেক্ষনের ক্ষেত্রে প্রাপ্যসমুহ তাদের রিস্ক প্রোফাইল অনুসারে শ্রেণীভুক্ত করা হয়, তাদের আইনী অবস্থা, আর্থিক পরিস্থিতি, এজিং প্রোফাইল ইত্যাদি। কোম্পানির প্রাপ্য সমুহের উপর আমানত ঝুঁকিতে পড়ার সম্ভাবনা অনেকাংশেই কাস্টমারদের দ্বারা প্রভাবিত। আমানত ঝুঁকিতে পড়ার সর্বোচ্চ সম্ভাবনা প্রকাশিত হয় প্রত্যেকটি আর্থিক সম্পদের চলতি পরিমানসমুহ যা আর্থিক অবস্থার বিবরনী 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	২০১৭	২০১৬
বানিজ্য এবং অন্যান্য প্রাপ্যসমুহ	৭	২,৩১৫,৪৫৭	১,০৬২,৪৫০
আমানতসমুহ	৮	১৪,৬৩৬	১৬,৩২২
ব্যাংকে থাকা অর্থ	৯	৯৭৭,৩৪৪	১,৫৬৩,৪৮৩
		৩,৩০৭,৪৩৭	২,৬৪২,২৫৫

খ. বানিজ্য এবং অন্যান্য প্রাপ্যসমুহের বয়সসীমা

৩১ ডিসেম্বর তারিখে যেসব বানিজ্য এবং অন্যান্য প্রাপ্যসমূহ ক্ষতিগ্রস্থ হয়নি সেগুলো নিচে উল্লেখ করা হল:

টাকা '০০০	২০১৭	২০১৬
অতীতকালীন বাকি ৩০ দিন	২,৩০৩,৯৪০	১,০৫২,৬৭১
অতীতকালীন বাকি ৩১-৯০ দিন	৭৫২	১,৯২৫
অতীতকালীন বাকি ৯১-১৮০ দিন	-	৭,৩১০
অতীতকালীন বাকি ১৮০ দিনের বেশি	১০,৭৬৫	৫৪৪
	২,৩১৫,৪৫৭	১,০৬২,৪৫০

II) তারল্য ঝুঁকি

তারল্য ঝুঁকি হল সেই সমস্ত ঝুঁকি যখন কোম্পানি তার আর্থিক দায় সমুহ পুরন করতে অসুবিধার সম্মুখিন হবে যেগুলো পুরণ করা হয় অর্থ অথবা অন্যান্য আর্থিক সম্পদ প্রদানের মাধ্যমে। তারল্য ব্যবস্থাপনায় কোম্পানির অ্যাপ্রোচ এটা নিশ্চিত করা যে যতদুর সম্ভব তার কাছে যথেষ্ট পরিমান তরল অর্থ থাকবে তার যখন দায় বাকি থাকবে তা পুরন 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 পরিমান 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 পরিমানে তারল্য/ফান্ড যোগাড় করা হবে যাতে ডিউ ডেটের ভেতর প্রত্যাশিত পেমেন্ট করা যাবে। তার ওপর কোম্পানির বিভিন্ন বানিজ্যিক ব্যাংকের সাথে স্বল্পকালীন ঋন সুবিধা রয়েছে পেমেন্ট অব অবলিগেশন প্রদান করার জন্য সেই সময়ে যখন কোম্পানির স্বল্প পরিমান অর্থ রয়েছে প্রয়োজনীয় পেমেন্টের জন্য। তারল্য প্রবাহ অনুমানের মাধ্যমে আগেই প্রয়োজন সমুহ নির্ধারণ করা হয় এবং ব্যাংকের সাথে ক্রেডিট লাইন সম্পর্কে আলোচনা করা হয়।

নিচে উল্লেখ্য বিষয়গুলো হল আর্থিক দায়ের চুক্তিভিত্তিক পরিপক্কতাসমুহ:

৩১ ডিসেম্বর ২০১৭

				চুক্তিভিত্তিক নগদ প্রবাহ				
টাকা '০০০	নোট	চলতি পরিমান	সর্বমোট	৬ মাস বা তার কম	৬ - ১২ মাস	১ - ২ বছর	২ - ৫ বছর	৫ বছর থেকে বেশি
বানিজ্য এবং অন্যান্য প্রদেয়সমুহ	১৭	১০,১০১,৬২১	১০,১০১,৬২১	৬,০৭২,৫০২	২,০৯০,৪১৮	১,৯৩৮,০৪১	৬৬০	-
		১০,১০১,৬২১	১০,১০১,৬২১	৬,০৭২,৫০২	২,০৯০,৪১৮	১,৯৩৮,০৪১	৬৬০	-

এটা আশা করা যায়না যে নগদ প্রবাহ যা পরিপক্কতা বিশ্লেষনে অন্তর্ভুক্ত সেটা যথেষ্ট আগে ঘটতে পারে অথবা যথেষ্ট আলাদা পরিমানে হতে পারে।

৩১ ডিসেম্বর ২০১৬

				চুক্তিভিত্তিক নগদ প্রবাহ				
টাকা '০০০	নোট	চলতি পরিমান	সর্বমোট	৬ মাস বা তার কম	৬ - ১২ মাস	১ - ২ বছর	২ - ৫ বছর	৫ বছর থেকে বেশি
বানিজ্য এবং অন্যান্য প্রদেয়সমুহ	১৭	৮,২১৮,৪০৬	৮,২১৮,৪০৬	৫,৫৩৮,১৭৯	১,১২১,৯১৪	১,১৫৭,৮৭৫	৪০০,৪৩৮	-
		৮,২১৮,৪০৬	৮,২১৮,৪০৬	৫,৫৩৮,১৭৯	১,১২১,৯১৪	১,১৫৭,৮৭৫	৪০০,৪৩৮	-

এটা আশা করা যায়না যে নগদ প্রবাহ যা পরিপক্কতা বিশ্লেষনে অন্তর্ভুক্ত সেটা যথেষ্ট আগে ঘটতে পারে অথবা যথেষ্ট আলাদা পরিমানে 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 উপকরনসমুহের 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 দেশেরমুদ্রার প্রভাবে বৈদেশিক মুদ্রা বিনিময় হার ঝুঁকির মুখোমুখি হতে পারে, প্রাথমিকভাবে ইউনাইটেড স্টেট ডলার (ইউএসডি), ইউরো (ইইউআর)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:

৩১ ডিসেম্বর ২০১৭

টাকা '০০০	ইউএসডি (ডলার)	জিবিপি (পাউন্ড)	ইইউআর (ইউরো)
বৈদেশিক মুদ্রা আখ্যাত সম্পদ			
ব্যাংকে থাকা নগদ অর্থ	১০,৭৭৬	-	-
বাণিজ্য দেনাদার	-	-	-
আন্তঃকোম্পানি দেনাদার	-	-	-
	১০,৭৭৬	-	-
বৈদেশিক মুদ্রা আখ্যাত দায়সমুহ			
বানিজ্যিক পাওনাদার	২৮	১৪	২৪
আন্তঃকোম্পানি পাওনাদার	৮,৬৮৩	২২,৯৪৫	১৫
	৮,৭১১	২২,৯৫৯	৩৯
নেট এক্সপোজার	**২,০৬৫**	**(২২,৯৫৯)**	**(৩৯)**

৩১ ডিসেম্বর ২০১৬

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 দায়সমুহ			
বানিজ্যিক পাওনাদার	৬৯	২১	১২৬
আন্তঃকোম্পানি পাওনাদার	২০,৫০৬	৪,৯৮৬	-
	২০,৬৭৫	৫,০০৭	১২৬
নেট এক্সপোজার	(৪,৬৮২)	(৪,৯৪৪)	(১২৬)

নিচে উল্লেখিত বিনিময় হারগুলো রিপোর্টিং তারিখে প্রয়োগ করা হয়েছে:

	গড় হার		বছরের শেষ স্পট রেট	
টাকা	**২০১৭**	**২০১৬**	**২০১৭**	**২০১৬**
ইউ.এস.ডি (ডলার)	**৮১.২৯**	৭৮.৫২	**৮৩.১৮**	৭৯.০০
জি.বি.পি(পাউন্ড)	**১০৪.৮০**	১০৬.৩৭	**১১২.৫১**	৯৭.৯৬
ই.ইউ.আর(ইউরো)	**৯১.৮৮**	৮৬.৮৯	**৯৯.৮৮**	৮৩.৬৬

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আ. বৈদেশিক মুদ্রা খরচের ক্ষেত্রে বৈদেশিক বিনিময় হার সংবেদনশীলতা বিশ্লেষন

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 বিশ্লেষন করা হয়েছে বৈদেশিক মুদ্রা বিনিময় হারের তারতম্যের ভিত্তিতে যা কোম্পানি তার রিপোর্টিং তারিখে যুক্তিসম্মতভাবে সম্ভব বলে মনে করেছিল। এই বিশ্লেষন অনুমান করে যে অন্য সকল চলক, বিশেষত সুদের হার অপরিবর্তনীয় এবং অনুমিত ভবিষ্যতের বেচাকেনায় কোন ধরনের প্রভাব থাকবে না।

২০১৭

টাকা '০০০	শক্তিশালী লাভ অথবা (ক্ষতি)	দূর্বল লাভ অথবা (ক্ষতি)
ইউ.এস.ডি (৫ শতাংশ মুভমেন্ট)	(৮,৫৮৭)	৮,৫৮৭
জি.বি.পি, (৫ শতাংশ মুভমেন্ট)	১২৯,১৬২	(১২৯,১৬২)
ই.ইউ.আর (৫ শতাংশ মুভমেন্ট)	১৯৫	(১৯৫)
	১২০,৭৭০	(১২০,৭৭০)

২০১৬

টাকা '০০০	শক্তিশালী লাভ অথবা (ক্ষতি)	দূর্বল 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)

খ. সুদের হার ঝুঁকি

সুদের হার ঝুঁকি সেই ধরনের ঝুঁকি যা তৈরী হয় ধারের উপর সুদের হারের পরিবর্তনের কারনে। 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	২০১৭	২০১৬
উপস্থিতি সম্মানী	৭৯	৯০
মিটিং বাবদ ব্যয়	৪,৫১৬	৩,৮২০
বেতন	৬৭,৭৪৯	৫৩,৯১৭
অবসরকালীন ভাতা	৭,৯২৯	৫,৫২২
চিকিৎসা এবং কল্যাণমূলক ভাতা	২৪১	১,০৮৫
গৃহসংস্থান	১৫,৩০০	১৪,৪১৫
	৯৫,৮১৪	৭৮,৮৪৯

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:

		লেনদেনের পরিমাণ ৩১ শে ডিসেম্বর		প্রাপ্য/(প্রদেয়) বকেয়া ৩১ শে ডিসেম্বর	
টাকা' ০০০	সম্পর্ক	২০১৭	২০১৬	২০১৭	২০১৬
আয়					
ক. লিফ রপ্তানি এবং পন্য বিক্রয়					
বিএটি (জিএলপি) লিমিটেড	বিএটি গ্রুপ কোম্পানি	৯০০,২৩০	৫৭২,৭৮০	-	-
পাকিস্তান টোব্যাকো কোম্পানি লিমিটেড	বিএটি গ্রুপ কোম্পানি	৪৮২,৬৩৯	১২৫,১২১	৫৫,২১৮	২৮,৫৮০
		১,৩৮২,৮৬৯	৬৯৭,৯০১	৫৫,২১৮	২৮,৫৮০
খ. অন্যান্য ফি					
অন্যান্য ফি গৃহিত/ গৃহিত হবে					
বিএটি হোল্ডিংস লিমিটেড	হোল্ডিং কোম্পানি	২,৩৬৫	৫৪৪	-	৫৪৪
বিএটি এ্যাসপেক সার্ভিস সেন্টার এস ডি এন বি এইচ ডি	বিএটি গ্রুপ কোম্পানি	৩,৭০৮	-	-	-
বিএটি জাপান	বিএটি গ্রুপ কোম্পানি	-	৭,৪০১	-	৬,৩৮৪
বিএটি কোরিয়া	বিএটি গ্রুপ কোম্পানি	-	৩,৬০৪	-	-
বিএটি ভিয়েতনাম	বিএটি গ্রুপ কোম্পানি	-	৯৪১	-	-
		৬,০৭৩	১২,৪৯০	-	৬,৯২৮
মোট আয় এবং দেনাদারের জের		**১,৩৮৮,৯৪২**	**৭১০,৩৯১**	**৫৫,২১৮**	**৩৫,৫০৮**
ব্যয়					
গ . পণ্য আহরণ					
তথ্য প্রযুক্তি, পণ্য ও অন্যান্য সেবা আহরণ:					
বিএএসএস জিএসডি ইউকে	বিএটি গ্রুপ কোম্পানি	৪৫৮,৩০৬	৪১০,৮২০	(৫১০,৮৭৭)	(৪৯৯,৭০৫)
বিএটি হোল্ডিংস লিমিটেড	হোল্ডিং কোম্পানি	-	১১১	(৪,০৫৮)	(৪,০৫৮)
বিএটি এশিয়া প্যাসিফিক রিজিয়ন লিমিটেড	বিএটি গ্রুপ কোম্পানি	১৮,০৭৫	১৮,৯৫৭	(৪৬,৯৮০)	(২৮,৯০৫)
বিএটি এ্যাসপেক সার্ভিস সেন্টার এস ডি এন বি এইচ ডি	বিএটি গ্রুপ কোম্পানি	১৫১,৩৩৩	১২৪,৫৫৮	(৫৪৫,৭০৯)	(৪০২,৮৫১)
বিএটি এক্সপোর্ট লিফ ইন্দোনেশিয়া, মালাং	বিএটি গ্রুপ কোম্পানি	১,৬২০	৮৫৪	(১,১০৪)	(৮৫৪)
বিএটি এক্সপোর্ট লিফ ইন্দোনেশিয়া, কার্টাশুরা	বিএটি গ্রুপ কোম্পানি	-	-	-	(২৫০)
বিএটি এস এস এ সার্ভিস (প্রাইভেট) লিঃ	বিএটি গ্রুপ কোম্পানি	-	২৩,৬২২	-	-
বিএটি জি এস ডি (কে এল) এস ডি এন বি এইচ ডি	বিএটি গ্রুপ কোম্পানি	১,৭০৪	-	(১,৭০৪)	-
		৬৩১,০৩৮	**৫৭৮,৯২২**	**(১,১১০,৪৩২)**	**(৯৩৬,৬২৩)**
ঘ. তামাক ও পণ্য ক্রয়					
লিফ ও মোড়ক সামগ্রী ক্রয়:					
বিএটি সিংগাপুর (প্রাইভেট) লি:	বিএটি গ্রুপ কোম্পানি	৮৭৩,৩৫১	৫১৮,৫৯৭	(৮,৮২১)	(১৮৪,৩০১)
বিএটি (জিএলপি) লিমিটেড*	বিএটি গ্রুপ কোম্পানি	৪৮৩,২২৩	৪০৯,০৮২	১০০,৬৭২	৯২,০৪৮
		১,৩৫৬,৫৭৪	**৯২৭,৬৭৯**	**৯১,৮৫১**	**(৯২,২৫৩)**
ঙ. রয়্যালটি					
রয়্যালটি প্রাপ্য/প্রদেয়:					
বিএটি হোল্ডিংস লিমিটেড**	হোল্ডিং কোম্পানি	৫৩৪,৯১৭	৪৪৪,৪৫৮	(১,৪৩৬,৭৮৩)	(৯০১,৮৬৬)
		৫৩৪,৯১৭	**৪৪৪,৪৫৮**	**(১,৪৩৬,৭৮৩)**	**(৯০১,৮৬৬)**
চ. কারিগরি ও উপদেষ্টা ফি					
কারিগরি ও উপদেষ্টা সেবা গ্রহণ ফি:					
বিএটি ইনভেসমেন্ট লিমিটেড**	হোল্ডিং কোম্পানি	**১,০৬৩,৮৯১**	**৮৩৬,২৭৪**	**(১,৯০০,১৬৫)**	**(১,৮১৪,৪৬৭)**
		১,০৬৩,৮৯১	**৮৩৬,২৭৪**	**(১,৯০০,১৬৫)**	**(১,৮১৪,৪৬৭)**

টাকা' ০০০	সম্পর্ক	লেনদেনের পরিমাণ ৩১ শে ডিসেম্বর ২০১৭	২০১৬	প্রাপ্য/(প্রদেয়) বকেয়া ৩১ শে ডিসেম্বর ২০১৭	২০১৬
ছ. যন্ত্রপাতি ক্রয়					
যন্ত্রপাতি ক্রয়:					
পাকিস্তান টোবাকো কোম্পানি লি:	বিএটি গ্রুপ কোম্পানি	৩০৯,৫৬০	১১৯,৪৪৩	-	(২৫,১২৯)
বিএটি কলম্বিয়া এস এ এস*	বিএটি গ্রুপ কোম্পানি	-	২১,২৮৫	-	-
টোবাক্যেরেরা হোল্ডোরিনা এস এ*	বিএটি গ্রুপ কোম্পানি	-	৪৪,১৬২	-	-
টোব্যাকো ইমপোর্টার এবং ম্যানুফ্যাকচারার এস ডি এন বি এইচ ডি, মালয়শিয়া	বিএটি গ্রুপ কোম্পানি	৯২,১০৫	১৮০,৬৫৮	২১,৪৫৩	১০,৫৬৬
বিএটি জার্মানী জি এম বি এইচ	বিএটি গ্রুপ কোম্পানি	১,০০৬	-	(১,০০৬)	-
বিএটি পোলসকা এস এ	বিএটি গ্রুপ কোম্পানি	৪৪০	-	(৪৪০)	-
		৪০৩,১১১	৩৬৫,৫৪৮	২০,০০৭	(১৪,৫৬৩)
মোট ব্যয় এবং পাওনাদারের জের		৩,৯৮৯,৫৩১	৩,১৫২,৮৮১	(৪,৩৩৫,৫২২)	(৩,৭৫৯,৭৭২)

*অগ্রিম প্রদান

** সমাপনী ব্যালেন্সটি ২০১৬ ও ২০১৭ সালের রয়্যালটি কারিগরি এবং সহযোগিতা ফির সমন্বয়

৩৮ আঙ্গিকার সমূহ

৩৮.১ মূলধনায়ীত ব্যয়

টাকা' ০০০	৩১ ডিসেম্বর ২০১৭	৩১ ডিসেম্বর ২০১৬
অনুমোদিত কিন্তু সরবরাহ করা হয়নি	২,৪৩৫,৩৩০	২,৬৬১,৫২৪

৩৯ দায়

কোম্পানির সম্ভাব্য দায় সমূহের লেটার অফ ক্রেডিট এবং ব্যাংক গ্যারান্টি হিসাবে নিম্নে বর্ণিত তৃতীয় পক্ষ সমূহ অন্তর্ভুক্ত:

টাকা' ০০০	৩১ ডিসেম্বর ২০১৭	৩১ ডিসেম্বর ২০১৬
লেটার অফ ক্রেডিট		
সিটি ব্যাংক এন.এ	৩৯৬,১৪১	১,০৫৬,৯১২
কমার্সিয়াল ব্যাংক অব সিলন পি এল সি	১৫৮,৮১১	১৩১,৬৩৪
দ্যা হংকং এন্ড সাংহাই ব্যাংকিং করপোরেশন লিমিটেড	৪০২,৮৭৫	২৩৪,৭৭১
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	৬৯৪,১০৬	৭৪৩,৭৭১
	১,৬৫১,৯৩৩	২,১৬৭,০৮৮
ব্যাংক গ্যারান্টি		
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	৪১,০৪৫	৩৭,৭৫১
	৪১,০৪৫	৩৭,৭৫১

AMAR STOCK

৩৯.১ আইনী প্রক্রিয়া

ব্যবসায়ের সাধারন প্রক্রিয়া হতে উদ্ভুত বিভিন্ন দাবি দাওয়া এবং আইনি বিষয় কোম্পানির সাথে জড়িত। ম্যানেজমেন্ট বিশ্বাস করে যে, প্রতিটি দাবি দাওয়া এবং আইনি বিষয়ে কোম্পানির দৃঢ় অবস্থান রয়েছে।

বিশেষত নভেম্বর ২০১৩ তে কোম্পানি জাতীয় রাজস্ব বোর্ড (এনবিআর) থেকে তাদের কমদামি ক্যাটাগরির ব্র্যান্ডগুলোর ওপর (পাইলট ও ব্রিস্টল) মাঝারি মূল্যের সেগমেন্টের পরিবর্তে স্বল্প মূল্যের সেগমেন্টে বিক্রি করে কর ফাঁকির অভিযোগে প্রায় ১৯,২৪০ মিলিয়ন টাকা ভ্যাট এবং সম্পূরক শুল্ক ধার্য করার ভূতাপেক্ষ নোটিশ পায়, যা পরবর্তিতে হাইকোর্ট ডিভিশনের অন্য একটি আদেশ দ্বারা হ্রাস করে ১৭,৮০৬ মিলিয়ন টাকা দাড়ায়। মূল দাবির একটি অংশ সময়োত্তীর্ণ দাবি হওয়ার কারণে এই হ্রাসকরণ করা হয়।

ম্যানেজমেন্ট বিশ্বাস করে যে এই দাবি ভিত্তিহীন এবং এই ভিত্তিহীন দাবির বিষয়ে তারা সংশ্লিষ্ট সকল পক্ষের সাথে গোড়া থেকেই যোগাযোগ করে আসছে। আইনি মতামতের উপর ভিত্তি করে এই দাবির জন্য কোন সঞ্চিতি রাখা হয়নি।

বিষয়টি ১৩ নভেম্বর ২০১৭ তারিখে সুপ্রিম কোর্টের আপিল বিভাগে অ্যাডমিশন শুনানির জন্য উত্থাপিত হয় । আদালত সংশ্লিষ্ট পক্ষসমূহের শুনানি শেষে আপিল গ্রহন করে এবং বিষয়টি চূড়ান্ত শুনানির জন্য স্থির করে । বিষয়টি আপিল বিভাগের চূড়ান্ত শুনানির তালিকায় অপেক্ষমাণ রয়েছে ।

৪০ অন্যান্য লেনদেন

৪০.১ কর্মচারীর সংখ্যা

রিপোর্টিং এর তারিখে ৩৬,০০০ টাকা অথবা তদোর্ধ বেতনভুক্ত বার্ষিক কর্মচারীর সংখ্যা নিচে দেওয়া হলো

	৩১ ডিসেম্বর ২০১৭	৩১ ডিসেম্বর ২০১৬
কর্মচারীর সংখ্যা	১,৪৫৩	১,৪৭৬

এছাড়াও প্রয়োজন অনুসারে বছর ব্যাপি পরিবর্তনশীল অনির্দিষ্ট সংখ্যক মৌসুমী ও চুক্তি ভিত্তিক ব্যক্তি কর্মে নিয়োজিত রয়েছে।

৪০.২ কমপ্যারেটিভস্ এবং রিঅ্যারেঞ্জমেন্ট

সংখ্যাগত তথ্যের ক্ষেত্রে সকল তুলনামুলক তথ্য এই আর্থিক প্রতিবেদনে প্রকাশ করা হয়েছে এবং আখ্যানধর্মী এবং বর্ননামুলক তথ্যের ক্ষেত্রেও যেগুলো প্রাসঙ্গিক বর্তমান আর্থিক প্রতিবেদন বোঝার ক্ষেত্রে জরুরী সেগুলোও প্রকাশ করা হয়েছে।

তুলনার স্বার্থে বিগত বছরের কিছু জরুরী প্রাসঙ্গিক ব্যালান্স পুনর্বিন্যস্ত 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 ৫ মার্চ ২০১৮ তারিখে অনুষ্ঠিত বোর্ড সভায় ৬০০% (টাকা ৬০ প্রতি শেয়ার) নগদ লভ্যাংশ ঘোষনা করে যার মোট পরিমান ৩,৬০০ মিলিয়ন টাকা । এই লভ্যাংশ আগামী বার্ষিক সাধারণ সভায় চূড়ান্ত অনুমোদরে জন্য অপেক্ষমান। এই আর্থিক ঘোষনা ৩১ ডিসেম্বর ২০১৭ তে শেষ হয়েছে এবং নগদ লভ্যাংশের উপর শেয়ার হোল্ডারদের পরবর্তী লভ্যাংশ পাওয়ার দাবী প্রতিষ্ঠিত হওয়ার পরের কোন প্রভাব পরবে না।

আর্থিক প্রতিবেদনে উল্লেখ্য অর্থের পরিমানসমুহ রিপোর্টিং পিরিয়ড শেষ হওয়ার পরবর্তী ঘটনাবলীর জন্য অ্যাডজাস্ট করা হয় যেগুলো প্রমান দেয় সেই অবস্থা সম্পর্কে যা রিপোর্টিং পিরিয়ডের শেষে ছিল। সেইসব ঘটনাবলীর জন্য আর্থিক প্রতিবেদনে কোনো এ্যাডজাস্টমেন্ট 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 ধারনার 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 বিবরন পরবর্তী পেজগুলোতে পাওয়া যাবে।

ক সম্পদ, কারখানা এবং যন্ত্রপাতি
খ আর্থিক সরঞ্জাম
গ শেয়ার মূলধন
ঘ অবনতি
ঙ ইজারা
চ মজুদ পণ্য
ছ কর্মচারী সুবিধাসমুহ
জ সঞ্চিতি
ঝ সম্ভাব্য
ঞ বিক্রয় আয়
ট আয়কর খরচ
ঠ বৈদেশিক মুদ্রা লেনদেন সমুহ
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 নির্ধারন করা হয় পুঞ্জিভুত অবচয় এবং পুঞ্জিভুত 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 অপসারন 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 প্রপার্টিও ক্যাটাগরিতে গন্য করা হয়।

ii) পরবর্তী/ উত্তরকালীন খরচসমুহ

কোনো সম্পদ, কারখানা এবং যন্ত্রপাতির কোনো অংশ পরিবর্তনের খরচ সেগুলো পরিবহনের/চলমান খরচের ভেতর অন্তর্ভুক্ত থাকে যদি ঐ পরিবর্তিত অংশের সম্ভাব্য ভবিষ্যত অর্থনৈতিক সুবিধা সমুহ 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।

AMAR STOCK

iii) অবচয়

অবচয় লাভ-ক্ষতি এবং অন্যান্য কম্প্রিহেনসিভ ইনকাম/ সর্বাঙ্গিন আয় বিবরণীতে স্ট্রেইট লাইন বেসিসে সম্পদ, কারখানা এবং যন্ত্রপাতির প্রতিটি অংশের আনুমানিক ব্যবহারযোগ্য সময় ধরে স্বীকৃত হয়। ভুমি 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	
	২০১৭	২০১৬	২০১৭	২০১৬
নিষ্কর ভবন	৪০	৪০	১%	১%
ইজারাধীন 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%
ল্যাবরেটরির সরঞ্জাম	১০	১০	০%	০%
অফিস উপকরন	৫ / ১০	৫ / ১০	০%	০%
আসবাবপত্রাদি	৩ / ৫ / ১০	৩ / ৫ / ১০	০%	০%
যানবাহন	৪ / ৫	৪ / ৫	১%	১%
আইটি সরঞ্জাম	৩ / ৫	৩ / ৫	০%	০%

অবচয়ের পদ্ধতি, ব্যবহারযোগ্য জীবনকাল এবং রেসিডিউয়াল ভ্যালু/ অবশিষ্ঠ মান প্রত্যেক রিপোর্টিং ডেটে রিভিউ এবং যথাযথ সমন্বয় করা হয়। গত ৩১ ডিসেম্বর ২০১৭ তারিখে শেষ হওয়া বছরের পূর্ববর্তী ১২ মাসে সম্পদ, প্ল্যান্ট ও যন্ত্রপাতিতে কোন ধরনের গুরুর্তপূর্ণ সমন্বয় ঘটেনি।

vi) নির্মাণাধীন সম্পদ

নির্মাণাধীন সম্পদের মধ্যে রয়েছে এর জন্য আত্তিকরন কৃত সম্পদ প্ল্যান্ট এবং যন্তপাতি যা রিপোর্টিং তারিখে ব্যবহার উপযোগী হয়নি এবং এগুলো ব্যয় এর অন্তর ভুক্ত।

v) ইম্প্যায়ারমেন্ট

উদ্ভাবনী ও ট্যাক্স বহির্ভুত সম্পদ (এ্যাকাউন্টিং স্যান্ডার্ড অনুযায়ী আলাদা ভাবে প্রকাশিত) ব্যাতিত কোম্পানির নন ফ্যাইনানসিয়াল সম্পদ রিপোর্টিং তারিখে যাচাই করা হয় যাতে কোন ধরনের লোকসান থেকে থাকলে তা নির্ধারন করা যায় । যাহোক, রিপোর্টিং তারিখে এই ধরনের ইম্প্যায়ারমেন্ট ঝুঁকির কোন নির্দেশক পাওয়া যায়নি।

iv) অবসর এবং হস্তান্তর/বাতিল/ডিস্পোজাল

এ কোন সম্পদ, কারখানা এবং যন্ত্রপাতি বাতিল ঘোষনা 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 ক্যারিয়িং 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 উপকরন সমুহ হল যেকোনো কন্ট্রাক্ট যা একপক্ষের অর্থনৈতিক সম্পদ এবং অপর পক্ষের অর্থনৈতিক দায় অথবা ব্যক্তিগত মালিকানা তৈরী করে। আর্থিক উপকরন সম্পর্ক্যে হিসাববিজ্ঞানের নানাবিধ পলিসি নিচে বর্ননা করা হল।

i) আর্থিক সম্পদসমুহ

কোম্পানি প্রাথমিকভাবে প্রাপ্যসমুহ স্বীকার করে এবং সেই অনুযায়ী ডিপোজিট করে সেই দিনে যেদিন এগুলো তৈরী হয়েছিল। অন্যান্য সকল আর্থিক সম্পদসমুহ প্রাথমিকভাবে সেই দিন স্বীকৃত হয় যেদিন কোম্পানি আদান প্রদানের কন্ট্রাকচুয়াল প্রোভিশন অনুসারে একটি পার্টি 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 পরিমানে সম্পদের মালিকানা সম্পর্কিত ঝুঁকি ও পুরষ্কার ট্রান্সফার করা হয়।

আর্থিক সম্পদের ভেতর অন্তর্ভুক্ত অর্থ এবং অর্থ সমমূল্যের জিনিষপত্র, ট্রেড এবং অন্যান্য প্রাপ্য এবং আমানতসমুহ।

অ. বানিজ্য এবং অন্যান্য পাওনা

বানিজ্য এবং অন্যান্য পাওনার ভেতর রয়েছে কাস্টমার এবং অন্যান্য পক্ষের কাছ থেকে পাওনা অপরিশোধিত বিলসমুহ। বানিজ্য এবং অন্যান্য পাওনা সমুহ প্রাথমিকভাবে মুল চালানপত্রের পরিমানের উপর এবং পরবর্তিকালে বছর শেষে ম্যানেজমেন্টের অজ্ঞাতে সন্দেহযুক্ত পাওনা সমুহ বাদ দেয়ার পর অবশিষ্ঠ পরিমানের উপর ভিত্তিতে হিসাব করা হয়

আ. আমানত

আমানত পেমেন্টের মান অনুসারে হিসাব করা হয়।

ই. নগদ অর্থ ও নগদ সমতুল্য

অর্থ এবং অর্থ সমমূল্যের 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 গুরুত্বপূর্ন 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 সেটেলমেন্টে 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 পরিশোধযোগ্যসমুহ অন্তর্ভুক্ত।

অ. বানিজ্য এবং অন্যান্য পরিশোধযোগ্যসমুহ

বানিজ্য এবং অন্যান্য পরিশোধযোগ্যসমুহ স্বীকার্য হয় যখন পূর্বে ঘটে যাওয়া ঘটনার চুক্তিভিত্তিক বাধ্যবাধকতাসমুহ নিশ্চিত হয় এবং যার সেটেলমেন্টের ফলাফল হিসেবে এটা আশা করা যায় যে সম্পদশালী কোম্পানি থেকে সম্পদ আউটফ্লো হবে। বানিজ্য এবং অন্যান্য পরিশোধযোগ্য

সমুহ প্রাথমিকভাবে ফেয়ার ভ্যালুতে স্বীকার্য/ হিসাব করা হয়। প্রাথমিকভাবে স্বীকার্য/হিসাব হওয়ার পর বানিজ্য এবং অন্যান্য পরিশোধযোগ্য সমুহ ইফেকটিভ ইন্টারেস্ট মেথড ব্যবহার করে অ্যামরটাইজড্ কস্টে 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/ নিরুপন এবং একই সময়ে দায়ও নিস্পত্তি 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 ঘোষনা 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 অবশিষ্ঠ আয় পাওয়ার অধিকারি হন।

ঘ অবনতি

i) স্বীকৃতি

আর্থিক সম্পদসমুহ লাভ-ক্ষতি এবং পাওনাসমুহ প্রত্যেক রিপোর্টিং ডেটে অ্যাসেস করা হয় কোনো সম্পদ ইম্পেয়ারড্ কিনা তার কোনো বস্তুনিষ্ঠ প্রমান বের করার জন্য। কোনো আর্থিক সম্পদ ইমপেয়ারড হয় যদি কোনো বস্তুনিষ্ঠ প্রমান 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 ক্যারিয়িং ভ্যালু/চলমান মূল্য প্রত্যেক রিপোর্টিং ডেটে রিভিউ করা হয় কোনো ধরনের ইমপেয়ারমেন্ট আছে কিনা তা বোঝার জন্য। তেমন কোনো লক্ষন পাওয়া গেলে সম্পদের পুনর্লভ্য মূল্য অনুমান করা হয়। ইমপেয়ারমেন্ট লস হিসাব করা হয় যখন কোনো সম্পদের ক্যারিয়িং 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 মানি 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 সমুহের পরিবর্তন ঘটে। ইমপেয়ারমেন্ট লস শুধুমাত্র সেই পর্যন্ত বিপরীত হয় যখন সেই সম্পদের ক্যারিয়িং অ্যামাউন্ট অবচয় অথবা ক্রমশোধের পরবর্তীতে নির্ধারিত ক্যারিয়িং 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/সর্বাঙ্গীন/ 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 পন্য ব্যাতিত অন্যান্য মজুতকৃত পন্যের খরচ ওয়েইটেড অ্যাভারেজ মেথডে নির্ধারন করা হয় এবং এর ভেতর পন্যটি অর্জন, উৎপাদন অথবা পরিবর্তন এবং বর্তমান স্থান ও অবস্থায় পন্যগুলো নিয়ে আসার সমস্ত খরচ অন্তর্ভুক্ত থাকে।

নেট আদায়যোগ্য মূল্য নির্ধারন করা হয় ব্যবসায়ের সাধারন প্রকৃয়ায় অনুমিত বিক্রয়মূল্য থেকে বিক্রয় প্রক্রিয়ায় গুরুত্বপূর্ন এবং বিক্রয় শেষ করতে যত খরচের প্রয়োজন রয়েছে তা বাদ দিয়ে।
ট্রানজিটে থাকা পন্যসমুহের মূল্য সকল সংশ্লিষ্ট খরচ সহ হিসাব করা হয়।

ছ কর্মচারী সুবিধাসমূহ

i) স্বল্প মেয়াদি সুবিধাবলী

স্বল্পমেয়াদী কর্মচারী সুবিধা প্রতিশ্রুতিসমুহ আনডিসকাউন্ট বেসিসে হিসাব করা হয় এবং খরচ করা হয় যখন এজাতীয় সেবা প্রদান করা হয়। স্বল্পমেয়াদী ক্যাশ বোনাস অথবা প্রফিট শেয়ারিং প্ল্যানের অধীনে কোনো দায় স্বীকার করা হয় যদি কোম্পানির বর্তমান সময়ে কোনো আইনি অথবা গঠনমুলক 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 আগষ্ট 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। প্রোজেকটেড ইউনিট ক্রেডিট মেথড ব্যবহার করা হয়েছে ডিফাইন্ড বেনিফিট অবলিগেশনের বর্তমান মূল্য নির্ধারনের জন্য এবং চলমান এবং অতীত সেবার খরচ এবং পারস্পরিক সামঞ্জস্যপূর্ন 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 নির্নয়ে লাভ অথবা ক্ষতির হিসাবের ক্ষেত্রে অন্যান্য কম্প্রিহেনসিভ ইনকাম হিসাবে পরিপূর্নভাবে স্বীকার্য হয়।

iii) সংজ্ঞায়িত অবদান পরিকল্পনা

অ. ম্যানেজমেন্ট গ্র্যাচুইটি স্কিম

কোম্পানি ম্যানেজমেন্ট এমপ্লয়িদের জন্য একটি ফান্ডেড গ্র্যাচুয়িটি স্কিম পরিচালনা করে যারা ১ মার্চ ২০১৩-র পরবর্তীতে কোম্পানিতে যোগদান করেছে। কোম্পানি ম্যানেজমেন্ট এমপ্লয়িদের 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 গ্র্যাচুয়িটি স্কিম

নন-ম্যানেজমেন্ট এম্প্লয়িদের ক্ষেত্রে কোম্পানি এই ফান্ড পরিচালনা করে যেখানে কোম্পানি তাদের বেসিক স্যালারির ১৫% এম্প্লয়িদের 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 কোম্পানীতে কাজ করার পর পাবার উপযুক্ত হয়।

ঈ কর্মচারীদের মুনাফার অংশগ্রহন 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 কন্সট্রাকটিভ অবলিগেশন যেই পরিমান সে এই ফান্ডে জমা রাখতে ইচ্ছুক সেই পরিমান পর্যন্ত নির্দিস্ট থাকে।

জ সঞ্চিতি

রিপোর্টিং ডেটে কোনো বিধান স্বীকার করা হয় যদি কোনো পূর্ববর্তী ঘটনার কারনে কোম্পানীর বর্তমানে কোনো আইনী অথবা গঠনমুলক দায়বদ্ধতা, যা বিশ্বস্তভাবে অনুমান করা যায় এবং এটা সম্ভাব্য যে দায় নিস্পত্তির জন্য অর্থনৈতিক সুবিধা সমুহের বহিঃর্গমন প্রয়োজনীয় হতে পারে। প্রত্যেক রিপোর্টিং পিরিয়ডের শেষে প্রভিশনস্/বিধানসমুহ পর্যলোচনা 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 ঘটার উপরে যার নিয়ন্ত্রন 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 মানদন্ড গৃহীত হয়েছে।

ii) বিকল্প সম্পদ

অতীতে ঘটা কোনো ঘটনার উপর ভিত্তি করে সম্ভাব্য সম্পদ নির্ধারন হয় যার অস্তিত্ব নিশ্চিত করা সম্ভব শুধুমাত্র কোনো ভবিষ্যত অনিশ্চিত ঘটনা ঘটা বা না ঘটার উপরে যার নিয়ন্ত্রন সবক্ষেত্রে কোনো নির্দিষ্ট এক পক্ষের হাতে থাকেনা।

সম্ভাব্য সম্পদ স্বীকার্য হয় না। যখন কোনো আর্থিক সম্পদের আদায় সম্পুর্নরুপে নিশ্চিত হয় তখনই শুধুমাত্র এই সম্পদ স্বীকারের প্রশ্ন আসে যদিকিনা 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, সম্পূরক শুল্ক, রফতানি শুল্ক, স্বাস্থ্য সারচার্জ যুক্ত করে হিসাব করা হয়।গ্রস টার্নওভারের ভেতর অন্তর্ভুক্ত আভ্যন্তরীন বিক্রিত সিগারেট, পাতা রফতানি এবং সম্পুরক 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 আয়কর এবং ২.৫ হারে সারচার্জ প্রদানে বাধ্য।

ii) বিলম্বিত শুল্ক

বিলম্বিত শুল্ক স্বীকার্য হয় আর্থিক প্রতিবেদনের জন্য সম্পদ এবং দায়ের ক্যারিয়িং কস্টের/চলমান খরচ অস্থায়ী পার্থক্যের সাপেক্ষে। বিলম্বিত শুল্ক সেই কর রেটে হিসাব করা হয় যেগুলো ব্যবহৃত হবে অস্থায়ী পার্থক্য গুলো যখন রিভার্স হবে যেগুলো রিপোর্টি 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 ট্যাক্স 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 সমুহ

বৈদেশিক মুদ্রায় বিনিময় সমুহ 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

AMARSTOCK

সেগুলো বিএএস ২১: দ্যা ইফেক্ট অব চেঞ্জেস 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 শেয়ারপ্রতি আয় তরলীকরন এই আর্থিক প্রতিবেদনের জন্য প্রযোজ্য হবে না কারন 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 চুড়ান্ত লভ্যাংশ বিতরন দায় হিসেবে দেখানো হয় সেই সময়কালের জন্য যখন বার্ষিক সাধারণ সভায় লভ্যাংশের অনুমোদন দেয়া হয়েছে, অপরদিকে অন্তর্বর্তী লভ্যাংশ বিতরন স্বীকৃত হয় সেই সময়কালে যখন লভ্যাংশ ঘোষনা এবং প্রদান করা হয়।

থ ম্যাটেরিয়ালিটি এবং অ্যাগরিগেসন

সংখ্যাগত তথ্যের ক্ষেত্রে সকল তুলনামুলক তথ্য এই আর্থিক প্রতিবেদনে প্রকাশ করা হয়েছে এবং আখ্যানধর্মী এবং বর্ননামুলক তথ্যের ক্ষেত্রেও যেগুলো প্রাসঙ্গিক বর্তমান আর্থিক প্রতিবেদন বোঝার ক্ষেত্রে জরুরী সেগুলোও প্রকাশ করা হয়েছে।

তুলনার স্বার্থে বিগত বছরের কিছু জরুরী প্রাসঙ্গিক ব্যালান্স পুনর্বিন্যস্ত ও পুনর্শ্রেণীবিভাজন করা হয়েছে যখনই এগুলো বর্তমান বছরের প্রেজেন্টেশনের ক্ষেত্রে জরুরী বলে মনে করা হয়েছে।

দ প্রতিবেদন প্রস্তুত পরবর্তী ঘটনাবলী

প্রত্যেক অনুরুপ 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 সুদুর ভবিষ্যত পর্যন্ত কার্যক্রম চালাবার মত সম্পদ আছে। এই কারনে গোয়িং কনসার্ন বেসিস ব্যবহার করা হয়েছে আর্থিক প্রতিবেদন প্রস্তুত করতে। কোম্পানীর চলতি সম্পদ পর্যাপ্ত ফান্ড এবং বিশেষনীয় ঋনসুবিধা বর্তমান ব্যবসার সকল প্রয়োজন পুরনে সক্ষম।

৪৪. ইস্যুকৃত স্ট্যান্ডার্ড সমূহ যা এখনো কার্যকর হয়নি

২০১৮ সালের জানয়ারিতে, ইনস্টিটিউট অব চার্টার্ড একাউন্ট্যান্টস অব বাংলাদেশ (আইসিএবি), ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ডস বোর্ড কর্তৃক ইস্যুকৃত ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডসকে আইএফআরএস হিসেবে গ্রহণ করেছে। যেহেতু আইসিএবি পূর্বে কোন পরিবর্তন ছাড়াই বাংলাদেশ ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড হিসাবে এই স্ট্যান্ডার্ড গ্রহণ করেছিল, এই সাম্প্রতিক গ্রহণের ফলে কোম্পানির আর্থিক বিবরণীর উপর কোন প্রভাব পড়বে না।

জানুয়ারী ১, ২০১৮ তারিখে অথবা পরবর্তীতে শুর" হওয া বার্ষিক সময়কালের জন্য কিছু সংখ্যক স্ট্যান্ডার্ড এবং সংশোধনী স্ট্যান্ডার্ড কার্যকর হবে যা জানুয়ারী ১, ২০১৮ তারিখের পূর্ববর্তী সময়কালের জন্যও প্রয়োগের অনুমতি দেওয়া হয়েছে। তবে, এই আর্থিক বিবরনী প্রস্তুতির জন্য কোম্পানিটি নিম্নলিখিত নতুন স্ট্যান্ডার্ড প্রয়োগ করেনি।

নিম্নোক্ত স্ট্যান্ডার্ড সমূহ প্রারম্ভিক প্রয়োগের মেয়াদকালে কোম্পানির সংরক্ষিত আয় এবং রিজার্ভের উপর কোন প্রভাব রাখে বলে মনে করা হয় না।

VAMAR STOCK

ক. আইএফআরএস ৯ এবং আইএফআরএস ১৫ গ্রহণের আনুমানিক প্রভাব

জানুয়ারী ১, ২০১৮ থেকে আইএফআরএস ৯ ফাইন্যান্সিয়াল ইন্সট্রুমেন্টস এবং আইএফআরএস ১৫ গ্রাহকগণের সাথে চুক্তির কারণে আয়, গ্রহণের জন্য কোম্পানিটি বাধ্য। কোম্পানীটি আনুমানিক প্রভাবের মূল্যায়ন করেছে যে আইএফআরএস ৯ ((খ) দেখুন) এবং আইএফআরএস ১৫ ((গ) দেখুন) এর প্রাথমিক প্রয়োগ তার আর্থিক বিবরণীতে থাকবে। ১ জানুয়ারী ২০১৮ তারিখে কোম্পানির ইকুইটিতে এই স্ট্যান্ডার্ড গ্রহণের আনুমানিক প্রভাব এখন পর্যন্ত মূল্যায়নের উপর ভিত্তি করে এবং নীচে এর সারসংক্ষেপ করা হল। জানুয়ারী ১, ২০১৮ তারিখে স্ট্যান্ডার্ড সমূহ গ্রহণের প্রকৃত প্রভাবগুলি পরিবর্তিত হতে পারে কারণ নতুন অ্যাকাউন্টিং নীতিমালা পরিবর্তীত হবে, যখন কোম্পানিটি প্রাথমিক প্রয়োগের তারিখ অন্তর্ভুক্ত করে প্রথম আর্থিক বিবরণী উপস্থাপন করবে।

আইএফআরএস ৯ এবং আইএফআরএস ১৫ গ্রহণের আনুমানিক প্রভাব

টাকা' ০০০	৩১ ডিসেম্বর ২০১৭ রিপোর্টকৃত	আইএফআরএস ৯ গ্রহণের আনুমানিক সমন্বয়	আইএফআরএস ১৫ গ্রহণের আনুমানিক সমন্বয়	জানুয়ারী ১, ২০১৮ তারিখে আনুমানিক সমন্বয়কৃত প্রারম্বিক জের
সংরক্ষিত মূলধন	৬৪,৮৯৬	-	-	৬৪,৮৯৬
সংরক্ষিত আয়	২২,৪৪৭,৫৪২	-	-	২২,৪৪৭,৫৪২

খ. আইএফআরএস ৯ ফাইন্যান্সিয়াল ইন্সট্রুমেন্টস

আইএফআরএস ৯, জুলাই ২০১৪ সালে প্রকাশিত, আইএএস ৩৯, ফাইন্যান্সিয়াল ইন্সট্রুমেন্টস: স্বীকৃতি এবং পরিমাপ, এর বিদ্যমান নির্দেশিকা প্রতিস্থাপন করে। আইএফআরএস ৯ ফাইন্যান্সিয়াল ইন্সট্রুমেন্টসের শ্রেণীবিভাগ এবং পরিমাপের উপর সংশোধিত নির্দেশিকা, আর্থিক সম্পদের ক্ষতির হিসাবের জন্য একটি নতুন প্রত্যাশিত ক্রেডিট-লস-মডেল এবং নতুন সাধারণ হেজ অ্যাকাউন্টিং এর বাধ্যবাধকতাকে অন্তর্ভুক্ত করে। এটি আইএএস ৩৯ থেকে ফাইন্যান্সিয়াল ইন্সট্রুমেন্টসের স্বীকৃতি এবং অস্বীকৃতির দিক নির্দেশনা প্রদান করে। আইএফআরএস ৯, জানুয়ারী ১, ২০১৮ থেকে বা এর পরে শুরু হওয়া বার্ষিক রিপোর্টিং সময়কালের জন্য কার্যকর এবং এর আগের সময়কালের জন্যও অনুমতি দেয়া হয়েছে। কোম্পানিটি এর আর্থিক বিবরণীতে আইএফআরএস ৯ এর সম্ভাব্য প্রভাব মূল্যায়ন করেছে। কোম্পানিটি তার মূল্যায়নের উপর ভিত্তি করে বিশ্বাস করে না যে, নতুন শ্রেণীবিভাগের বাধ্যবাধকতা দেনাদার এবং ঋণের জন্য এর হিসাবে কোন বস্তুনিষ্ঠ প্রভাব রাখতে পারে। কোম্পানিটির এমন কোন ঋণ সিকিউরিটি এবং ইক্যুইটি সিকিউরিটিতে বিনিয়োগ নেই যা নিরপেক্ষ মূল্যের ভিত্তিতে পরিচালিত হয়।

গ. আইএফআরএস ১৫ গ্রাহকদের সঙ্গে চুক্তি থেকে আয়/রাজস্ব গ্রহণ

আইএফআরএস ১৫, কি পরিমান এবং কখন আয় স্বীকৃত হয় তা নির্ধারণের জন্য একটি সর্বাঙ্গীণ কাঠামো স্থাপন করে। এটি আইএএস ১৮: আয়, আইএএস ১১: নির্মাণ চুক্তি এবং আইএফআরআই ১৩: গ্রাহক আনুগত্য প্রোগ্রাম এর বিদ্যমান স্বীকৃতির নির্দেশিকা প্রতিস্থাপন করে। আইএফআরএস ১৫, জানুয়ারী ১, ২০১৮ তারিখে বা পরে শুরু হওয়া বার্ষিক রিপোর্টিং সময়কালের জন্য কার্যকর হয় এবং এর পূর্বের সময়কালের জন্যও গ্রহনের অনুমতি দেয়া হয়। বিএটিবি তার আর্থিক বিবরণীতে আইএফআরএস ১৫ এর প্রাথমিক প্রয়োগের আনুমানিক প্রভাব মূল্যায়ন করেছে। বিএটিবি এর মূল্যায়ন অনুযায়ী, আইএফআরএস ১৫ গ্রহণের ফলে আয় এবং বাণিজ্য সহায়ক ব্যয় স্বীকৃতকরনের ক্ষেত্রে নিম্নলিখিত আনুমানিক সমন্বয় (ট্যাক্স পূর্ববর্তী) থাকতে পারে:

আইএফআরএস ১৫ গ্রহণের আনুমানিক প্রভাব

টাকা' ০০০	৩১ ডিসেম্বর ২০১৭ রিপোর্টকৃত	আইএফআরএস ১৫ গ্রহণের আনুমানিক সমন্বয়	জানুয়ারি ১, ২০১৮ তারিখে আনুমানিক সমন্বয়কৃত প্রারম্বিক জের
অভ্যন্তরীন বিক্রয় থেকে মোট আয়	২০১,৯১৭,৫৬০	(২০৯,৫১৬)	২০১,৭০৮,০০৪
বাণিজ্য সহায়তা ব্যয়	(১,২০৩,৬০৮)	২০৯,৫১৬	(৯৯৪,০৯২)
	২০০,৭১৩,৯৫২	-	**২০০,৭১৩,৯৫২**

ঘ. আইএফআরএস ১৬ ইজারা

আইএফআরএস ১৬, আইএএস-১৭: ইজারা, আইএফআরআইসি-৪: কোনও ব্যবস্থায় ইজারা আছে কিনা তা নির্ধারণ করা, এসআইসি-১৫: অপারেটিং (পরিচালন) ইজারা, ইনসেনটিভস এবং এসআইসি-২৭: ইজারার আইনি গঠনের অন্তর্ভুক্ত লেনদেনের বস্তুনিষ্ঠতা মূল্যায়ন সহ বিদ্যমান ইজারার নির্দেশিকা প্রতিস্থাপন করে।

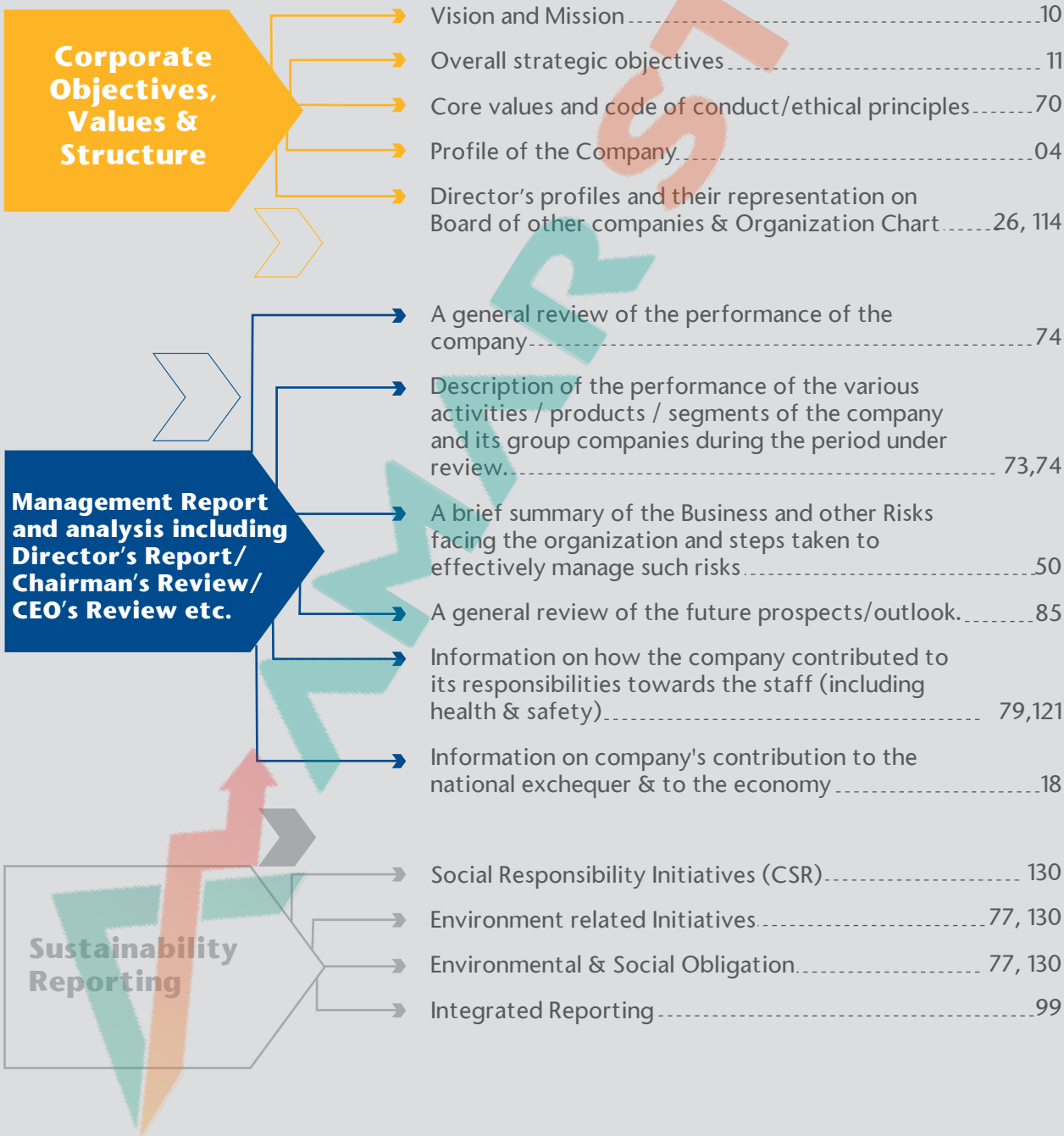
এই স্ট্যান্ডার্ডটি জানুয়ারী ১, ২০১৯ তারিখে বা এর পরে শুরু হওয়া বার্ষিক সময়কালের জন্য কার্যকর। যে সকল এনটিটি (সত্ত্বা) আইএফআরএস ১৬ এর প্রাথমিক প্রয়োগের তারিখের আগে বা একই সময়ে আইএফআরএস ১৫ প্রয়োগ করে, তাদের জন্য প্রারম্ভিক গ্রহণের অনুমতি দেয়া হয়েছে।

আইএফআরএস ১৬ একটি একক, অন-ব্যালেন্স শীট লিজ অ্যাকাউন্টিং মডেল প্রবর্তন করে। ইজারা গ্রহিতা ব্যবহার-অধিকার (রাইট-অফ-ইউজ) সম্পদ স্বীকৃত করে যা ঐ সম্পদের ব্যবহারের অধিকারকে প্রতিনিধিত্ব করে এবং একটি ইজারা দায়বদ্ধতা ইজারা পরিশোধের দায়বদ্ধতাকে প্রতিনিধিত্ব করে। স্বল্পমেয়াদী এবং কম মূল্যের বস্তুর ইজারা স্বীকৃতির জন্য অব্যহতি রয়েছে। ইজারাদাতার অ্যাকাউন্টিং বর্তমান স্ট্যান্ডার্ডের অনুরূপ রয়েছে- উদাহরণস্বরূপ ইজারাদাতা, ইজারা গ্রহিতার হিসাব আর্থিক বা অপারেটিং (পরিচালন) ইজারা হিসেবে শ্রেণীভুক্ত করে।

কোম্পানিটি তার আর্থিক বিবরণীর উপর সম্ভাব্য প্রভাবের প্রাথমিক মূল্যায়ন সম্পন্ন করেছে কিন্তু এখনো তার বিস্তারিত মূল্যায়ন সম্পন্ন করেনি। আর্থিক বিবরণীতে প্রাথমিক প্রয়োগের সময়ে আইএফআরএস ১৬ প্রয়োগের প্রকৃত প্রভাব, জানুয়ারী ১, ২০১৯ তারিখে কোম্পানির ঋণের হার সহ ভবিষ্যতের অর্থনৈতিক অবস্থার উপর, সেই তারিখে কোম্পানির ইজারার পোর্টফোলিওর গঠনের উপর, কোম্পানির সর্বশেষ মূল্যায়ন অনুসারে এটি কোনও ইজারা নবায়নের সুযোগ ব্যবহার করবে কিনা তার উপর এবং কি পরিমাণে কোম্পানীর ব্যবহারিক সুবিধা এবং স্বীকৃতি থেকে অব্যহতির সুযোগ ব্যবহার করবে তার উপর নির্ভর করে।

AMAR STOCK

ANNUAL REPORT
REVIEW CHECKLIST



TRAKARSTOCK

Appropriateness of Disclosure of Accounting policies and General Disclosure

- Disclosure of adequate and properly worded accounting policies relevant to Assets, liabilities, Income and expenditure in line with best reporting standards. 204
- Any Specific accounting policies 204
- Impairment of Assets 205
- Changes in accounting policies/Changes in accounting estimates 213

Segment Information

- Segment related information bifurcating Segment revenue, segment results 73
- Availability of information regarding different segments and units of the entity as well as non-segmental entities/units 73

Segment analysis

- Segment Revenue 74
- Segment Results 74
- Turnover 76
- Operating profit 76

Financial Statements (Including Formats)

- Disclosures of all contingencies and commitments 202
- Comprehensive related party disclosures 199
- Disclosures of Remuneration & Facilities provided to Directors & CEO 199
- Statement of Financial Position / Balance Sheet and relevant schedules 176
- Income Statement / Profit and Loss Account and relevant schedules 177
- Statement of Changes in Equity / Reserves & Surplus Schedule 178
- Disclosure of Types of Share Capital 185
- Statement of Cash Flow 179
- Extent of compliance with the core IAS/IFRS or equivalent National Standards 203
- Disclosures / Contents of Notes to Accounts 180

ARMARSTOCK

Information about Corporate Governance

- Board of Directors, Chairman And CEO 79
- Audit Committee (Composition, role, meetings, attendance, etc.) Internal Control & Risk Management 59, 50
- Ethics And Compliance 70
- Remuneration and other Committees of Board 80
- Human Capital 108
- Communication to Shareholders & Stakeholders
  - Information available on website
  - Other information 113, 172, 214
- Environmental And Social Obligations 130
- Management Review And Responsibility 43
- Disclosure by Board of Directors or Audit 81

Risk Management & Control Environment

- Description of the Risk Management Framework 50
- Risk Mitigation Methodology 51
- Disclosure of Risk Reporting 53

Stakeholders Information

- Distribution of shareholding (Number of shares as well as category wise, e.g. Promoter group, FII etc.) 86, 172
- Shares held by Directors/Executives and relatives of Directors/Executives 86

Graphical/ Pictorial Data:

- Earnings per Share 117
- Net Assets 119
- Stock Performance 172
- Shareholders' Funds 119
- Return on Shareholders Fund 119

AMARSTOCK

Horizontal/ Vertical Analysis including following.

- Operating Performance (Income Statement) 116
- Total Revenue 116
- Operating profit 116
- EPS 117

Statement of Financial Position (Balance Sheet)

- Shareholders Fund 176, 184
- Property Plant & Equipment 176
- Net Current Assets 176
- Long Term Liabilities/Current Liabilities 176

Profitability/ Dividends/ Performance and Liquidity Ratios

- Gross Profit Ratio 116
- Earning before Interest, Depreciation and Tax 117
- Price earning ratio 117
- Current Ratios 118
- Return on Capital Employed 119
- Debt Equity Ratio 118

Statement of Value Added and Its Distribution

- Government as Taxes 115
- Shareholders as dividend 115
- Employees as bonus/remuneration 115
- Retained by the entity 115
- Economic value added 115

Additional Disclosures

- Human Resource Accounting 148
- Other disclosures:
- PESTEL Analysis & Business Model. 12,112
- Statekeholder information 172, 212

SMART STOCK

INTEGRATED REPORTING CHECKLIST

Sl. No.	Particulars	Content Reference	Page no.
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	180
	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, SoBC	12, 70
	ownership and operating structure including size of the organization, location of its operations	Corporate Information, Annexure - 1	4, 6, 86
	principal activities and markets	About Us, Note 1	4, 180
	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 and Vision, Growth	10, 73
	position within the value chain	Business model	12
	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	4
	Significant factors affecting the external environment and the organization's response:		
	The legitimate needs and interests of key stakeholders	Value Creation Process	100
	Macro and micro economic conditions, such as economic stability, globalization, and industry trends	Operating Environment Analysis	112
	Market forces, such as the relative strengths and weaknesses of competitors and customer demand	Operating Environment Analysis	112
	The speed and effect of technological change	Intellectual Capital	106
	Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems	Social and Relationship Capital Natural Capital	110, 111

FINANCIALS STOCK

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	Natural Capital	111
	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	Political Environment	52
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	37
	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, 43
	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 and Internal Control	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, 12
	Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies	Sustainability, Internal Policies and guidelines	77, 46
	The responsibility those charged with governance take for promoting and enabling innovation	Board Committees	37, 40, 41
	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.	Compensation and Benefits, Human Resource Accounting	148
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

FAIRSTOCK

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	Our Value Creation Process	100
	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 Capital	102 - 111
1.4	**Business Model**		
	An integrated report need to describe the business model, including key:	Business Model, Business Capital	12, 102 - 111
	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.		

FAMT STOCK

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	15, 18, 21
	An integrated report should contain qualitative and quantitative information about performance:	Directors Report	73, 80 81, 82, 116
	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	50 - 57
	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.		

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Sl. No.	Particulars	Content Reference	Page no.
1.7	**Strategy and resource allocation**		
	An integrated report should describe it strategic direction (Where does the organization want to go and how does it intend to get there)	Vision and Mission	10
	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	20
	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	12, 53
	- 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	12,13
	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	12, 14, 85

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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	Operating Environment Analysis	112
	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	50
	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	116, 99
	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	99
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	99
	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		

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Sl. No.	Particulars	Content Reference	Page no.
	A summary of the significant frameworks and methods used to quantify or evaluate material matters	Integrated Reporting	99
2	**Responsibility for an integrated report**		
	An integrated report should include a statement from those charged with governance that includes:	Integrated Reporting	99
	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		
	Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework		
3	**Other Qualitative Characteristics of an Integrated Report**		100, 101
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	116 - 119
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	13
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	73
3.4	**Assurance on the Report**		
	The policy and practice relating to seeking assurance on the report,	Integrated Reporting	99
	The nature and scope of assurance provided for this particular report		
	Any qualifications arising from the assurance, and the nature of the relationship between the organization and the assurance providers	Not Applicable	

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CORPORATE GOVERNANCE CHECKLIST

Sl. No.	Particulars	Page no.
1	**BOARD OF DIRECTORS, CHAIRMAN AND CEO**	
1.1	Company's policy on appointment of directors disclosed	39
1.2	Adequate representation of non-executive directors i.e. one third of the board, subject to a minimum of two	40
1.3	At least one independent director on the board and disclosure/affirmation of the board on such director's independence	40
1.4	Chairman to be independent of CEO	39
1.5	Responsibilities of the Chairman of the board appropriately defined and disclosed. Disclosure of independence of Non-Executive Directors	39
1.6	Existence of a scheme for annual appraisal of the boards performance and disclosure of the same	43
1.7	Disclosure of policy on annual evaluation of the CEO by the Board	42
1.8	Disclosure of policy on training (including details of the counting training program) of directors and type and nature of training courses organized for directors during the year existence of a scheme for annual appraisal of the boards performance	43
1.9	At least one director having through knowledge and expertise finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting	41
1.10	Disclosure of number of meetings of the board and participation of each directors (at least 4 meetings are required to be held)	42
1.11	Directors issue a report on compliance with best practices on corporate governance that is reviewed by external auditors	96, 97
2	**VISION/MISSION AND STRATEGY**	
2.1	Company's vision/mission statements are approved by the board and disclosed in the annual report	10
2.2	Identification of business objectives and areas of business focus disclosed	10
2.3	General description of strategies to achieve the company's business objectives	12
3	AUDIT COMMITTEES	
3.1	Appointment and Composition	62
3.1.1	Whether the audit committee chairman is an independent Non-executive Director and Professionally Qualified	59
3.1.2	Whether it has specific terms of reference and whether it is empowered to investigate/question employees and retain external counsel	62
3.1.	More than two thirds of the members are to be Non-Executive Directors	59
3.1.4	All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting	59
3.1.5	Head of internal audit to have direct access to audit committee	44
3.1.6	The committee to meet at least 4 times a year and the number of meetings and attendance by individuals members disclosed in the annual report	62
3.2	OBJECTIVE AND ACTIVITIES	

MARKET STOCK

Sl. No.	Particulars Content Reference	Page no.
3.2.1	Statement of Audit Committees review to ensure that internal controls are well conceived properly administrative and satisfactorily monitored	60
3.2.2	Statement to indicate audit committees role in ensuring compliance with laws, regulations and timely settlements of statutory dues	61
3.3.3	Statement of Audit Committee involvement in the review of external audit function -Ensure effective coordination of external audit function -Ensure independence of external auditors -To review the external auditors findings in order to be satisfied that appropriate action is being taken -Review and approve any non audit work assigned to the external auditor and ensure that such work does not compromise the independence of external auditors -Recommend external auditor for appointment/reappointment	60
3.2.4	Statement on Audit committee involvement in selection of appropriate accounting policies that are in line with applicable accounting standards and annual review	59, 61
3.2.5	Statement on Audit committee involvement in the review and recommend to the board of directors, annual and interim financial release	60, 64
3.2.6	Reliability of the management information used for such computation	48
4	INTERNAL CONTROL & RISK MANAGEMENT	
4.1	Statement of director's responsibility to establish appropriate system of internal control	50
4.2	Narrative description of key features of the internal control system and the manner in which the system is monitored by the board, audit committee or senior management	51
4.3	Statement that the directors have reviewed the adequacy of the system of internal controls	50
4.4	Disclosure of the identification of risk the company is exposed to both internally and externally	52
4.5	Disclosure of the strategies adopted to manage and mitigate the risks	52
5	ETHICS AND COMPLIANCE	
5.1	Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulation etc	70
5.2	Dissemination/communication of the statement of ethics & business practices to all directors and employees and their acknowledgement of the same	70
5.3	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	70
5.4	Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc	70
6	REMUNERATION COMMITTEE	
6.1	Disclosure of the charter (role and responsibilities) of the committee	41
6.2	Disclosure of the composition of the committee (majority of the committee should be nonexecutive directors, but should also include some executive directors)	6, 42
6.3	Disclosure of key policies with regard to remuneration of directors, senior management and employees	45
6.4	Disclosure of number of meetings and work performed	42
7	HUMAN CAPITAL	
7.1	Disclosure of general description of the policies and practices codified and adopted by the company with respect Human Resource Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counseling	44, 108
7.2	Organizational Chart	114
8	COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS	
8.1	Disclosure of the company's policy/strategy to facilitate effective communication with shareholders and other stakeholders	48
8.2	Disclosure of company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM	48
9	ENVIRONMENTAL AND SOCIAL OBLIGATIONS	
9.1	Disclosure of general description of the company's policies and practices relating to social and environmental responsibility of the entity	126- 131
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	126- 131

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BRITISH AMERICAN TOBACCO BANGLADESH

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 45th Annual General Meeting of the Company to be held on Tuesday, 13 April 2018 and at any adjournment thereof

As witness my/our hand this ..... day of ..... 2018.

Revenue Stamp Tk. 20

.....
(Signature of Proxy)

.....
(Signature of Share Holder)

Folio / BO ID No. ☐☐☐☐☐☐☐☐ – ☐☐☐☐☐☐☐☐

No. of Shares held: .....

Notes:

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 13 April 2018.
3. Signature of the Member(s) must be in accordance with the Specimen Signature recorded with the Company.

BRITISH AMERICAN TOBACCO BANGLADESH

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 45th Annual General Meeting (AGM) of the Company being held on Tuesday, 17 April 2018 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: ☐☐☐☐☐☐☐☐ – ☐☐☐☐☐☐☐☐

.....
Signature of Shares Holder(s)/Proxy

No. of Shares held: .....

Note: Please present this attendance slip at the registration counter on or before 10:30 a.m on the AGM date.

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BRITISH AMERICAN TOBACCO BANGLADESH

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

নিউ ডিওএইচএস রোড, মহাখালী, ঢাকা-১২০৯, পিও বক্স 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 মঙ্গলবার, ১৭ এপ্রিল ২০১৮ তারিখে অনুষ্ঠিতব্য কোম্পানির ৪৫তম বার্ষিক সাধারণ সভায় এবং তার মূলতবি ঘোষিত সভায় উপস্থিত হওয়া ও ভোটদানের জন্য নিযুক্ত করলাম।

রেভিনিউ স্ট্যাম্প ২০/=

.....
(প্রতিনিধির স্বাক্ষর)

.....
(শেয়ার হোল্ডারের স্বাক্ষর)

ফোলিও / বিও নম্বর : ☐☐☐☐☐☐☐☐ – ☐☐☐☐☐☐☐☐

শেয়ার সংখ্যা : .....

দ্রষ্টব্য:

১. অনিবার্যকারণবশতঃ, 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 ১৩ এপ্রিল ২০১৮ সকাল ১০:৩০ মিনিটের মধ্যে জমা দিতে হবে

৩. কোম্পানির নথিভুক্ত নমুনা স্বাক্ষর ও সদস্যের স্বাক্ষর একই হতে হবে।

BRITISH AMERICAN TOBACCO BANGLADESH

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

নিউ ডিওএইচএস রোড, মহাখালী, ঢাকা-১২০৯, পিও বক্স ৬০৬৯ বাংলাদেশ

উপস্থিতিপত্র

আমি/আমরা আগামী ১৭ এপ্রিল ২০১৮ রোজ মঙ্গলবার সকাল ১০:৩০ মিনিটে সোনারগাঁও হোটেল, ১০৭ কাজী নজরুল ইসলাম এভিনিউ, ঢাকা-১২১৫ এর বলরুমে অনুষ্ঠিতব্য কোম্পানির ৪৫তম 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।

MAIR STOCK