## Bata Shoe Company (Bangladesh) Limited

## Financial Highlights

	31-Mar-23	31-Dec-22
Net Assets Value (NAV)	3,585,837,867	3,449,545,928
NAV Per Share	262.12	252.16
	<u>31-Mar-23</u>	<u>31-Mar-22</u>
Earnings Per Share (EPS)	9.96	5.01
Net Operating Cash Flow Per Share	1.73	10.23

Managing Director

Finance Director

Company Secretary and GM Finance

Director



## Bata Shoe Company (Bangladesh) Limited Statement of financial position

		31 March	31 December
In taka	Note	2023	2022
Assets			
Property, plant and equipment	12	887,246,967	889,359,970
Right-of-use assets	13	1,753,874,265	1,683,763,012
Deferred tax assets	22	265,177,200	271,203,200
Non-current assets		2,906,298,432	2,844,326,182
Inventories	14	3,484,402,686	3,032,204,800
Trade and other receivables	15	31,677,126	8,816,726
Advances, deposits and prepayments	16	367,136,858	321,377,166
Cash and cash equivalents	17	1,111,740,307	1,265,057,145
Current assets		4,994,956,977	4,627,455,837
Total assets		7,901,255,409	7,471,782,019
Equity			
Share capital	18	136,800,000	136,800,000
Reserves and surplus	19	110,492,803	110,492,803
Retained earnings	20	3,338,545,064	3,202,253,125
Total equity		3,585,837,867	3,449,545,928
Liabilities	00		4 407 505 070
Lease liabilities	23	1,256,202,089	1,127,565,079
Non-current liabilities		1,256,202,089	1,127,565,079
	22	200 542 700	442 452 649
Lease liabilities	23	360,543,722	443,452,648
Trade and other payables	24	2,405,816,538	2,134,911,699
Unclaimed dividend	25	10,373,279	11,382,659
Contract liabilities	26	19,855,559	55,022,042
Current tax liabilities	27	262,626,355	249,901,964
Current liabilities		3,059,215,453	2,894,671,012
Total liabilities		4,315,417,542	4,022,236,091
Total equity and liabilities		7,901,255,409	7,471,782,019
	00	000.10	050.10
Net asset value (NAV) per share	29	262.12	252.16

The annexed notes are an integral part of these financial statements.

Managing Director

**Finance Director** 

Director

Company Secretary and GM - Finance



## Bata Shoe Company (Bangladesh) Limited Statement of profit or loss and other comprehensive income

			The second secon
For the period ended 31 March			
In taka	Note	2023	2022
Revenue	6	2,448,377,374	2,145,643,674
Cost of sales	7	(1,376,571,085)	(1,310,261,208)
Gross profit		1,071,806,289	835,382,466
Other income	8	1,097,426	16,662,848
Operating expenses		(836,815,896)	(720,993,244)
Operating profit		236,087,819	131,052,070
Finance income	9(A)	15,338,544	7,230,582
Finance costs	9(B)	(51,091,690)	(40,504,894)
Net finance costs	9	(35,753,146)	(33,274,312)
Profit before tax and contribution to WPPF		200,334,673	97,777,758
Contribution to WPPF	10	(10,016,734)	(4,888,888)
Profit before tax		190,317,939	92,888,870
Income tax expense	11	(54,026,000)	(24,408,000)
Profit/(loss) for the period		136,291,939	68,480,870
Other comprehensive loss, net of tax		•	
Total comprehensive income/(loss)		136,291,939	68,480,870
Earnings per share	30	9.96	5.01

The annexed notes are an integral part of these financial statements.

Managing Director

**Finance Director** 

Company Secretary and GM - Finance

Director



## Bata Shoe Company (Bangladesh) Limited Statement of changes in equity

For the period ended 31 March 2022			Reserve	Non-			
		Share	on revaluation	distributable	General	Retained	Total
In taka	Note	capital	of land	special reserve	Reserve	earnings	equity
Balance at 1 January 2022		136,800,000	60,631,183	998,620	48,863,000	3,204,583,592	3,451,876,395
Total comprehensive income/(loss) for the period	1	100,000,000	00,001,100	330,020	+0,000,000	0,204,000,002	0,401,070,000
Profit/(loss) for the period	4	_	_	_	_	68,480,870	68,480,870
Other comprehensive income for the period		_	<u>-</u>	-	_	-	-
Total comprehensive income/(loss) for the period	1	_	_	_	_	68,480,870	68,480,870
Contributions and distributions	-					33, 133,313	33, 133, 31
Interim dividends	20	_	_	_	_	_	_
Final dividends	20	_	_	-	_	_	_
Total transactions with owners of the Company		-	-	-	-	-	-
Balance at 31 March 2022		136,800,000	60,631,183	998,620	48,863,000	3,273,064,462	3,520,357,265
Balance at 1 January 2023		136,800,000	60,631,183	998,620	48,863,000	3,202,253,125	3,449,545,928
Total comprehensive income/(loss) for the period	ł						
Profit/(loss) for the period		-	-	-	-	136,291,939	136,291,939
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income/(loss) for the period	l	-	-	-	-	136,291,939	136,291,939
Contributions and distributions							
Interim dividends	20	-	-	-	-	-	-
Final dividends	20	-	-	-	-	-	
Total transactions with owners of the Company		-	-	-	-	-	-
Balance at 31 March 2023		136,800,000	60,631,183	998,620	48,863,000	3,338,545,064	3,585,837,867

The annexed notes are an integral part of these financial statements.



# Bata Shoe Company (Bangladesh) Limited Statement of cash flows

For the period ended 31 March			
In taka	Note	2023	2022
Cash flows from operating activities			
Cash receipts from customers		2,392,797,991	1,838,453,343
Cash payments to and on behalf of employees		(373,633,941)	(308,720,131)
Cash payments to suppliers and contractors for goods and		(1,925,246,883)	(1,335,296,268)
services			
Cash generated from operating activities		93,917,167	194,436,944
Interest received	9(A)	15,338,544	7,230,582
Interest paid		(50,367,953)	(43,011,957)
Income taxes paid		(35,275,609)	(18,757,288)
Net cash from operating activities		23,612,149	139,898,281
Cash flows from investing activities			
Acquisition of property, plant and equipment		(44,690,760)	(100,997,579)
Proceeds from sale of property, plant and equipment		829,787	326,383
Net cash used in investing activities		(43,860,973)	(100,671,196)
Cash flows from financing activities			
Payment of lease liabilities (principal portion)	23(A)	(131,334,897)	(119,196,842)
Dividend paid		(1,009,380)	(349,539)
Net cash used in financing activities		(132,344,277)	(119,546,381)
Net increase in cash and cash equivalents		(152,593,101)	(80,319,296)
Cash and cash equivalents at the beginning		1,265,057,145	622,781,937
Effect of movements in exchange rates on cash held		(723,737)	1,044,973
Cash and cash equivalents at 31 March	17	1,111,740,307	543,507,614
Net Operating Cash Flow Per Share (NOCFPS)	30	1.73	10.23

The annexed notes are an integral part of these financial statements.



#### 1. Reporting entity

Bata Shoe Company (Bangladesh) Limited (hereinafter referred to as "Bata" or "the Company") is a public company limited by shares. It was incorporated in Bangladesh in 1972 under the Companies Act 1913. The address of the registered office of the Company is situated at Tongi, Gazipur, Bangladesh. The Company is one of the operating companies of worldwide Bata Shoe Organization (BSO) and a subsidiary of Bafin (Nederland) BV in Netherlands holding 70% of the Company's shares. The shares of the Company are listed in both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

Pursuant to recent amendment to the Companies Act 1994 incorporating certain amendments, among others, is to change of the word "Limited" by the word "PLC" in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

The Company is mainly engaged in manufacturing and marketing of leather, rubber, plastic, canvas footwear, hosiery and accessories items. Manufacturing plants of the Company are situated at Tongi and Dhamrai.

#### 2. Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules, 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act 2015 and other applicable laws in Bangladesh.

The titles and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirements of the Companies Act 1994 and the Securities and Exchange Rules 1987. However, such differences are not material and in the view of management IFRSs titles and format give better presentation to the shareholders.

These financial statements were authorized for issue by the Board of Directors at its 260th meeting held on 14 May 2023.

#### 3. Functional and presentational currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is the Company's functional currency. All amounts have been rounded to the nearest Taka, unless otherwise indicated.

#### 4. 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 or reclassified whenever considered necessary to conform current year's presentation.



#### 5. Use of estimates and judgements

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of Company's 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. Revision to estimates are recognised prospectively.

#### A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 24: Lease term

#### B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 March 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial period is included in the following notes:

Note 13: Depreciation on property, plant and equipment

Note 23: Deferred tax assets/liabilities Note 15: Provision for obsolescence

Note 16: Measurement of allowance for trade receivables Note 25(B): Recognition and measurement of provisions

Note 28: Uncertain tax provisions



6.	Revenue			
	In taka	Note	31 March 2023	31 March 2022
	Local Export	6(A)	2,448,377,374	2,144,503,314 1,140,360
	•		2,448,377,374	2,145,643,674
A.	Disaggregation of local revenue			
	Shoes Hosiery and accessories		2,334,977,347 113,400,027 2,448,377,374	2,046,793,325 97,709,989 2,144,503,314
7.	Cost of sales			
	Materials: Opening stock of raw materials Purchase during the period Cost of raw materials available for use Closing stock of raw materials Raw materials consumed Direct wages Prime costs Manufacturing overheads Opening work-in-progress Closing work-in-progress Cost of goods manufactured		397,331,563 673,166,790 1,070,498,353 (395,592,975) 674,905,378 100,656,750 775,562,128 110,031,006 29,905,081 (43,571,269) 871,926,946	490,464,218 982,775,342 1,473,239,560 (532,470,717) 940,768,843 94,210,793 1,034,979,636 109,505,689 29,493,864 (34,794,808) 1,139,184,381
	Cost of goods manufactured Opening stock of finished goods Purchase of finished goods during the period Cost of finished goods available for sale Closing stock of finished goods		2,604,968,156 944,914,425 4,421,809,527 (3,045,238,442) 1,376,571,085	1,139,164,361 2,253,859,743 758,310,320 4,151,354,444 (2,841,093,236) 1,310,261,208
8.	Other income			
	Discount for early payment Loss on disposal of property, plant and equipment Gain/(loss) on remeasurement of lease liabilities		13,260,585 (12,737,972) 574,813 1,097,426	19,341,892 (8,524,374) 5,845,330 16,662,848



#### 9. Net finance costs

	to take	Maria	04 Marrali 0000	04 Marrah 0000
	In taka	Note	31 March 2023	31 March 2022
	Finance income	9(A)	15,338,544	7,230,582
	Finance costs	9(B)	(51,091,690)	(40,504,894)
			(35,753,146)	(33,274,312)
A.	Finance income			
	Interest on short term deposits		15,338,544	7,230,582
	·		15,338,544	7,230,582
В.	Finance costs			
	Interest expense on lease liabilities	23	36,821,395	35,904,098
	Net foreign exchange loss		14,270,295	4,600,796
			51,091,690	40,504,894
10.	. Contribution to WPPF			
	Profit before tax and contribution to WPPF		200,334,673	97,777,758
	Applicable contribution rate		5%	5%
	Amount of contribution to WPPF		10,016,734	4,888,888

The Company kept 5% provision for Workers Profit Participation Fund (WPPF) on its profit before WPPF at the end of period as per the Labour Act, 2006 (amended in 2015).

#### 11. Income tax expense

#### A. Amounts recognised in profit or loss

#### **Current tax expense**

Current period		48,000,000	25,000,000
		48,000,000	25,000,000
Deferred tax expense/(income)			_
Current period	22(A)	6,026,000	(592,000)
		6,026,000	(592,000)
Income tax expense		54,026,000	24,408,000

#### B. Reconciliation of effective tax rate

Profit before tax			190,317,939	92,888,870
Income tax using applicable tax rate	22.50%	22.50%	42,821,536	20,899,996
Factors affecting the tax charge for				
current period:				
- Non-deductible expense	2.72%	4.41%	5,178,464	4,100,004
- Movement of temporary	3.17%	-0.64%	6,026,000	(592,000)
difference				, ,
	28.39%	26.28%	54,026,000	24,408,000



## 12. Property, plant and equipment

## A. Reconciliation of carrying amount

						Furniture,		
					Computer	fixture and		
	Freehold		Plant and		and computer	office	Under	
In taka	land	Buildings	machineries	Vehicles	equipments	equipments	construction	Total
Cost								
Balance as at 1 January 2022	86,057,856	421,705,632	847,588,724	21,072,963	102,071,771	1,203,358,549	25,234,571	2,707,090,066
Additions	-	11,143,966	5,351,142	-	17,510,616	158,425,503	21,172,600	213,603,827
Disposals	-	-	-	(5,647,409)	(7,282,541)	(124,797,235)	-	(137,727,185)
Transfer	-	-	23,735,803	-	3,331,119	15,826,648	(42,893,570)	-
Balance as at 31 December 2022	86,057,856	432,849,598	876,675,669	15,425,554	115,630,965	1,252,813,465	3,513,601	2,782,966,708
Balance as at 1 January 2023	86,057,856	432,849,598	876,675,669	15,425,554	115,630,965	1,252,813,465	3,513,601	2,782,966,708
Additions	-	982,678	630,667	-	4,195,514	38,370,595	5,284,960	49,464,414
Disposals	-	-	-	-	-	(64,373,001)	-	(64,373,001)
Transfer	-	-	511,306	-	-		(511,306)	-
Balance as at 31 March 2023	86,057,856	433,832,276	877,817,642	15,425,554	119,826,479	1,226,811,059	8,287,255	2,768,058,121
Accumulated depreciation								
Balance as at 1 January 2022	-	246,475,531	713,525,804	20,264,848	84,272,061	786,270,276	-	1,850,808,520
Depreciation	-	8,841,037	34,004,800	570,435	10,374,782	94,699,980	-	148,491,034
Disposals	-	-	-	(5,647,409)	(7,022,557)	(93,022,850)	-	(105,692,816)
Balance as at 31 December 2022	-	255,316,568	747,530,604	15,187,874	87,624,286	787,947,406	-	1,893,606,738
Balance as at 1 January 2023	-	255,316,568	747,530,604	15,187,874	87,624,286	787,947,406	-	1,893,606,738
Depreciation	-	2,264,384	10,151,803	142,609	2,751,648	22,699,213	-	38,009,657
Disposals	-	-	-	-	-	(50,805,241)	-	(50,805,241)
Balance as at 31 March 2023	-	257,580,952	757,682,407	15,330,483	90,375,934	759,841,378	-	1,880,811,154
Carrying amounts								
At 1 January 2022	86,057,856	175,230,101	134,062,920	808,115	17,799,710	417,088,273	25,234,571	856,281,546
At 31 December 2022	86,057,856	177,533,030	129,145,065	237,680	28,006,679	464,866,059	3,513,601	889,359,970
At 31 March 2023	86,057,856	176,251,324	120,135,235	95,071	29,450,545	466,969,681	8,287,255	887,246,967



#### 13. Right-of-use assets

Raw materials Work in process

Finished goods

## A. Reconciliation of carrying amount

In taka	Building and Vehicles	Total
Cost		
Balance as at 1 January 2022	3,051,527,150	3,051,527,150
Additions	643,855,609	643,855,609
Modifications	162,000,624	162,000,624
Adjustment for remeasurement	(7,217,465)	(7,217,465)
Balance as at 31 December 2022	3,850,165,918	3,850,165,918
Balance as at 1 January 2023	3,850,165,918	3,850,165,918
Additions	15,575,140	15,575,140
Modifications	193,272,120	193,272,120
Adjustment for remeasurement	574,813	574,813
Balance as at 31 March 2023	4,059,587,991	4,059,587,991
Accumulated Depreciation Balance as at 1 January 2022	1,592,848,459	1,592,848,459
Depreciation	573,554,447	573,554,447
Balance as at 31 December 2021	2,166,402,906	2,166,402,906
Balance as at 1 January 2023	2,166,402,906	2,166,402,906
Depreciation	139,310,820	139,310,820
Balance as at 31 March 2023	2,305,713,726	2,305,713,726
Carrying amounts		
At 1 January 2022	1,458,678,691	1,458,678,691
At 31 December 2022	1,683,763,012	1,683,763,012
At 31 March 2023	1,753,874,265	1,753,874,265
Inventories		
	31 March	31 December
In taka	2023	2022



395,592,975

3,045,238,442

3,484,402,686

43,571,269

397,331,563

29,905,081

2,604,968,156

3,032,204,800

#### 15. Trade and other receivables

	In taka		31 March 2023	31 December 2022
	Trade receivables from external parties	15(A)	622,696,243	622,389,323
	Trade receivables from related parties	28(C)	-	-
	Other receivables	15(B)	26,255,318	6,149,338
	Provision for impairment loss on trade receivables	15(C)	(617,274,435)	(619,721,935)
			31,677,126	8,816,726
A.	Trade receivables from external parties Receivables from dealers		620 204 096	620 560 105
			620,291,986	620,569,105
	Receivables from institutional sale		2,404,257	1,820,218
	·		622,696,243	622,389,323
В.	Other receivables			
	Interest Receivable		15,320,644	-
	VAT claims		5,191,807	406,471
	Insurance claims		5,742,867	5,742,867
			26,255,318	6,149,338
C.	Provision for impairment loss on trade receivables			
	Opening balance		619,721,935	620,911,954
	Provision reversed during the period/year		(2,447,500)	(1,190,019)
	Closing balance		617,274,435	619,721,935



## 16. Advances, deposits and prepayments

	In taka	Note	31 March 2023	31 December 2022
	Advances	16(A)	33,997,649	28,546,624
	Deposits	16(B)	268,733,955	215,273,846
	Prepayments	16(C)	64,405,254	77,556,696
			367,136,858	321,377,166
				_
A.	Advances			
	Advance to suppliers		7,634,869	9,335,346
	Advance to employees 1	6(A)(i)	26,362,780	19,211,278
			33,997,649	28,546,624
	Advanced		50 000 454	40 540 050
i.	Advance paid		53,662,154	46,510,652
	Provision for doubtful debts		(27,299,374)	(27,299,374)
	·		26,362,780	19,211,278
P	Deposits			
В.	Security and other deposits		268,733,955	215,273,846
	Security and other deposits		268,733,955	215,273,846
			200,733,333	210,270,040
C.	Prepayments			
	Prepayments to landlords		54,357,267	60,410,180
	Prepaid insurance		10,047,987	17,146,516
			64,405,254	77,556,696
17.	Cash and cash equivalents		<i>.</i>	
	Cash in hand		273,964	185,348
	Bank balances		1,111,466,343	1,264,871,797
			1,111,740,307	1,265,057,145
18.	Share capital			
	Authorised			
	20,000,000 ordinary shares of Taka 10 each		200,000,000	200,000,000
	Issued, subscribed and paid up 2,850,723 ordinary shares of Taka 10 each issued for cash 10,829,277 ordinary shares of Taka 10 each issued for conside other than cash	ration	28,507,230 108,292,770	28,507,230 108,292,770
			136,800,000	136,800,000



#### 19. Reserves and surplus

In taka	31 March 2023	31 December 2022
Reserve on revaluation of land	60,631,183	60,631,183
Non-distributable special reserve*	998,620	998,620
General reserve	48,863,000	48,863,000
	110,492,803	110,492,803

<sup>\*</sup>This represents 90% of the cumulative post-tax profit in respect of certain categories of income up to 1992 as defined and directed by Bangladesh Bank. Since 1993, the requirement for continuing to create such special reserve is applicable only to the profit on sale of immovable assets such as land, buildings etc.

#### 20. Retained earnings

Opening balance	3,202,253,125	3,204,583,592
Profit/(loss) for the period/year	136,291,939	410,111,333
Other comprehensive income/(loss)	-	(22,561,800)
Interim dividend paid during the period	-	(355,680,000)
Final dividend paid during the period	-	(34,200,000)
Closing balance	3,338,545,064	3,202,253,125

#### 21. Employee benefits

Defined benefit liability	281,132,476	281,132,476
Total defined benefit liability	281,132,476	281,132,476
Defined benefit asset	281,132,476	281,132,476
Total defined benefit asset	281,132,476	281,132,476
Net defined benefit liability/(asset)	-	-



#### 22. Deferred tax assets

In taka	Note	31 March 2023	31 December 2022
Opening balance		264,653,000	457,332,000
Recognition in profit or loss account	22(A)	(6,026,000)	(192,679,000)
Closing balance other than OCI		258,627,000	264,653,000
Recognition in OCI		6,550,200	6,550,200
Closing balance including OCI		265,177,200	271,203,200

#### A. Movement in deferred tax balances

Deferred tax assets have been recognised and measured in accordance with the provision of IAS 12: "Income taxes".

				Balan	ce at 31 March
	Net	Recognised		Deferred	Deferred
	balance	in profit		tax	tax
In taka	at 1 January	or loss	Net	assets	liabilities
2023					
Property, plant and equipment	232,000	10,000	242,000	242,000	-
Right-of-use assets	(378,847,000)	(15,775,000)	(394,622,000)	-	394,622,000
Lease liabilities	353,479,000	10,289,000	363,768,000	363,768,000	-
Provision against personal accounts	6,142,000	-	6,142,000	6,142,000	-
Provision for	139,437,000	(550,000)	138,887,000	138,887,000	-
impairment loss on		, , ,			
trade receivables					
Unused tax losses	144,210,000	-	144,210,000	144,210,000	-
	264,653,000	(6,026,000)	258,627,000	653,249,000	394,622,000
Deferred tax expens Deferred tax income	e recognised in p	orofit or loss acco			(6,550,200)
	e recognised in p	orofit or loss acco			(6,550,200
	e recognised in p	orofit or loss acco			(6,550,200
Deferred tax income  2022 Property, plant and	e recognised in p	orofit or loss acco		232,000	(6,550,200
Deferred tax income  2022 Property, plant and equipment	e recognised in precognised in O	orofit or loss accor	unt		(6,550,200 (524,200
2022 Property, plant and equipment Right-of-use assets Lease liabilities	e recognised in precognised in Or	orofit or loss according to the control of the cont	232,000		(6,550,200 (524,200
2022 Property, plant and equipment Right-of-use assets Lease liabilities Employee benefits	e recognised in precognised in O	2,879,000 (50,644,000) 21,394,000	232,000 (378,847,000) 353,479,000	232,000 - 353,479,000 -	(6,550,200 (524,200
2022 Property, plant and equipment Right-of-use assets Lease liabilities Employee benefits Provision against personal accounts	e recognised in precognised in Oriecognised in Oriecognised (2,647,000) (328,203,000) 332,085,000 - 6,039,000	2,879,000 (50,644,000) 21,394,000 - 103,000	232,000 (378,847,000) 353,479,000 - 6,142,000	232,000 - 353,479,000 - 6,142,000	(6,550,200 (524,200
2022 Property, plant and equipment Right-of-use assets Lease liabilities Employee benefits Provision against personal accounts Provision for impairment loss on	e recognised in precognised in O	2,879,000 (50,644,000) 21,394,000	232,000 (378,847,000) 353,479,000	232,000 - 353,479,000 -	(6,550,200 (524,200
2022 Property, plant and equipment Right-of-use assets Lease liabilities Employee benefits Provision against personal accounts Provision for impairment loss on trade receivables	e recognised in precognised in Oriente (2,647,000) (328,203,000) 332,085,000 - 6,039,000 139,705,000	2,879,000 (50,644,000) 21,394,000 - 103,000 (268,000)	232,000 (378,847,000) 353,479,000 - 6,142,000 139,437,000	232,000 - 353,479,000 - 6,142,000 139,437,000	(6,550,200) (524,200)
2022 Property, plant and equipment Right-of-use assets Lease liabilities Employee benefits Provision against personal accounts Provision for	e recognised in precognised in Oriecognised in Oriecognised (2,647,000) (328,203,000) 332,085,000 - 6,039,000	2,879,000 (50,644,000) 21,394,000 - 103,000	232,000 (378,847,000) 353,479,000 - 6,142,000	232,000 - 353,479,000 - 6,142,000	(6,550,200) (524,200) - 378,847,000 - - -
2022 Property, plant and equipment Right-of-use assets Lease liabilities Employee benefits Provision against personal accounts Provision for impairment loss on trade receivables Unused tax losses	e recognised in precognised in Oriente (2,647,000) (328,203,000) 332,085,000 6,039,000 139,705,000 310,353,000 457,332,000	2,879,000 (50,644,000) 21,394,000 - 103,000 (268,000) (166,143,000) (192,679,000)	232,000 (378,847,000) 353,479,000 - 6,142,000 139,437,000 144,210,000 264,653,000	232,000 - 353,479,000 - 6,142,000 139,437,000	(6,550,200) (524,200) - 378,847,000 - - - - 378,847,000
2022 Property, plant and equipment Right-of-use assets Lease liabilities Employee benefits Provision against personal accounts Provision for impairment loss on trade receivables Unused tax losses  Deferred tax expens	e recognised in precognised in Oriecognised in Oriecognised in Oriecognised in Oriecognised in Precognised in Oriecognised in Oriecognise	2,879,000 (50,644,000) 21,394,000 - 103,000 (268,000) (166,143,000) (192,679,000)	232,000 (378,847,000) 353,479,000 - 6,142,000 139,437,000 144,210,000 264,653,000	232,000 - 353,479,000 - 6,142,000 139,437,000	6,026,000 (6,550,200) (524,200) - 378,847,000 - - - 378,847,000 192,679,000
2022 Property, plant and equipment Right-of-use assets Lease liabilities Employee benefits Provision against personal accounts Provision for impairment loss on trade receivables Unused tax losses	e recognised in precognised in Oriecognised in Oriecognised in Oriecognised in Oriecognised in Precognised in Oriecognised in Oriecognise	2,879,000 (50,644,000) 21,394,000 - 103,000 (268,000) (166,143,000) (192,679,000)	232,000 (378,847,000) 353,479,000 - 6,142,000 139,437,000 144,210,000 264,653,000	232,000 - 353,479,000 - 6,142,000 139,437,000	(6,550,200) (524,200) - 378,847,000 - - - - 378,847,000



## 22. Deferred tax assets/(liabilities) (continued)

### B. Computation of deferred tax assets:

Deferred tax assets are arrived at as follows:

			Taxable/
	Carrying	Tax base	(deductible)
	amount as at	amount as at	temporary
In taka	31 March	31 March	difference
	(i)	(ii)	(iii = i - ii)
2023			
Property, plant and equipment	792,890,079	793,964,763	(1,075,000)
Right-of-use assets	1,753,874,265	-	1,753,874,000
Lease liabilities	(1,616,745,811)	-	(1,616,746,000)
Provision against personal accounts	(27,299,374)	-	(27,299,000)
Provision for impairment loss on trade receivables	(617,274,435)	-	(617,274,000)
Unused tax losses	-	640,935,162	(640,935,000)
Applicable tax rate			22.5%
			(258,627,000)
Deferred tax income recognised in other comprehens	sive income		(6,550,200)
Deferred tax assets			(265,177,200)
			Taxable/
	Carrying	Tax base	(deductible)
			(acadonbic)
	amount as at	amount as at	temporary
In taka			•
In taka	amount as at	amount as at	temporary
In taka 2022	amount as at 31 December	amount as at 31 December	temporary difference
2022	amount as at 31 December (i)	amount as at 31 December (ii)	temporary difference (iii = i - ii)
2022 Property, plant and equipment	amount as at 31 December	amount as at 31 December	temporary difference (iii = i - ii)
	amount as at 31 December (i) 799,759,166 1,683,763,012	amount as at 31 December (ii)	temporary difference (iii = i - ii) (1,029,173) 1,683,763,012
2022 Property, plant and equipment Right-of-use assets Lease liabilities	amount as at 31 December (i) 799,759,166	amount as at 31 December (ii)	temporary difference (iii = i - ii) (1,029,173) 1,683,763,012 (1,571,017,727)
2022 Property, plant and equipment Right-of-use assets Lease liabilities Provision against personal accounts	amount as at 31 December (i) 799,759,166 1,683,763,012 (1,571,017,727)	amount as at 31 December (ii)	temporary difference (iii = i - ii) (1,029,173) 1,683,763,012 (1,571,017,727) (27,299,374)
2022 Property, plant and equipment Right-of-use assets	amount as at 31 December (i) 799,759,166 1,683,763,012 (1,571,017,727) (27,299,374)	amount as at 31 December (ii)	temporary difference (iii = i - ii) (1,029,173) 1,683,763,012 (1,571,017,727) (27,299,374) (619,721,935)
2022 Property, plant and equipment Right-of-use assets Lease liabilities Provision against personal accounts Provision for impairment loss on trade receivables Unused tax losses	amount as at 31 December (i) 799,759,166 1,683,763,012 (1,571,017,727) (27,299,374)	amount as at 31 December  (ii)  800,788,339	temporary difference (iii = i - ii) (1,029,173) 1,683,763,012 (1,571,017,727) (27,299,374) (619,721,935) (640,935,162)
2022 Property, plant and equipment Right-of-use assets Lease liabilities Provision against personal accounts Provision for impairment loss on trade receivables	amount as at 31 December (i) 799,759,166 1,683,763,012 (1,571,017,727) (27,299,374)	amount as at 31 December  (ii)  800,788,339	temporary difference (iii = i - ii) (1,029,173) 1,683,763,012 (1,571,017,727) (27,299,374) (619,721,935) (640,935,162) 22.5%
2022 Property, plant and equipment Right-of-use assets Lease liabilities Provision against personal accounts Provision for impairment loss on trade receivables Unused tax losses	amount as at 31 December (i) 799,759,166 1,683,763,012 (1,571,017,727) (27,299,374) (619,721,935)	amount as at 31 December  (ii)  800,788,339	temporary difference (iii = i - ii) (1,029,173)



#### 23. Lease liabilities

## A. Reconciliation of carrying amount

	In taka	Note	31 March 2023	31 December 2022
	Opening balance		1,571,017,727	1,475,935,473
	Additions		177,062,981	530,833,518
	Interest on lease liabilities as per IFRS 16	9(B)	36,821,395	146,500,100
	Payment of lease liabilities (principal portion)		(131,334,897)	(435,751,264)
	Payment of lease liabilities (Interest portion)		(36,821,395)	(146,500,100)
	Closing balance		1,616,745,811	1,571,017,727
В.	Balances in the statement of financial position			
	Non-current		1,256,202,089	1,127,565,079
	Current		360,543,722	443,452,648
	Closing balance		1,616,745,811	1,571,017,727
	ordering scalarios		1,010,110,011	.,6: .,6::,:=:
	Maturity analysis			
	6 months or less		171,450,661	243,020,439
	6 - 12 months		189,093,061	200,432,209
	1 - 5 years		1,078,077,839	852,934,023
	More than 5 years		178,124,250	274,631,056
	•		1,616,745,811	1,571,017,727
C.	Amounts recognised in profit or loss			
	Interest on lease liabilities as per IFRS 16	9(B)	36,821,395	146,500,100
	Loss/(gain) due to remeasurement of lease liabilities	8	(574,813)	(7,217,465)
	Depreciation of right-of-use assets as per IFRS 16	13	139,310,820	573,554,447
			175,557,402	712,837,082
	Expenses related to non-lease components as per IFRS 16		33,967,834	109,436,255
	Total expenses recognised in profit or loss as per IFRS 16		209,525,236	822,273,337
D.	Amounts recognised in the statement of cash flows			
υ.	Payment of lease liabilities (principal portion)		131,334,897	435,751,264
	Payment of lease liabilities (Interest portion)	9(B)	36,821,395	146,500,100
	Taymont of loads habilities (interest person)	0(2)	168,156,292	582,251,364
	Payment related to non-lease components as per IFRS 16		33,967,834	109,436,255
	Total cash outflows for leases during the period/year		202,124,126	691,687,619
	<u> </u>		, ,	, ,
E.	Disaggregation of total expenses			
	Rent for commercial space		172,301,347	630,829,007
	Other rent (non commercial space), rate and taxes		11,378,687	96,819,979
			183,680,034	727,648,986
	Vat on rent for commercial space		25,845,202	94,624,351
			209,525,236	822,273,337



## 24. Trade and other payables

	, , , , , , , , , , , , , , , , , , ,			
	In taka	Note	31 March 2023	31 December 2022
	Trade payables to external parties	24(A)	789,360,226	472,241,686
	Trade payables to related parties	2-7(71)	515,519,660	543,065,600
	Creditors for other finance	24(B)	506,349,902	554,570,645
	Accrued expenses	24(C)	594,586,750	565,033,768
		= .(-)	2,405,816,538	2,134,911,699
A.	Trade payables to external parties			
	Creditors for goods		484,610,573	123,275,491
	Creditors for expenses	24(A)(i)	304,749,653	348,966,195
			789,360,226	472,241,686
i.	Creditors for expenses			
	Payable to local suppliers		52,188,031	92,416,571
	Payable to Global Footwear Services		252,561,622	256,549,624
	-		304,749,653	348,966,195
В.	Creditors for other finance			
	Workers' profit participation fund	10	53,163,594	43,146,860
	Personal accounts of employees and agents		98,406,127	104,839,245
	Security and other deposits		20,942,792	21,242,792
	Tax deducted at source		159,422,154	187,597,911
	Salary and wages payable		102,721,852	92,940,520
	Provident fund		8,511,255	10,808,291
	Others		63,182,128	93,995,026
			506,349,902	554,570,645
C.	Accrued expenses			
	Dividend		224,078,400	224,078,400
	Royalty		55,849,552	50,569,130
	Utility		22,005,859	19,069,434
	Legal and audit fee		2,962,235	2,791,915
	Salary and other benefits		102,488,112	102,901,557
	Joint venture commission		13,088,637	18,682,084
	Rent		110,122,810	95,160,900
	Other accrued liabilities		63,991,145	51,780,348
			594,586,750	565,033,768



#### 25. Unclaimed dividend

	In taka	Note	31 March 2023	31 December 2022
	Opening balance		11,382,659	10,973,803
	Cash dividend declared during the period		-	165,801,600
	Paid during the period/year		(1,009,380)	(166,471,489)
			10,373,279	10,303,914
	Interest accrued during the period		-	1,078,745
	Closing balance		10,373,279	11,382,659
i.	Aging analysis of unclaimed dividend (excluding interest)			
	For the year 2019		2,148,235	2,168,265
	For the year 2020		504,184	509,576
	For the year 2021		1,807,026	1,836,880
	For the year 2022		228,913,589	229,867,593
	Closing balance		233,373,034	234,382,314
26.	Contract liabilities			
	Bata club loyalty points	26(A)	19,855,559	55,022,042
			19,855,559	55,022,042
A.	Movement of contract liabilities			
	Opening balance		55,022,042	29,161,950
	Points awarded during the period		49,221,730	183,623,458
	Points redeemed during the period		(6,492,300)	(48,928,120)
	Points expired during the period		(77,895,913)	(108,835,246)
	Closing balance		19,855,559	55,022,042



#### 27. Current tax liabilities

	In taka	Note	31 March 2023	31 December 2022
	Provision for tax	27(A)	446,494,446	398,494,446
	Advance income tax	27(B)	(183,868,091) 262,626,355	(148,592,482) 249,901,964
A.	Provision for tax		202,020,333	243,301,304
	Opening balance		398,494,446	322,818,799
	Provision for the current period/year  Adjustment of provision for tax on completion of assessment	11(A)	48,000,000	217,000,000 (141,324,353)
	Closing balance		446,494,446	398,494,446
В.	Advance income tax			
	Opening balance Tax paid during the period/year:		148,592,482	131,177,212
	- Income year ended 31 December 2023		15,862,376	-
	- Income year ended 31 December 2022		19,413,233	86,798,457
	- Income year ended 31 December 2021		-	69,444,536
	- Income year ended 31 December 2017 and 2018		-	2,496,630
	Adjustment of advance tax on completion of assessment		402.000.004	(141,324,353)
	Closing balance		183,868,091	148,592,482

#### 28. Related parties

### A. Parent and ultimate controlling party

Bafin (Nederland) B.V has 70% shareholding of the Company which is fully owned by Compass Limited. As a result, the ultimate controlling party of the Company is Compass Limited.

#### B. Transactions with key management personnel

Directors' emoluments	8,801,572	8,801,572
Top managers' emoluments	26,275,711	20,079,941
	35,077,283	28.881.513

#### C. Other related party transactions

In taka

Nature of	Nature of	Transaction during the period/year		Balance outstanding	
		31 March		31 March	31 December
relationships	transactions	2023	2022	2023	2022
Parent of the					
Company	Dividend	-	(248,976,000)	(224,078,400)	(224,078,400)
Associated	Purchase of goods	(85,956,636)	(195,652,435)	(14,042,908)	-
Companies	Service received	(2,252,835)	(4,616,811)	(2,660,115)	(3,960,828)
	Service provided	-	313,792	-	<u>-</u>
	IT fees	(9,828,848)	(28,898,985)	(28,193,654)	(21,787,194)
	Trade mark license fees	(87,059,357)	(377,808,881)	(525,288,415)	(577,450,067)



#### 29. Net Asset Value (NAV) per share

	In taka	31 March 2023	31 December 2022
	Net asset value	3,585,837,867	3,449,545,928
	Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
	, , ,	262.12	252.16
30.	Earnings per share		
	In taka	31 March 2023	31 March 2022
	Profit attributable to the ordinary shareholders	136,291,939	68,480,870
	Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
	Trong mod diversity of the second sec	9.96	5.01
30.	Net Operating Cash Flow Per Share (NOCFPS)		
	Net operating cash flow	23,612,149	139,898,281
	Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
		1.73	10.23
i.	Reconciliation of net operating cash flows		
	Profit for the period Adjustment for:	136,291,939	68,480,870
	Depreciation on property, plant and equipment	38,009,657	44,141,563
	Depreciation on right-of-use assets	139,310,820	135,069,179
	Net finance costs	35,753,146	33,274,312
	Other income	(1,097,426)	(16,662,848)
	Tax expenses	54,026,000	24,408,000
		266,002,197	220,230,206
	Cash generated before changes in working capital Changes in working capital:	402,294,136	288,711,076
	- Inventories	(452,197,886)	(634,540,936)
	- Trade and other receivables	(22,860,400)	1,847,018
	- Advances, deposits and prepayments	(52,709,115)	(79,154,711)
	- Trade and other payables	270,904,839	623,123,208
	- Unclaimed dividend	(1,009,380)	(349,539)
	- Contract liabilities	(35,166,483)	569,320
	Total changes in working capital	(293,038,425)	(88,505,640)
	Interest paid	(50,367,953)	(41,549,867)
	Income tax paid  Net cash generated from operating activities	(35,275,609) 23,612,149	(18,757,288) 139,898,281

#### 31. Capital expenditure and financial commitment

Commitments of the Company is Taka 435,606,407 as on 31 March 2023 (2022: Taka 308,089,363) for purchase of raw materials and finished goods. Commitments for capital expenditures is Taka 6,978,756 as on 31 March 2023 (2022: Nil).



#### 32. Events after the reporting date

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.

#### 33. Significant deviations

#### A. Revenue and profit

Due to normal economic condition, business has grown by almost 14% during this period. Aligned with revenue, the cost of sales also increased by almost 5% during this period. Besides, operating expenses also increased by almost 16% due to business growth in this period.

#### B. Other income

Other income decreased significantly compare to last year mainly because of low discount earned on early payments from suppliers and high loss on disposal of property, plant and equipment.

#### C. Trade and other receivables

Trade and other receivables increased significantly compare to last year mainly because of interest accrued on bank deposits for this period.

#### D. Cash and cash equivalents

Cash and cash equivalents decreased significantly compare to last year mainly because of various BSO payments during the period.

#### F. Trade and other payables

Trade and other payables increased significantly compare to last year mainly due to unpaid amount of additional stocks purchase for EID business.

#### G. Contract liability

Contract liability decreased significantly compare to last year mainly due to expiry of loyalty points.

#### H. Earning Per Share (EPS)

Earning per share (EPS) increased significantly compare to last year driven by revenue growth, especially due to school and winter seasonal businesses and other promotional activities.

#### I. Net operating cash flow per share (NOCFPS)

Net operating cash flow per share decreased compare to last year because of various payments to suppliers and contractors for goods and services during the period.

#### 34. Significant accounting policies

The same accounting policies and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the financial statements of Bata Shoe Company (Bangladesh) Limited as at and for the year ended 31 December 2022.

