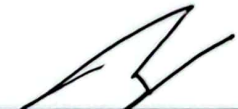


Bata Shoe Company (Bangladesh) Limited

Financial Highlights

	<u>30-Sep-23</u>	<u>31-Dec-22</u>
Net Assets Value (NAV)	3,728,402,561	3,449,545,928
NAV Per Share	272.54	252.16
	<u>30-Sep-23</u>	<u>30-Sep-22</u>
Earnings Per Share (EPS)	30.88	20.11
Net Operating Cash Flow Per Share	39.28	53.97


Managing Director


Director


Finance Director


Company Secretary



Bata Shoe Company (Bangladesh) Limited
Statement of financial position

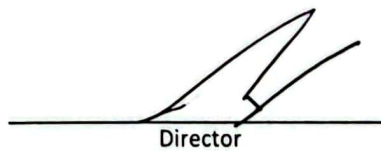
<i>In taka</i>	30 September 2023	31 December 2022
Assets		
Property, plant and equipment	973,912,068	889,359,970
Right-of-use assets	1,981,811,635	1,683,763,012
Deferred tax assets	265,806,200	271,203,200
Non-current assets	3,221,529,903	2,844,326,182
Inventories	3,180,204,285	3,032,204,800
Trade and other receivables	25,830,675	8,816,726
Advances, deposits and prepayments	380,193,382	321,377,166
Cash and cash equivalents	977,489,049	1,265,057,145
Current assets	4,563,717,391	4,627,455,837
Total assets	7,785,247,294	7,471,782,019
Equity		
Share capital	136,800,000	136,800,000
Reserves and surplus	110,492,803	110,492,803
Retained earnings	3,481,109,758	3,202,253,125
Total equity	3,728,402,561	3,449,545,928
Liabilities		
Lease liabilities	1,441,785,901	1,127,565,079
Non-current liabilities	1,441,785,901	1,127,565,079
Lease liabilities	401,193,034	443,452,648
Trade and other payables	1,883,805,073	2,134,911,699
Unclaimed dividend	10,937,201	11,382,659
Contract liabilities	21,181,934	55,022,042
Current tax liabilities	297,941,590	249,901,964
Current liabilities	2,615,058,832	2,894,671,012
Total liabilities	4,056,844,733	4,022,236,091
Total equity and liabilities	7,785,247,294	7,471,782,019
Net asset value (NAV) per share	272.54	252.16



Managing Director



Finance Director



Director



Company Secretary




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

For the period ended 30 September <i>In taka</i>	For the nine-month period ended		For the three-month period ended	
	2023	2022	2023	2022
Revenue	7,540,213,552	7,444,768,748	1,875,544,694	2,163,388,500
Cost of sales	(4,112,840,543)	(4,257,401,070)	(1,012,488,326)	(1,248,555,288)
Gross profit	3,427,373,009	3,187,367,678	863,056,368	914,833,212
Other income/(loss)	8,657,570	45,753,376	(2,974,739)	12,606,836
Operating expenses	(2,738,859,538)	(2,553,560,658)	(843,966,424)	(841,951,766)
Operating profit/(loss)	697,171,041	679,560,396	16,115,205	85,488,282
Finance income	78,315,512	35,363,158	16,758,856	13,785,152
Finance costs	(116,651,150)	(258,211,836)	(42,944,436)	(138,674,283)
Net finance costs	(38,335,638)	(222,848,678)	(26,185,580)	(124,889,131)
Profit/(loss) before tax and contribution to WPPF	658,835,403	456,711,718	(10,070,375)	(39,400,849)
Contribution to WPPF	(32,941,770)	(22,835,586)	503,519	1,970,042
Profit/(loss) before tax	625,893,633	433,876,132	(9,566,856)	(37,430,807)
Income tax expense	(203,397,000)	(158,825,000)	(6,687,000)	(21,493,000)
Profit/(loss) for the period	422,496,633	275,051,132	(16,253,856)	(58,923,807)
Other comprehensive income/(loss), net of tax	-	-	-	-
Total comprehensive income/(loss)	422,496,633	275,051,132	(16,253,856)	(58,923,807)
Earnings per share	30.88	20.11	(1.19)	(4.31)


Managing Director


Director


Finance Director


Company Secretary



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

For the period ended 30 September 2023						
<i>In taka</i>	Share capital	Reserve on revaluation of land	Non-distributable special reserve	General Reserve	Retained earnings	Total 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						
Profit/(loss) for the period	-	-	-	-	275,051,132	275,051,132
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	275,051,132	275,051,132
Contributions and distributions						
Interim dividends	-	-	-	-	-	-
Final dividends	-	-	-	-	(34,200,000)	(34,200,000)
Total transactions with owners of the Company	-	-	-	-	(34,200,000)	(34,200,000)
Balance at 30 September 2022	136,800,000	60,631,183	998,620	48,863,000	3,445,434,724	3,692,727,527
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						
Profit/(loss) for the period	-	-	-	-	422,496,633	422,496,633
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	422,496,633	422,496,633
Contributions and distributions						
Interim dividends	-	-	-	-	-	-
Final dividends	-	-	-	-	(143,640,000)	(143,640,000)
Total transactions with owners of the Company	-	-	-	-	(143,640,000)	(143,640,000)
Balance at 30 September 2023	136,800,000	60,631,183	998,620	48,863,000	3,481,109,758	3,728,402,561



Bata Shoe Company (Bangladesh) Limited
Statement of cash flows

For the period ended 30 September		
<i>In taka</i>	2023	2022
Cash flows from operating activities		
Cash receipts from customers	7,489,359,495	7,526,038,657
Cash payments to and on behalf of employees	(1,235,969,218)	(1,475,133,382)
Cash payments to suppliers and contractors for goods and services	(5,506,906,654)	(4,875,104,617)
Cash generated from operating activities	746,483,623	1,175,800,658
Interest received	57,441,385	35,363,158
Interest paid	(116,651,150)	(261,380,836)
Income taxes paid	(149,960,374)	(211,450,891)
Net cash from operating activities	537,313,484	738,332,089
Cash flows from investing activities		
Acquisition of property, plant and equipment	(165,553,753)	(142,127,594)
Proceeds from sale of property, plant and equipment	4,105,111	3,001,100
Net cash used in investing activities	(161,448,642)	(139,126,494)
Cash flows from financing activities		
Payment of lease liabilities (principal portion)	(399,703,320)	(361,707,872)
Dividend paid	(262,064,960)	(39,718,485)
Net cash used in financing activities	(661,768,280)	(401,426,357)
Net increase/(decrease) in cash and cash equivalents	(285,903,438)	197,779,238
Cash and cash equivalents at the beginning	1,265,057,145	622,781,937
Effect of movements in exchange rates on cash held	(1,664,658)	(670,255)
Cash and cash equivalents at 30 September	977,489,049	819,890,920
Net Operating Cash Flow Per Share (NOCFPS)	39.28	53.97



Bata Shoe Company (Bangladesh) Limited
Notes to the financial statements
For the period ended 30 September 2023

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 262nd meeting held on 31 October 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 period's presentation.



Notes to the financial statements (continued)

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 30 September 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year 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 22: Measurement of defined benefit obligations: key actuarial assumptions
- Note 25(B): Recognition and measurement of provisions
- Note 28: Uncertain tax provisions



Notes to the financial statements (continued)

6. Revenue

<i>In taka</i>	<i>Note</i>	For the nine-month period ended	
		30 September 2023	30 September 2022
Local	6(A)	7,538,960,509	7,441,049,448
Export		1,253,043	3,719,300
		7,540,213,552	7,444,768,748

A. Disaggregation of local revenue

Shoes	7,210,676,182	7,141,629,329
Hosiery and accessories	328,284,327	299,420,119
	7,538,960,509	7,441,049,448

7. Cost of sales

Materials:		
Opening stock of raw materials	397,331,563	490,464,218
Purchase during the period	1,911,838,794	2,149,764,156
Cost of raw materials available for use	2,309,170,357	2,640,228,374
Closing stock of raw materials	15 (375,690,600)	(672,792,381)
Raw materials consumed	1,933,479,757	1,967,435,993
Direct wages	317,127,006	321,654,506
Prime costs	2,250,606,763	2,289,090,499
Manufacturing overheads	331,910,631	266,724,897
Opening work-in-progress	29,905,081	29,493,864
Closing work-in-progress	15 (26,132,100)	(32,069,106)
Cost of goods manufactured	2,586,290,375	2,553,240,154
Opening stock of finished goods	2,604,968,156	2,253,859,743
Purchase of finished goods during the period	1,699,963,597	2,307,512,084
Cost of finished goods available for sale	6,891,222,128	7,114,611,981
Closing stock of finished goods	15 (2,778,381,585)	(2,857,210,911)
	4,112,840,543	4,257,401,070

8. Other income/(loss)

Discount on early payment	34,021,438	57,852,582
Gain/(loss) on remeasurement of lease liabilities	(2,661,789)	6,877,595
Gain/(loss) on disposal of property, plant and equipment	(22,702,079)	(18,976,801)
	8,657,570	45,753,376

9. Operating expenses

Administrative expenses	428,148,197	736,229,517
Selling and distribution expenses	2,310,711,341	1,817,331,141
	2,738,859,538	2,553,560,658



Notes to the financial statements (continued)

10. Net finance costs

<i>In taka</i>		For the nine-month period ended	
		30 September 2023	30 September 2022
Finance income	10(A)	78,315,512	35,363,158
Finance costs	10(B)	(116,651,150)	(258,211,836)
		(38,335,638)	(222,848,678)

A. Finance income

Interest on short term deposits		57,441,385	35,363,158
Net exchange gain		20,874,127	-
		78,315,512	35,363,158

B. Finance costs

Interest expense on lease liabilities	24	116,651,150	108,680,943
Net exchange loss		-	149,530,893
		116,651,150	258,211,836

11. Contribution to WPPF

Profit/(loss) before tax and contribution to WPPF		658,835,403	456,711,718
Applicable contribution rate		5%	5%
Amount of contribution to WPPF		32,941,770	22,835,586

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).

12. Income tax expense

A. Amounts recognised in profit or loss

Current tax expense			
Current period		198,000,000	167,493,000
		198,000,000	167,493,000
Deferred tax expense/(income)			
Current period	23(A)	5,397,000	(8,668,000)
		5,397,000	(8,668,000)
Income tax expense		203,397,000	158,825,000

B. Reconciliation of effective tax rate

Profit/(loss) before tax			625,893,633	433,876,132
Income tax using applicable tax rate	22.50%	22.50%	140,826,067	97,622,129
Factors affecting the tax charge for current period:				
- Non-deductible expense	9.13%	16.10%	57,173,933	69,870,871
- Movement of temporary difference	0.86%	-2.00%	5,397,000	(8,668,000)
	32.50%	36.61%	203,397,000	158,825,000



Notes to the financial statements (continued)

13. Property, plant and equipment

A. Reconciliation of carrying amount

<i>In taka</i>	Freehold land	Buildings	Plant and machineries	Vehicles	Computer and computer equipments	Furniture, fixture and office equipments	Under 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	-	7,683,674	2,848,142	-	28,760,886	128,045,769	57,420,326	224,758,797
Disposals	-	-	-	(1,776,500)	(103,000)	(121,928,398)	-	(123,807,898)
Transfer	-	-	1,784,718	-	-	-	(1,784,718)	-
Balance as at 30 September 2023	86,057,856	440,533,272	881,308,529	13,649,054	144,288,851	1,258,930,836	59,149,209	2,883,917,607
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	-	6,893,824	25,827,236	237,680	9,790,711	70,650,058	-	113,399,509
Disposals	-	-	-	(1,776,500)	(38,625)	(95,185,583)	-	(97,000,708)
Balance as at 30 September 2023	-	262,210,392	773,357,840	13,649,054	97,376,372	763,411,881	-	1,910,005,539
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 30 September 2023	86,057,856	178,322,880	107,950,689	-	46,912,479	495,518,955	59,149,209	973,912,068



Notes to the financial statements (continued)

14. Right-of-use assets

A. Reconciliation of carrying amount

<i>In taka</i>	Store and warehouses	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	298,048,623	298,048,623
Modifications	422,717,755	422,717,755
Adjustment for remeasurement	(2,661,789)	(2,661,789)
Balance as at 30 September 2023	4,568,270,507	4,568,270,507
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 2022	2,166,402,906	2,166,402,906
Balance as at 1 January 2023	2,166,402,906	2,166,402,906
Depreciation	420,055,966	420,055,966
Balance as at 30 September 2023	2,586,458,872	2,586,458,872
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 30 September 2023	1,981,811,635	1,981,811,635

15. Inventories

<i>In taka</i>	30 September 2023	31 December 2022
Raw materials	375,690,600	397,331,563
Work in process	26,132,100	29,905,081
Finished goods	2,778,381,585	2,604,968,156
	3,180,204,285	3,032,204,800



Notes to the financial statements (continued)

16. Trade and other receivables

<i>In taka</i>	<i>Note</i>	30 September 2023	31 December 2022
Trade receivables from external parties	16(A)	630,000,377	622,389,323
Trade receivables from related parties	29(C)	1,152,441	-
Other receivables	16(B)	14,829,082	6,149,338
Provision for impairment loss on trade receivables	16(C)	(620,151,225)	(619,721,935)
		25,830,675	8,816,726
A. Trade receivables from external parties			
Receivables from dealers		620,214,164	620,569,105
Receivables from institutional sale		9,786,213	1,820,218
		630,000,377	622,389,323
B. Other receivables			
Interest receivables		9,905,356	-
VAT claims		4,923,726	406,471
Insurance claims		-	5,742,867
		14,829,082	6,149,338
C. Provision for impairment loss on trade receivables			
Opening balance		619,721,935	620,911,954
Provision made/(reversed) during the period/year		429,290	(1,190,019)
Closing balance		620,151,225	619,721,935
17. Advances, deposits and prepayments			
Advances	17(A)	41,295,010	28,546,624
Deposits	17(B)	297,699,756	215,273,846
Prepayments	17(C)	41,198,616	77,556,696
		380,193,382	321,377,166
A. Advances			
Advance to suppliers		7,970,879	9,335,346
Advance to employees	17(A)(i)	33,324,131	19,211,278
		41,295,010	28,546,624
i. Advance to employees			
Advance paid		60,623,505	46,510,652
Provision for doubtful debts		(27,299,374)	(27,299,374)
		33,324,131	19,211,278
B. Deposits			
Security and other deposits		297,699,756	215,273,846
		297,699,756	215,273,846
C. Prepayments			
Prepayments to landlords		38,424,273	60,410,180
Prepaid insurance		2,774,343	17,146,516
		41,198,616	77,556,696



Notes to the financial statements (continued)**18. Cash and cash equivalents**

<i>In taka</i>	30 September 2023	31 December 2022
Cash in hand	675,951	185,348
Bank balances	976,813,098	1,264,871,797
	977,489,049	1,265,057,145

19. Share capital

Authorised		
2,000,000 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	28,507,230	28,507,230
10,829,277 ordinary shares of Taka 10 each issued for consideration other than cash	108,292,770	108,292,770
	136,800,000	136,800,000

20. Reserves and surplus

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

*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.

21. Retained earnings

Opening balance	3,202,253,125	3,204,583,592
Profit/(loss) for the period	422,496,633	410,111,333
Other comprehensive income/(loss)	-	(22,561,800)
Interim dividend	-	(355,680,000)
Final dividend	(143,640,000)	(34,200,000)
Closing balance	3,481,109,758	3,202,253,125

22. 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)	-	-



Notes to the financial statements (continued)

23. Deferred tax assets

<i>In taka</i>	<i>Note</i>	30 September 2023	31 December 2022
Opening balance		264,653,000	457,332,000
Recognition in profit or loss account	23(A)	(5,397,000)	(192,679,000)
Closing balance other than OCI		259,256,000	264,653,000
Recognition in OCI		6,550,200	6,550,200
Closing balance including AOCI		265,806,200	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:

<i>In taka</i>	Net balance at 1 January	Recognised in profit or loss	Net	Balance at 30 September Deferred tax assets	Deferred tax liabilities
2023					
Property, plant and equipment	232,000	1,580,000	1,812,000	1,812,000	-
Right-of-use assets	(378,847,000)	(67,061,000)	(445,908,000)	-	445,908,000
Lease liabilities	353,479,000	61,191,000	414,670,000	414,670,000	-
Provision against personal accounts	6,142,000	-	6,142,000	6,142,000	-
Provision for impairment loss on trade receivables	139,437,000	(1,107,000)	138,330,000	138,330,000	-
Unused tax losses	144,210,000	-	144,210,000	144,210,000	-
	264,653,000	(5,397,000)	259,256,000	705,164,000	445,908,000
Deferred tax income recognised in profit or loss account					5,397,000
Deferred tax income recognised in OCI					(6,550,200)
					(1,153,200)

<i>In taka</i>	Net balance at 1 January	Recognised in profit or loss	Net	Balance at 31 December Deferred tax assets	Deferred tax liabilities
2022					
Property, plant and equipment	(2,647,000)	2,879,000	232,000	232,000	-
Right-of-use assets	(328,203,000)	(50,644,000)	(378,847,000)	-	378,847,000
Lease liabilities	332,085,000	21,394,000	353,479,000	353,479,000	-
Provision against personal accounts	6,039,000	103,000	6,142,000	6,142,000	-
Provision for impairment loss on trade receivables	139,705,000	(268,000)	139,437,000	139,437,000	-
Unused tax losses	310,353,000	(166,143,000)	144,210,000	144,210,000	-
	457,332,000	(192,679,000)	264,653,000	643,500,000	378,847,000
Deferred tax income recognised in profit or loss account					192,679,000
Deferred tax expenses recognised in OCI					(6,550,200)
					186,128,800



Notes to the financial statements (continued)

23. Deferred tax assets/(liabilities) (continued)

B. Computation of deferred tax assets:

Deferred tax assets are arrived at as follows:

<i>In taka</i>	Carrying amount as at 30 September	Tax base amount as at 30 September	Taxable/ (deductible) temporary difference
	(i)	(ii)	(iii = i - ii)
2023			
Property, plant and equipment	827,040,650	835,092,409	(8,051,759)
Right-of-use assets	1,981,811,635	-	1,981,811,635
Lease liabilities	(1,842,978,935)	-	(1,842,978,935)
Provision against personal accounts	(27,299,374)	-	(27,299,374)
Provision for impairment loss on trade receivables	(614,801,033)	-	(614,801,033)
Unused tax losses	-	640,935,162	(640,935,162)
Applicable tax rate			22.5%
			(259,257,000)
Deferred tax income recognised in other comprehensive income			-
Deferred tax assets			(259,256,000)

<i>In taka</i>	Carrying amount as at 31 December	Tax base amount as at 31 December	Taxable/ (deductible) temporary difference
	(i)	(ii)	(iii = i - ii)
2022			
Property, plant and equipment	799,759,166	800,788,339	(1,029,000)
Right-of-use assets	1,683,763,012	-	1,683,763,012
Lease liabilities	(1,571,017,727)	-	(1,571,017,727)
Provision against personal accounts	(27,299,374)	-	(27,299,374)
Provision for impairment loss on trade receivables	(619,721,935)	-	(619,721,935)
Unused tax losses	-	640,935,162	(640,935,162)
Applicable tax rate			22.5%
			(264,653,000)
Deferred tax expenses recognised in other comprehensive income			(6,550,200)
Deferred tax assets			(271,203,200)



Notes to the financial statements (continued)

24. Lease liabilities

A. Reconciliation of carrying amount

<i>In taka</i>	<i>Note</i>	30 September 2023	31 December 2022
Opening balance		1,571,017,727	1,475,935,473
Additions		671,664,528	530,833,518
Interest on lease liabilities as per IFRS 16	10(B)	116,651,150	146,500,100
Payment of lease liabilities (principal portion)		(399,703,320)	(435,751,264)
Payment of lease liabilities (Interest portion)		(116,651,150)	(146,500,100)
Closing balance		1,842,978,935	1,571,017,727

B. Balances in the statement of financial position

Non-current		1,441,785,901	1,127,565,079
Current		401,193,034	443,452,648
Closing balance		1,842,978,935	1,571,017,727

Maturity analysis

6 months or less		205,975,431	243,020,439
6 - 12 months		195,217,603	200,432,209
1 - 5 years		982,706,607	852,934,023
More than 5 years		459,079,294	274,631,056
		1,842,978,935	1,571,017,727

C. Amounts recognised in profit or loss

Interest on lease liabilities as per IFRS 16	10(B)	116,651,150	146,500,100
Loss/(gain) due to remeasurement of lease liabilities	8	2,661,789	(7,217,465)
Depreciation of right-of-use assets as per IFRS 16	14	420,055,966	573,554,447
		539,368,905	712,837,082
Expenses related to non-lease components as per IFRS 16		111,886,804	109,436,255
Total expenses recognised in profit or loss as per IFRS 16		651,255,709	822,273,337

D. Amounts recognised in the statement of cash flows

Payment of lease liabilities (principal portion)		399,703,320	435,751,264
Payment of lease liabilities (Interest portion)	10(B)	116,651,150	146,500,100
		516,354,470	582,251,364
Payment related to non-lease components as per IFRS 16		111,886,804	109,436,255
Total cash outflows for leases during the period		628,241,274	691,687,619



Notes to the financial statements (continued)

25. Trade and other payables

<i>In taka</i>	<i>Note</i>	30 September 2023	31 December 2022
Trade payables to external parties	25(A)	428,567,387	472,241,686
Trade payables to related parties		378,538,283	543,065,600
Creditors for other finance	25(B)	623,262,074	554,570,645
Accrued expenses	25(C)	453,437,329	565,033,768
		1,883,805,073	2,134,911,699
A. Trade payables to external parties			
Creditors for goods		117,006,499	123,275,491
Creditors for expenses	25(A)(i)	311,560,888	348,966,195
		428,567,387	472,241,686
i. Creditors for expenses			
Payable to local suppliers		62,643,711	92,416,571
Payable to Global Footwear Services		248,917,177	256,549,624
		311,560,888	348,966,195
B. Creditors for other finance			
Workers' profit participation fund	11	32,941,770	43,146,860
Personal accounts of employees and agents		122,607,561	104,839,245
Security and other deposits		19,910,799	21,242,792
Tax deducted at source		217,960,803	187,597,911
Salary and wages payable		107,718,568	92,940,520
Provident and pension funds		9,458,213	10,808,291
Others		112,664,360	93,995,026
		623,262,074	554,570,645
C. Accrued expenses			
Dividend		90,493,200	224,078,400
Royalty		82,691,422	50,569,130
Utility		31,602,032	19,069,434
Legal and audit fee		2,672,037	2,791,915
Salary and other benefits		80,534,559	102,901,557
Joint venture commission		13,948,656	18,682,084
Rent		102,194,354	95,160,900
Other accrued liabilities		49,301,069	51,780,348
		453,437,329	565,033,768



Notes to the financial statements (continued)

26. Unclaimed dividend

<i>In taka</i>	<i>Note</i>	30 September 2023	31 December 2022
Opening balance		10,303,914	10,973,803
Cash dividend declared		36,324,563	165,801,600
Paid during the period/year		(37,986,560)	(166,471,489)
Closing balance excluding interest		8,641,917	10,303,914
Interest accrued		2,295,284	1,078,745
Closing balance		10,937,201	11,382,659

i. Aging analysis of unclaimed dividend

For the year 2019	-	2,168,265
For the year 2020	494,970	509,576
For the year 2021	1,755,482	1,836,880
For the year 2022	6,391,465	5,789,193
Closing balance	8,641,917	10,303,914

27. Contract liabilities

Bata club loyalty points	27(A)	21,181,934	55,022,042
		21,181,934	55,022,042

A. Movement of contract liabilities

Opening balance	55,022,042	29,161,950
Points awarded during the period/year	148,729,186	183,623,458
Points redeemed during the period/year	(20,161,137)	(48,928,120)
Points expired during the period/year	(162,408,157)	(108,835,246)
Closing balance	21,181,934	55,022,042

28. Current tax liabilities

Provision for tax	28(A)	430,165,926	398,494,446
Advance income tax	28(B)	(132,224,336)	(148,592,482)
		297,941,590	249,901,964

A. Provision for tax

Opening balance	398,494,446	322,818,799
Provision for the current period/year	12(A) 198,000,000	217,000,000
Adjustment of provision for tax on completion of assessment	(166,328,520)	(141,324,353)
Closing balance	430,165,926	398,494,446

B. Advance income tax

Opening balance	148,592,482	131,177,212
Tax paid during the period/year:		
- Income year ended 31 December 2023	70,430,311	-
- Income year ended 31 December 2022	79,530,063	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	(166,328,520)	(141,324,353)
Closing balance	132,224,336	148,592,482



Notes to the financial statements (continued)

29. 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

<i>In taka</i>	30 September 2023	30 September 2022
Short term employee benefits	111,034,679	104,409,898
Post employment benefits	9,494,033	7,027,648
	120,528,712	111,437,546

C. Other related party transactions

In taka

Nature of relationships	Nature of transactions	Transaction during the period/year		Balance outstanding	
		30 September 2023	31 December 2022	30 September 2023	31 December 2022
Parent of the Company	Dividend	(100,548,000)	(248,976,000)	(90,493,200)	(224,078,400)
Associated Companies	Purchase of goods	(152,530,839)	(195,652,435)	(13,595,557)	-
	Service received	(2,970,342)	(4,616,811)	(3,017,172)	(3,960,828)
	Sale of goods	-	-	-	-
	Service provided	3,602,610	313,792	1,152,441	-
	Technical fees	(32,929,554)	(28,898,985)	(32,929,554)	(21,787,194)
	Trade mark license fees	(306,401,394)	(377,808,881)	(369,209,949)	(577,450,067)



Notes to the financial statements (continued)

30. Net Asset Value (NAV) per share

<i>In taka</i>	30 September 2023	31 December 2022
Net asset value	3,728,402,561	3,449,545,928
Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
	272.54	252.16

31. Earnings per share

<i>In taka</i>	30 September 2023	30 September 2022
Profit attributable to the ordinary shareholders	422,496,633	275,051,132
Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
	30.88	20.11

32. Net Operating Cash Flow Per Share (NOCFPS)

Net operating cash flow	537,313,484	738,332,089
Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
	39.28	53.97

i. Reconciliation of net operating cash flows

Profit for the period	422,496,633	275,051,132
Adjustment for:		
Depreciation on property, plant and equipment	113,399,509	156,636,695
Depreciation on right-of-use assets	420,055,966	414,405,286
Net finance costs	38,335,638	226,017,678
Other income	25,363,868	12,099,206
Tax expenses	203,397,000	158,825,000
	800,551,981	967,983,865
Cash generated before changes in working capital	1,223,048,614	1,243,034,997
Changes in working capital:		
- Inventories	(147,999,485)	(788,254,573)
- Trade and other receivables	(17,013,949)	23,744,025
- Advances, deposits and prepayments	(59,656,638)	(137,874,989)
- Trade and other payables	(160,613,426)	858,580,046
- Contract liabilities	(33,840,108)	11,934,310
Total changes in working capital	(419,123,606)	(31,871,181)
Interest paid	(116,651,150)	(261,380,836)
Income tax paid	(149,960,374)	(211,450,891)
Net cash generated from operating activities	537,313,484	738,332,089



Notes to the financial statements (continued)

33. Capital expenditure and financial commitment

Commitments of the Company is Taka 482,762,790 as on 30 September 2023 (2022: Taka 162,918,190) for purchase of raw materials and finished goods.

Commitment of the Company for capital expenditures as on 30 September 2023 is Taka 25,378,098 (2022: Taka 3,086,036) .

34. Events after the reporting date

The Board of Directors, at its 262nd meeting held on 31 October 2023, proposed Taka 33 per share amounting to a total of Taka 451,440,000 as interim dividend for the period ended 30 September 2023 which represents 330% of the paid-up capital.

35. Significant deviations

A. Other income/(loss)

Other income/(loss) decreased significantly compare to last year mainly because of low discount earned on early payments from suppliers.

B. Net finance costs

Net finance costs decreased significantly compare to last year mainly because of net foreign exchange gain earned this year which was foreign exchange loss last year.

C. Trade and other receivables

Trade and other receivables increased significantly compare to last year mainly because of due from customers of institutional sales.

D. Contract liabilities

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

E. Earning Per Share (EPS)

Earnings Per Share (EPS) increased significantly compare to last year mainly due to efficient management of costs and net foreign exchange gain which resulted in better profitability during this period.

F. 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. Cash payments to suppliers and contractors for goods and services was affected with significant increase in foreign exchange rate, resulted in higher costs of material and services during this period and lower operating cash flow for the business.

36. 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.

