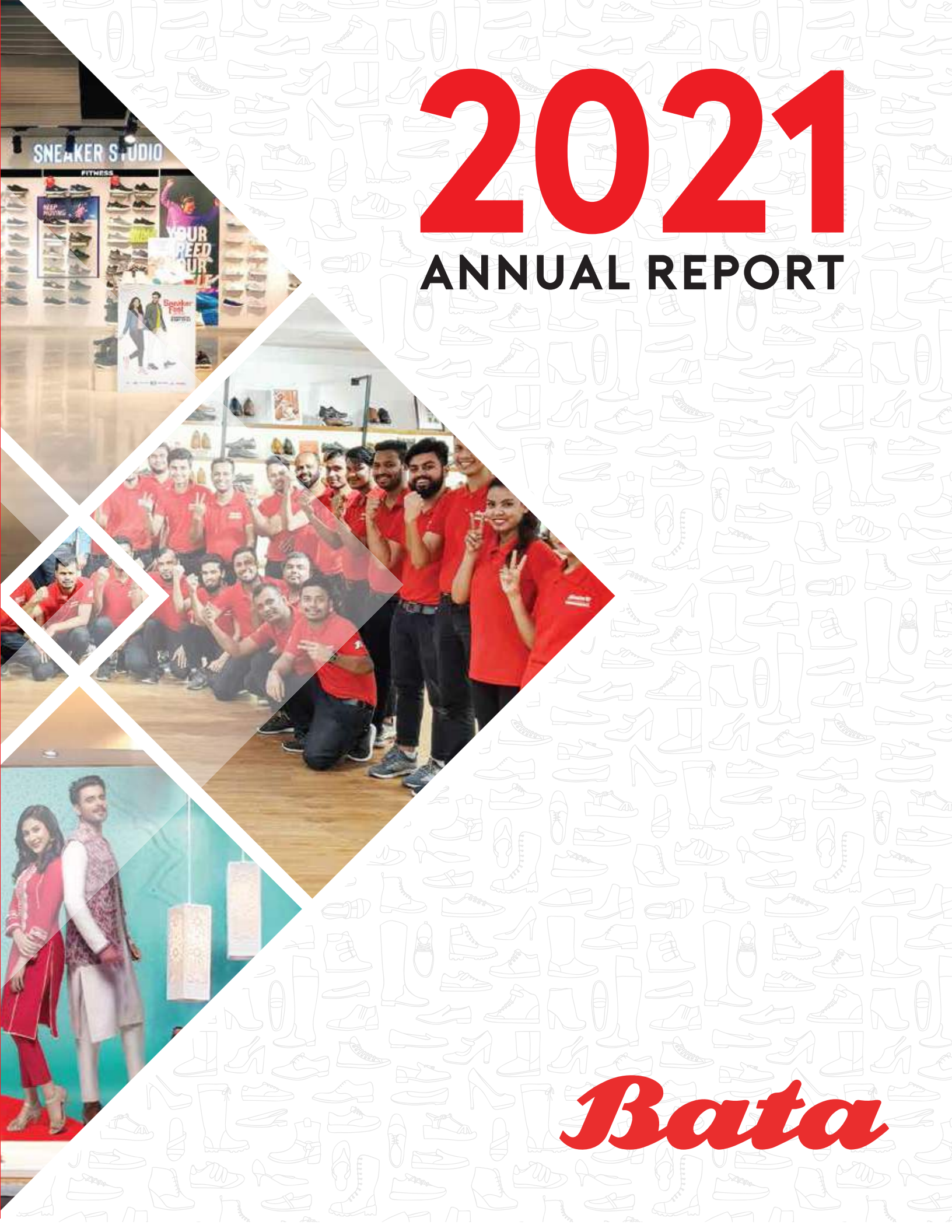


2021

ANNUAL REPORT



Bata



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BOARD OF DIRECTORS



Mr. Rajeev Gopalakrishnan
Chairman

Mr. Rajeev Gopalakrishnan (Indian National) has been the Chairman of Bata Shoe Company (Bangladesh) Limited since 2014. With a rich experience of over 31 years in footwear industry, Mr. Rajeev has earlier grasped positions of director-wholesale channels with Bata International – Canada and Vice President of retail operations and wholesale division in Bata India. He was also posted as the Managing Director of Bata Thailand and Bata Bangladesh. At present he is holding the position of President of Bata, South Asia. “CMO Asia Summit” in Asia retail conference in 2015 recognized Mr. Rajeev as the ‘Retail Professional of the year’.

Mr. Anirban Asit Kumar Ghosh
Managing Director and Vice Chairman

Mr. Anirban Asit Kumar Ghosh (Indian National) was appointed as Managing Director and Vice Chairman of the company effective from 1 April 2020. Prior to joining Bata Bangladesh he was the CEO of Biotique, India. Mr. Anirban is senior entrepreneurial executive with a successful track record of 27 years of managing sales, marketing, operations with Hindustan Unilever Ltd. India, L’Oreal in the FMCG sector, across different business, in the Telecom Sector with Bharati Airtel Limited in India. He is a Graduate of Presidency College, Calcutta with Honor’s in Economics and a MBA with specialisation in Marketing.



Mr. Shaibal Sinha
Director

Mr. Shaibal Sinha (Indian National) was appointed as Director of the company in 2012. Remarkable post-qualification experiences in different positions in finance across the globe based out of India, Singapore, United Kingdom and Middle East. Just before joining Bata, he was working with Reckitt Benckiser. Currently, he is the “Group Operations Finance Director” based out of Singapore. He is also a member of the Board of Directors of China footwear services, Bata Indonesia, Bata Malaysia, Bata Thailand, and Bata Sri Lanka.

Mr. K. M. Rezaul Hasanat
Director

Mr. K. M. Rezaul Hasanat (Bangladeshi National) has been a Director of the Company since 2011. He is a well known member of the business fraternity and the Chairman and CEO of Viyellatex Group. Under his leadership, Viyellatex Group came into existence in 2002 and has become one of the fastest growing business conglomerates in Bangladesh. He owes a credit to be a pioneer in his industry in implementing numerous green initiatives, which has led him to be elected President of United Nations Global Compact Bangladesh network in 2012. Mr. Hasanat is a post graduate in business management from Dhaka University.



Ms. Rupali H. Chowdhury
Director

Ms. Rupali H. Chowdhury (Bangladeshi National) has joined in Bata Bangladesh as a member of the Board of Director on 26 April 2018. At present she is holding the position of Managing Director of Berger Paints Bangladesh Limited. Ms Chowdhury has been appointed as an Independent Director of Linde Bangladesh Ltd. Effective from December 2018. She was the Ex-President of Foreign Investors' Chamber of Commerce & Industry (FICCI), Director of SMC Enterprise Limited & SMC Holdings, and Independent Director of Marico Bangladesh Limited. She completed her graduation with honours in chemistry from the University of Chittagong and did MBA from IBA, University of Dhaka. Ms. Chowdhury has been selected as a commercially important person (CIP) for her outstanding performance in the industrial sector.





Management Team

MANAGEMENT TEAM



Mr. Anirban Asit Kumar Ghosh
Managing Director and Vice Chairman

Mr. Anirban Asit Kumar Ghosh (Indian National) was appointed as Managing Director and Vice Chairman of the company effective from 1 April 2020. Prior to joining Bata Bangladesh he was the CEO of Biotique, India. Mr. Anirban is senior entrepreneurial executive with a successful track record of 27 years of managing sales, marketing, operations with Hindustan Unilever Ltd. India, L'Oreal in the FMCG sector, across different business, in the Telecom Sector with Bharati Airtel Limited in India. He is a Graduate of Presidency College, Calcutta with Honor's in Economics and a MBA with specialisation in Marketing.

Mr. Shambhu Nath Jha
Finance Director

Mr. Shambhu Nath Jha (Indian National) was appointed as Finance Director of the company on 11 September 2018. He is a certified Chartered Accountant from India. He served Bata India from 2006 to 2014 as General Manager – Finance and then he transferred to Bata Bolivia as Finance Director and worked from 2014 to 2018. As a Senior Management Professional, he has nearly 21 years of comprehensive experience in the areas of Financial Management, Accounting Policies & Procedures, Strategic Planning, etc.



Mr. Amitav Nandy
Retail Director

Mr. Amitav Nandy (Indian National) was appointed as Director – Retail Operation effective from 2019. Previously he had been serving as Country Manager of Bata Sri Lanka and also held senior positions in Bata India. Mr. Amitav Nandy has wide experience in Retail professional with rich experience of over 27 years in Strategy Planning & Management, Retail Operations, Sales & Marketing, Brand Management, Business Development, Key Account Management, Franchisee Development and Team Management. He obtained Bachelor degree in Commerce from Jaipur, Rajasthan University, India.



Mr. Patricio Alegria
Chief Collection Manager

Mr. Patricio Alegria (Chilean National) joined in Bata Bangladesh as Chief Collection Manager on February 2018. He has over 14 years of experience in various Bata companies and successfully performed in shoe design, development and collection. Prior to joining in Bata Bangladesh he worked from 2016 to 2017 in Singapore as Global Product Manager. He completed his bachelor in graphic design and did also diploma in marketing and retail management.

Mr. Jalil Ahamed Chowdhury
General Manager, Supply Chain

Mr. Jalil Ahamed Chowdhury (Bangladeshi National) was appointed as General Manager, Supply Chain, effective from 2016. He worked for the company at his first spell, as Quality Assurance Manager. Before joining in Bata Bangladesh he was Manager - Quality ELS & Compliance in Avery Dennison South Asia, Bangladesh. His total 25 years of job experience in planning and quality assurance is benefitting the Company Supply Chain Management.



Ms. Abhya
Chief Merchandising Manager

Mrs. Abhya (Indian National) joined in Bata Shoe Company (Bangladesh) Limited as Chief Merchandising Manager on 27 February 2019. Prior to joining in Bata Bangladesh, she worked from 2014 to 2019 in Bata India as Group Manager – OTB and altogether over 11 years of experience with other companies in India and successfully performed in Retail Management, Brand Management, Buying & Purchasing, Category Management, Merchandising-Planning & Control. She completed her Bachelor in B.E. (Chemical) and MBA (International Business) from India.



Mr. Mohammad Sabbir Raihan
Head of Non-Retail Sales Department

Mr. Mohammad Sabbir Raihan (Bangladeshi National) joined Bata as Head of Non-Retail Sales Department back in June'2019. Prior to this he was in Unilever Bangladesh Ltd for 14 years where he has an exposure to work closely with customers, shoppers and consumers. Because of working majority times of his career in sales department Sabbir could work very closely with Urban and Rural customers of the country. During his time of working in Modern Trade, he could work closely with shoppers and under his leadership Modern Trade grew by more than 2 times in just 4 years. He had a short and successful stint of working with consumers where he had to lead one of the biggest laundry brands of the country: Wheel. From 2016-2017 he was heading ARTM (Alternative Route to Market) where he revamped Unilever Wholesale operation in the country. During his tenure as Sales Operation lead, good numbers of business building projects have been landed which later on fueled for the company's business growth. Before his joining in Bata, Sabbir was leading Business Analytics portion of that company.

Mr. Malik Mehedi Kabir
General Manager, Human Resources

Mr. Malik Mehedi Kabir (Bangladeshi National) was appointed as General Manager, Human Resources of the company, effective from February 2020. Before joining Bata he worked as General Manager, Group-HR in Anwar Group of Industries. He gathered remarkable experiences in different functions of HR and Administration of different local and multinational companies over the last 17 years. He obtained MBA in Human Resource Management from Bangladesh Institute of Human Resource Management and Masters in Personnel Management from Pune University.



Mr. Gouranga Dhar
Product Development Manager

Mr. Gouranga Dhar (Indian National) was appointed as Product Development Manager effective from 2019. Before joining Bata Bangladesh he had been serving Bata India since 1993. Mr. Dhar has earned his educational degree in Bachelor of Visual Arts from Govt. College of Art & Craft, Calcutta University, specialized in drawing and painting. Having more than 28 years of footwear product development experience he has core competencies in product development, innovative designing, new article introduction planning, new article commercialization, quality performance standards and strategic business plan & leadership.

Mr. Razib Jahan Ferdous
E-commerce Manager

Mr. Razib Jahan Ferdous (Bangladeshi National) was appointed as E-commerce Manager, effective from January 2018. He joined Bata Bangladesh in 2011 as Advertising and Promotion Manager. Prior to joining Bata Bangladesh he worked in leading advertising agencies of Bangladesh, Unitrend Ltd. (a McCann Ericson World Group affiliate) and Cogito Marketing Solution respectively. Mr. Razib has completed his BBA and MBA taking Marketing as Major from University of Dhaka.





Ms. Nusrat Hasan
Marketing Manager

Nusrat Hasan (Bangladeshi National) was appointed as Marketing Manager effective from 1 February 2022. Before Joining Bata she worked in Marico Bangladesh, Perfetti Van Melle Bangladesh and Godrej Bangladesh with experience in brand and product management, brand communication development, consumer research and media management over the course of 10 years. Ms. Nusrat earned her BBA from North South University.

Mr. Md. Hashim Reza
General Manager - Finance & Company Secretary

Mr. Md. Hashim Reza (Bangladeshi National) was appointed as Company Secretary effective from 2005. Beside this position, he is also holding the position of General Manager- Finance. He started his carrier with Bata Bangladesh as senior officer in Finance and Administration Department since 1992. Altogether he has 30 years of experience in this company. He is FCMA from the Institute of Cost and Management Accountants of Bangladesh, and FCS from the Institute of Chartered Secretaries of Bangladesh.



Mr. Md. Humayun Kabir
Head of Internal Audit

Mr. Md. Humayun Kabir (Bangladeshi National) was appointed as Head of Internal Audit effective from 2017. He joined in Bata Bangladesh as Senior Internal Auditor in 2003. Before joining in Bata, he worked for ACNABIN & Co. Chartered Accountants, Bangladesh. He has 22 years of experience in auditing. He obtained Masters of Business Administration (MBA), major in Finance.

১ নম্বার টানা ৫ বার



২০১৬-১৭
কর বছর



২০১৭-১৮
কর বছর



২০১৮-১৯
কর বছর



২০১৯-২০
কর বছর



২০২০-২১
কর বছর

Bata Shoe Company (Bangladesh) Limited
received "Tax Card Award-2021" from the National Board of Revenue (NBR)
as the Highest Taxpayer Consecutively 5th time in a row,
on Leather and Footwear category.

Bata

ELEGANCE MEETS COMFORT



Bata

কোম্পানির তথ্য

কোম্পানি সেক্রেটারি
মোঃ হাসিম রেজা

Company Secretary
Md. Hashim Reza

নিরীক্ষক
হোসাইন ফরহাদ এন্ড কো
চার্টার্ড একাউন্ট্যান্টস
হাউজ # ১৫, রোড # ১২, ব্লক # এফ
নিকেতন, গুলশান-১, ঢাকা-১২১২, বাংলাদেশ

Auditors
Hussain Farhad & Co.
Chartered Accountants
House # 15, Road # 12, Block # F
Niketon, Gulshan-1
Dhaka-1212, Bangladesh.

কর্পোরেট গভর্নেন্স কমপ্লাইন্স নিরীক্ষক
অরুণ এন্ড কোম্পানি
চার্টার্ড একাউন্ট্যান্টস
বাড়ি নং-৫৫৮, পূর্ব কাজী পাড়া,
কাফরুল, মিরপুর, ঢাকা-১২১৬

Corporate Governance Compliance Auditors
Arun & Company
Chartered Accountants
House # 558, East Kazi Para,
Kafrul, Mirpur, Dhaka-1216

আইন উপদেষ্টা
আমিন উদ্দিন এন্ড এসোসিয়েটস্
মাহবুবুল হক এন্ড এসোসিয়েটস্
দ্যা 'ল স্পার্ট

Legal Advisers
Amin Uddin & Associates
Mahbubul Hoque & Associates
The Law Spurt

ব্যাংক
ইস্টার্ন ব্যাংক লিঃ
ডাচ বাংলা ব্যাংক লিঃ
এইচ এস বি সি লিঃ
ইসলামী ব্যাংক (বাংলাদেশ) লিঃ
দি সিটি ব্যাংক লিমিটেড

Bankers
Eastern Bank Ltd.
Dutch Bangla Bank Ltd.
HSBC Ltd.
Islami Bank (Bangladesh) Ltd.
The City Bank Ltd.

ফ্যাক্টরী
১. টঙ্গী, গাজীপুর
২. ধামরাই, ঢাকা

Factories
1. Tongi, Gazipur
2. Dhamrai, Dhaka

রেজিষ্টার্ড অফিস
বাতা সু কোম্পানি (বাংলাদেশ) লিমিটেড
টঙ্গী শিল্প এলাকা
টঙ্গী, গাজীপুর

Registered Office
Bata Shoe Company (Bangladesh) Limited
Tongi Industrial Area
Tongi, Gazipur

বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এই বিজ্ঞপ্তির মাধ্যমে জানানো যাচ্ছে যে, বাটা সু কোম্পানি (বাংলাদেশ) লিমিটেড-এর ৫০তম বার্ষিক সাধারণ সভা নিম্নলিখিত কার্যাবলি সম্পাদনের জন্য আগামী বৃহস্পতিবার, ৩০ জুন ২০২২ সকাল ১১:০০ টায় ডিজিটাল প্ল্যাটফর্মের মাধ্যমে অনুষ্ঠিত হবে :

১. ৩১ ডিসেম্বর ২০২১ তারিখে সমাপ্ত বছরের জন্য পরিচালকবৃন্দের প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।
২. ৩১ ডিসেম্বর ২০২১ তারিখে সমাপ্ত বছরের জন্য নিরীক্ষিত হিসাব এবং নিরীক্ষকদের প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।
৩. পরিচালকবৃন্দের সুপারিশকৃত লভ্যাংশ অনুমোদন।
৪. পরিচালকবৃন্দের নির্বাচন।
৫. ২০২২ সালের জন্য সংবিধিবদ্ধ নিরীক্ষক এবং কর্পোরেট গভার্নেন্স কমপ্লাইন্স নিরীক্ষক নিয়োগ এবং তাঁদের পারিশ্রমিক নির্ধারণ।

পরিচালকমণ্ডলীর আদেশক্রমে,

মোঃ হাসিম রেজা

কোম্পানি সচিব

টংগী, ২৫ এপ্রিল ২০২২

দ্রষ্টব্য:

১. ২৩ মে ২০২২ হচ্ছে রেকর্ড ডেট। যে সব শেয়ারহোল্ডারদের নাম উক্ত তারিখ পর্যন্ত কোম্পানির শেয়ার রেজিস্টার কিংবা ডিপজিটরি রেজিস্টারে নথিভুক্ত হবে, তাঁরাই বার্ষিক সাধারণ সভায় যোগদান করতে পারবেন ও লভ্যাংশ পাবেন।
২. সাধারণ সভাটি <https://bata50th.digitalagmbd.net> এই লিংকের মাধ্যমে অনুষ্ঠিত হবে। সদস্যগণ এজিএম এর ২৪ ঘণ্টা পূর্বে এবং মিটিং চলাকালীন সময়ে তাদের ফলিও / বিওআইডি নাম্বার এবং শেয়ার সংখ্যা পূরণ করে এজিএম-এ অংশ গ্রহণ করতে পারবেন এবং এখানে তারা প্রশ্ন, মতামত এবং ভোট প্রদান করতে পারবেন।
৩. একজন সদস্য এই সাধারণ সভায় উপস্থিত থাকতে এবং ভোট প্রদান করতে পারেন কিংবা তাঁর স্বপক্ষে উপস্থিত হতে এবং ভোট দিতে একজন প্রক্সি নিয়োগ করতে পারেন। প্রক্সি ফরম যথাযথভাবে পূরণ করে এবং উপযুক্ত রেভিনিউ স্ট্যাম্প সহকারে ন্যূনতম ৪৮ ঘণ্টা পূর্বে কোম্পানির রেজিস্টার্ড অফিস অথবা bd.share@bata.com এই ইমেইল-এ পাঠানোর জন্য অনুরোধ করা যাচ্ছে। প্রক্সি ফরম সংযোজন করা হলো।

Notice of Annual General Meeting

Notice is hereby given that the 50TH ANNUAL GENERAL MEETING of Bata Shoe Company (Bangladesh) Limited will be held on Thursday, 30 June 2022 at 11:00 a.m. through digital platform to transact the following business:

1. To receive, consider and adopt the Directors' Report for the year ended 31 December 2021.
2. To receive, consider and adopt the Audited Financial Statements of the company and the Auditors' Report thereon for the year ended 31 December 2021.
3. To approve Dividend as recommended by the Directors.
4. To elect Directors.
5. To appoint Statutory Auditors and Corporate Governance Compliance Auditors and fix their remuneration for the year 2022.

By order of the Board,

Md. Hashim Reza
Company Secretary

Tongi, 25 April 2022

NOTES:

1. **23 May 2022 is the RECORD DATE.** Shareholders whose names appearing in the share register of the Company or in the depository register on that date will be eligible to attend at the AGM and to receive dividend.
2. The Annual General Meeting will be held through the link **<https://bata50th.digitalagmbd.net>** Members will be able to login before 24 hours of the meeting time and during the AGM with putting their Folio/BO ID and no. of shares and able to submit their questions/comments and vote.
3. A member eligible to attend and vote at the General Meeting is entitled to appoint a proxy to attend the meeting and vote on his/her behalf. Form of Proxy, duly completed and must be affixed with requisite revenue stamp and must be deposited at Company's Registered Office or send through mail or email at **bd.share@bata.com** at least 48 hours before the appointed time for the meeting. A Proxy Form is enclosed.

M A R K E T I N G

Bata Bangladesh Hailed At The Digital Marketing Awards 2021

Every year Bangladesh Brand Forum, a well-known platform which recognizes various marketing initiatives organizes the Digital Marketing Awards (DMA). A rigorous evaluation is done by a set of judges coming from the top companies and creative agencies of the country to present this award in various categories.

This time, Bata Bangladesh bagged two awards in the DMA 2021, a Bronze for Best-Integrated Digital Campaign and Silver for Best E-Commerce Platform. This was a proud moment for Bata as the efforts put behind the digital campaigns and the e-com platform in 2021 was clearly noticed by all.

In Bangladesh, Bata launched its FA2A campaign digitally with a number of fresh OVCs to cascade its omnichannel experience to consumers. During a challenging time in 2021 when Bata Bangladesh was facing store closure and people were looking to shop from home more, this campaign showed great result by accelerating the omnichannel experience and bringing Bata to the doorsteps of the consumers.



The campaign reached 22M+ consumers through all SoMe channels and utilized Brand Ambassadors' platforms effectively to reach a wider audience. Besides SoMe channels, display and apps platforms were covered through user-based targeting that helped Bata to reach Gen Z effectively. With all the marketing and operational efforts, Bata Bangladesh achieved a good revenue and EBIT that made them the number one FA2A country in the region.

Top Trending Influencers Moves In Comfort With Style

Bata Bangladesh did an influencer engagement campaign-connecting Bata's comfort and style features with the cool moves of top young fashion icons of the country.

The campaign reached 5.8 mil+ Style Conscious Young Professionals and Value Seeking Families and 95% of the audience was engaged with positive and neutral reactions (data source: Socialbakers) Apart from the equity building, the campaign helped drive traffic to the webstore.- Total 175K+ people landed on the website and had multiple sessions on batabd.com through out the campaign.



Sneaker Studio V.3.0 Impressed The Sneaker Lovers



Bata Bangladesh improved its Sneaker Studio to the next level as Sneaker Studio v3.0 got introduced countrywide. This was a huge success for Bangladesh team to lead the Sneaker project improving Sneaker Studio and focus more on Sneaker business.

Since Sneaker is gaining popularity from consumers and keeping the trend in mind, Bata segregated the sneaker collection as per concept – Lifestyle, Outdoor and Performance. Bata also highlighted its Brands (Bata, Power, North Star, Weinbrenner, Adidas, Nike) under these category belts. The Sneaker Studio combined with latest Sneaker collection, putting lifestyle images with 3D logos, lights made the entire area striking for the target group.

The Sneaker Studio already captured the attention of youngsters and sneakerheads, with the pleasant shopping experience and showcasing all the Sneakers collection together. Bata Bangladesh has high hopes for the performance of this new concept in store and is excited to explore this opportunity more.



First Eco-Friendly Shoe Launched by Bata



Bata launched a collection of Weinbrenner sneakers that have multiple recycling features making it the 1st eco-friendly shoe in the country. The upper part of the shoe is 100% recycled from PET bottles supported by Refiber™ and on the outsole, they used 30% recycled EVA. The insole is 98% recycled powered by Ortholite® to ensure the signature Bata comfort.

Bata has always been focused on saving the planet by experimenting with different ways of up-cycling and recycling. This new collection of Weinbrenner sneakers is a milestone for the shoemakers of the country and the consumers will appreciate the effort by proudly wearing it.

HUMAN RESOURCES

Training and Development- 2021

Training gives everyone a great understanding of their responsibilities and the knowledge and helps learn new skills which lead them forward in their journey.



Retail Training:

Key Highlights:

Genesis Training:

GENESIS is not a Project, GENESIS is our Retail Strategy. A Good Store Team that delivers a good customer service and ultimately a good shopping experience. We ensure multiple clients dealing by ensuring excellent customer service.



BootCamp Training:

We ensure all new hired employee undergo 90days boot camp training to improve their interpersonal skill and product knowledge to enhance excellent customer service.



Product Training:

To enhance product knowledge, Bata Bangladesh arranged Product training every year for retail store staff as part of their Improvement of soft skills and interpersonal skill. Good product knowledge ensure excellent customer service.



- ✓ Code of Conduct Training
- ✓ Mental Boost Training
- ✓ Delta Awareness (Covid-19) Training
- ✓ Medical Policy Training
- ✓ Leave Policy Training
- ✓ Leadership(Coursera) Training
- ✓ BPR Training
- ✓ 5s Training
- ✓ EHS Training &
- ✓ More

**Total Training
Manhours
23000+**

BCP & CSR

Renovate classrooms and school infrastructure

To invest the Bata Heroes Award money in the development of BCP School, we undertook the initiative to develop the school infrastructure by repairing the whole wire set-up, replacing the dis-functioned lights fans with new ones, and renovating one classroom with new benches, teacher's table & chair, painting, etc.

Impact: We believe this will ensure better infrastructure and a healthy environment for BCP students.

The initiative held: Jan 2021

Total Beneficiaries of this initiative: 900 Beneficiaries

Number of Volunteers associated with this initiative: 15 Volunteers



Children's Personality Development Session by Bata Children Program

45 students from class six to ten attended this session at school maintaining social distance and health & safety guidelines



Personality Development Session on "Good Touch Bad Touch"

Execution

- ✓ Children up to class-III attended this session maintaining social distance and health & safety guidelines



Bata Children Program held a Children's health Check-up campaign

Execution

- ✓ Doctor from Bata medical team examined the students of Ashraf textile Mills High School
- ✓ 30 BCP volunteers gave their full support to make the program successful in cooperation with the teachers.



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ENGAGE FLEX
FLEXIBILITY FOR ALL OCCASIONS.



DESIGNED  IN CANADA

CHAIRMAN'S STATEMENT 2021



RAJEEV GOPALAKRISHNAN
CHAIRMAN

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানির ৫০তম বার্ষিক সাধারণ সভা উপলক্ষে, কোম্পানির পরিচালকমন্ডলীর পক্ষ থেকে ৩১ ডিসেম্বর ২০২১ তারিখে সমাপ্ত বছরের বার্ষিক আর্থিক হিসাব ও নিরীক্ষকদের প্রতিবেদন পেশ করতে পেরে আমি বিশেষভাবে সম্মানিত বোধ করছি।

আমরা অনেক আশা নিয়ে ২০২১ সালে ব্যবসা শুরু করেছিলাম কিন্তু এপ্রিল ২০২১ এ কোভিড-১৯ দ্বিতীয় ঢেউয়ের সংক্রমণের কারণে ঈদের ব্যবসার ব্যাপক ক্ষতিসাধন হয়, যাহা কোম্পানির সারা বছরের ব্যবসার প্রায় ৩০ শতাংশ, তাছাড়া আমরা আমাদের স্কুল ব্যবসাও হারিয়েছি। কোভিড-১৯ লকডাউন এর কারণে আমাদের সকল দোকান সমূহ মোট ৫১ দিন পূর্ণ এবং ৩২ দিন আংশিক দিবস বন্ধ ছিল। ২০২০ সালে শুরু হওয়া কোভিড-১৯, ২০২১ সালেও আমাদের পাদুকা শিল্পে ব্যাপক প্রভাব ফেলেছে। করোনা ভাইরাস শুধু আমাদের পাদুকা শিল্পকেই ক্ষতিগ্রস্ত করেনি আমাদের অর্থনীতিকেও ধ্বংস করেছে। ২০২০ সালের মার্চ মাসে বাংলাদেশে কোভিড-১৯ শুরু হয় এবং এদেশের ব্যবসায় খাত বিশেষ করে ফ্যাশন খাতকে ব্যাপক ক্ষতিগ্রস্ত করে।

কোভিড-১৯ এর প্রভাব সত্ত্বেও আপনাদের কোম্পানির গত বছরের তুলনায় ২০২১ সালে টার্নওভারে প্রবৃদ্ধি ছিলো ১৫২ শতাংশ। এ বছর আপনাদের কোম্পানি ৪৮ মিলিয়ন টাকা কর পূর্বক মুনাফা অর্জন করেছে যা গত বছর কর পূর্বক লোকসান ছিলো ১.৫৯৪ মিলিয়ন টাকা। এ থেকে বোঝা যায় যে,

Valued Shareholders

On the occasion of the 50th Annual General Meeting of your Company, on behalf of the Board of Directors of the Company, it is my privilege to present to you the Annual Accounts and Auditors' Report for the year ended 31 December 2021.

We started 2021 with a promising note but from April 2021, the 2nd wave of Covid arrived which brought with it lockdowns, truncated shop timings, and a damaging effect on Eid business which contribute almost 30% of total Company business as well as we lost the school business. Stores were closed for 51 days on full lockdown and 32 days had a partial impact. The Covid-19 pandemic had a major impact on our industry in the year 2021 which started early in the year 2020. The virus has not only caused havoc on our shoe industry but has devastated the economy. The pandemic COVID-19 started in March 2020 in Bangladesh and affected the business and Bangladesh fashion sector.

Despite the COVID-19 Pandemic, the Company's turnover was 152% in 2021 against last year, and during the year, the Company came back with a positive profit before tax of BDT 48 million from last year's negative PBT (1,594) million which indicates that the business is moving forward and/or improving day by day. Herewith mentionable that, during the year ended 2021, the Company's net operating cash flow has increased to BDT 1,257

কোম্পানি দিনে দিনে উন্নয়ন সাধন করছে। এখানে আরও উল্লেখ্য যে, ২০২১ সাল শেষে কোম্পানির নীট অপারেটিং ক্যাশ ফ্লো গত বছরের ৩০.৯ মিলিয়ন টাকা থেকে বৃদ্ধি পেয়ে ১,২৫৭ মিলিয়ন টাকা হয়েছে যা খুবই তাৎপর্যপূর্ণ। কোম্পানি এখন স্বচ্ছলতা ও তারল্যের দিক থেকে শক্ত অবস্থানে আছে।

২০২১ সালের কোভিড-১৯ পরবর্তী মার্কেট খোলার পর আমরা ক্রেতাদের আরও ভালো সেবা প্রদানের জন্য ৮টি রিটেইল স্টোরকে উন্নয়ন সাধন করেছি এবং ব্যবসা না হওয়ার কারণে ২টি স্টোরকে বন্ধ এবং স্থানান্তরিত করেছি। এত বাধা সত্ত্বেও আমরা ক্রেতাদের সহযোগিতার কারণে ২৮ শতাংশ খুচরা বিক্রয় প্রবৃদ্ধি অর্জন করতে সমর্থ হয়েছি। স্টোরে ক্রেতা ও কর্মীদের স্বাস্থ্য ব্যবস্থা এবং নিরাপদ পরিবেশ নিশ্চিত করা ছিল আমাদের প্রধানতম কাজ, যা সম্পাদনে অপারেশনস ও মানবসম্পদ বিভাগ যৌথভাবে সহযোগিতা করেছে।

বর্তমান পৃথিবী সত্যিকার অর্থেই অধিকতর ডিজিটাল হওয়ার পথে দ্রুত অগ্রসর হচ্ছে। একটি প্রতিশ্রুতিশীল ই-কমার্স চ্যানেল গঠন করা সাধারণ কাজ নয় তবে ক্ষুদ্র থেকে একটি বর্ধনশীল ই-কমার্স চ্যানেল প্রতিষ্ঠা বাটা বাংলাদেশ এর জন্য নিঃসন্দেহে উৎসাহব্যাঞ্জক। কোভিড-১৯ যেভাবে আমাদের শপিং অভ্যাসকে প্রভাবিত করেছে, তা সম্ভবত অদূর ভবিষ্যত পর্যন্ত অব্যাহত থাকবে।

বাটা বাংলাদেশ শুধুমাত্র অনলাইন বিক্রয়কেই উন্নয়ন সাধন করে নাই বরং দ্রুত অগ্রসরমান প্রযুক্তি গ্রহণ করার মাধ্যমে ক্রেতাদের সাথে সংযোগ স্থাপন করে, যা গ্রাহকদের সেবা গ্রহণ অভিজ্ঞতাকে আরও সুবিধাজনক অবস্থানে নিয়েছে। আমরা একটি সকল চ্যানেলের অভিজ্ঞতা কে প্রয়োগ করেছি যার ফলে আমাদের ই-কমার্স কার্যক্রমকে সহজতর করার মাধ্যমে কার্যপ্রবাহকে পূর্ণগঠন করে যা আমাদেরকে অনলাইনে পাদুকা শিল্পে নেতৃত্ব দিতে সহায়তা করেছে।

২০২১ সালে বাটা বাংলাদেশের ই-কমার্স ব্যবসার প্রবৃদ্ধি ছিল গত বছরের তুলনায় ৬৯৩ শতাংশ, যা বাংলাদেশী ভোক্তাদের চাহিদা বৃদ্ধিকে সর্মথন করে। জুতা কেনার ক্ষেত্রেও গ্রাহকরা এখন ই-কমার্স বা ডিজিটাল মাধ্যমের উপরেও নির্ভরশীল। এছাড়াও আমরা আমাদের ই-কমার্স কে আরও শক্তিশালী করেছি এবং বেশ কয়েকটি মার্কেটপ্লেসে ঘনিষ্ঠভাবে যুক্ত হয়েছি। আমরা দারাজ ও অন্যান্য ই-কমার্স মার্কেটপ্লেসের ফ্যাশন বিভাগে ১ নম্বর হিসেবে বিবেচিত হয়ে গর্ববোধ করছি।

আমরা ক্রমাগত বিকশিত হচ্ছি এবং ই-ইমার্সের সাথে খুচরা দোকানের স্টকগুলিকে একীভূত করে খুচরা দোকান থেকে

million from BDT 30.9 million which is a significant increase against last year. The Company is now good position in its solvency and liquidity.

In 2021 post the market opened, we facelifted around 8 stores to provide a better customer experience in our retail stores. Further, we closed and relocated 2 cash drain stores bringing in more efficiencies in operations. Despite such restrictions, we were able to grow by 28% with some positive customer sentiments. Ensuring hygiene and safety for customers and employees in the store was our top priority and operations with HR support provided support to our store teams.

The world has now truly been shifting towards a more digital world. Forming a thriving e-commerce channel is no simple task, but from being very small to a booming one as a channel of Bata Bangladesh surely is inspiring. The ways the pandemic influenced our shopping habits will likely continue into the foreseeable future.

Bata Bangladesh stepped up to the challenge, not just by supporting and uplifting online sales, but by embracing emerging technologies that created connections with shoppers or made their customer experience more convenient. We ensured a compelling omnichannel experience, took measures to facilitate the operations of Bata Bangladesh e-commerce, and reengineered the operational stream which escalated us to lead the footwear industry online as well.

In 2021, our growth was 693% against the previous year which shows the increase in demand of Bangladeshi consumers. These consumers now rely on e-commerce and digital solutions when it comes to buying shoes as well. We also transformed by strengthening our e-commerce platform and got closely associated with several marketplaces. On that note, we take pride in officially being number one in the fashion category on DARAZ and all the other marketplaces.

As we are ever-evolving and we have been growing remarkably, we finally could show the true spirit of being an Omni-channel by integrating Retail store stocks with e-commerce, ensuring delivery from

ডেলিভারি নিশ্চিত করে এবং প্রযুক্তিগত ক্ষেত্রে উন্নয়নের মাধ্যমে ই-কমার্স ব্যবসা কে সহজতর করেছে। যার মধ্যে রয়েছে স্টোর অ্যাপ্লিকেশন ডেভেলপমেন্ট এবং অনলাইন POS-এর সাথে একত্রীকরণ, একটি সুবিন্যস্ত OMS এবং WMS তৈরি করা এবং ১০০ টি দোকানের সাথে সংযুক্ত করা।

কোম্পানির বিপণন ব্যবস্থার অংশ হিসেবে আমরা সেলিব্রিটি এবং সৃজনশীল প্রচারের মাধ্যমে আমাদের সোশ্যাল মিডিয়াকে সমৃদ্ধ করেছি এবং দেশের শীর্ষস্থানীয় সেলিব্রিটিদের সাথে ওভারসি তৈরি করেছি। অধিকন্তু, বিভিন্ন ধরনের গণমাধ্যমে প্রচারের মাধ্যমে আমরা আমাদের বিজ্ঞাপন প্রচারণা ব্যবস্থা সমৃদ্ধ করেছি। আমাদের সকল মৌসুম ও উৎসব ভিত্তিক পণ্যের প্রচারের উদ্দেশ্য ছিলো ব্যবসা এবং বাজার সম্প্রসারণ করা।

আমাদের ফ্র্যাঞ্চাইজ চ্যানেলটি অন্যতম লাভজনক চ্যানেল হিসেবে প্রতিষ্ঠিত হয়েছে। ২০১৬ সালে মাত্র ৪টি স্টোর নিয়ে আমাদের ফ্র্যাঞ্চাইজ চ্যানেলের যাত্রা শুরু হয়েছিলো। তখন থেকে উক্ত চ্যানেলটি কোম্পানির প্রবৃদ্ধি অর্জনে অতি গুরুত্বপূর্ণ অবদান রেখে চলছে, এমনকি কোভিড-১৯ এর সময়ও তা অব্যাহত ছিল। ২০২১ সালে ফ্র্যাঞ্চাইজ ব্যবসা ২৩৪ মিলিয়ন টার্নওভারসহ ১৯২ শতাংশ প্রবৃদ্ধি অর্জন করতে সমর্থ হয়েছে। এ বছরে নতুন ৩৮টি ফ্র্যাঞ্চাইজিকে বাটার ব্যবসার সাথে সংযুক্ত করা হয়েছে। ব্যবসা অর্জনের সাথে সাথে, ফ্র্যাঞ্চাইজ চ্যানেলটি প্রক্রিয়াগত উন্নয়নে তাৎপর্যপূর্ণ অগ্রগতি সাধন করেছে। অনলাইনে অর্ডার সফলতার সহিত বাস্তবায়ন করা হয়েছে। অনলাইন বিক্রি ও ডাটা প্রক্রিয়াকরণের লক্ষ্যে ৮০ শতাংশ স্টোরে অনলাইন POS সক্রিয় করা হয়েছে। জনবল নিয়োগের মাধ্যমে ফ্র্যাঞ্চাইজ চ্যানেলটিকে আরও মজবুত ভিত্তিতে প্রতিষ্ঠিত করা হয়েছে। ২০২১ সালে খোলা সকল স্টোরে রেড-২ মডিউল স্থাপন নিশ্চিত করা হয়েছে। ফলে ফ্র্যাঞ্চাইজ চ্যানেলটি ২০২১ সালে সাফল্যের অন্যতম মাইলফলক হিসেবে বিবেচিত হয়েছে।

বাটা বাংলাদেশ NRSD বিজনেস মডেল কে ডিপো থেকে ডিস্ট্রিবিউশন পদ্ধতিতে রূপান্তরিত করেছে। নতুন ডিস্ট্রিবিউশন পদ্ধতি সম্পূর্ণ নগদ বিক্রয় নির্ভর পদ্ধতি যা বাকিতে বিক্রয়ের ঝুঁকি দূর করেছে। বহুমাত্রিক পদক্ষেপ (যেমন- ডিলারদের সাথে সম্পর্ক উন্নয়ন, পাওনা টাকা আদায়ে তৃতীয় পক্ষ প্রতিনিধি নিয়োগ ও আইনি পদক্ষেপ) গ্রহণ করার ফলে নীট রিসিভেবল গত বছরের তুলনায় ৭৯ শতাংশ হ্রাস পেয়েছে। অধিকন্তু, আমরা ডিপো টু ডিলার থেকে B2B তে রূপান্তরিত করেছি। বিক্রয় ৫২ শতাংশ বৃদ্ধি, নীট ইনভেন্টরি গত বছরের তুলনায় এই বছর ৯৫ শতাংশ এবং রিসিভেবল ৭৯ শতাংশ হ্রাস পাওয়ায় ক্যাশ বেড়েছে ৪৯৫ শতাংশ।

retail stores, and many other significant developments in the technical arena which includes in-store application development and integration with online POS, development of a streamlined OMS and WMS and launching of in-store business in 100 stores.

As a part of communication and marketing exclusively for the company, we enriched our social media with creative promotions through celebrities and influencers and developed OVCs with top celebrities of the country as well. Moreover, we have improved our advertising campaigns in all media. The focus of our promotional campaigns for seasonal and festival products was to enhance market demand and, as a consequence, a positive contribution to our turnover and expansion of our market.

Our Franchise channel has become one of the most profitable sales channels for the Company. The journey started back in 2016 with 4 stores only. Ever since, the channel contributed significantly to Company profitability, even during the pandemic period. In 2021 Franchise business secured 192% growth with a turnover achievement of BDT 234 million. The channel secured 102% against the target and onboarded 38 new Franchisees. While securing the Business, the channel has made significant progress in process development. The online Order Management System has been implemented successfully to secure order fulfillment. Online POS has been activated in 80% of stores to process the sales and data. Organogram has been bolstered with manpower as well. In addition, the Red-2 module has been ensured for all stores opened in 2021. In a nutshell, the year 2021 has been a milestone of success for the Franchise channel.

Bata Bangladesh changes its business model from depot to distribution. The New Distribution Model is a complete cash model, de-risking receivables from the market. Net receivables reduced by 79% against last year mainly because multiple initiatives have been taken to collect from dealers i.e. business relation development with dealers, hiring a third party credit recovery agency, and legal action. Also, we have changed the B2B business model from Depot to Dealers. Cash increased 495% against last year as business increased by 52%, net inventories

আপনাদের কোম্পানি তার ঐতিহ্যগত পণ্য চপ্পল, স্যানডাল, সামার লাইনের প্রচুর পরিমাণ বিক্রয়কে উপেক্ষা না করে গ্রাহকের চাহিদার কথা মাথায় রেখে নিয়মিতভাবে বিভিন্ন ক্যাটাগরিতে নতুন নতুন স্টাইল ও ডিজাইনের পণ্য বাজারে নিয়ে এসেছে। এই সকল উদ্যোগের অন্তর্ভুক্তি আমাদের পণ্যের মর্যাদা বহুলাংশে বৃদ্ধি করেছে, অর্জন করেছে গ্রাহকদের আনুগত্য। আমাদের সম্মানিত গ্রাহকদের জন্য সর্বাধুনিক ব্র্যান্ডের জুতা আমরা প্রতিনিয়ত বাজারে নিয়ে আসছি।

সামাজিক দায়বদ্ধতার অংশ হিসেবে, বাটা বাংলাদেশ শিশুদের জন্য একটি উজ্জল এবং উন্নত ভবিষ্যত তৈরির উচ্চাকাঙ্ক্ষা নিয়ে, ‘আশরাফ টেক্সটাইল মিলস হাই স্কুল’ নামে একটি সুবিধাবঞ্চিত স্কুলকে পরিচালনার দায়িত্ব, স্কুল সংস্কার, স্বাস্থ্য সেবা প্রচার ও শিক্ষকদের প্রশিক্ষণের উদ্যোগ নিয়েছে। ইউনিসেফের সাথে যৌথভাবে শিক্ষার্থীদের উপদেশ দান, সচেতনতা বৃদ্ধি, শিক্ষকদের মূল্যায়নের ব্যবস্থা গ্রহণ করেছে। আগে বিদ্যালয়টির অবকাঠামো খুবই দুর্বল ছিল। শ্রেণীকক্ষে আলো, ফ্যান, বেঞ্চ, টেবিল ও চেয়ারের অভাব ছিল, ছেলে-মেয়েদের জন্য আলাদা টয়লেট ছিল না এবং বিদ্যালয়ের অবকাঠামো ছিল না। আমাদের সংস্কার প্রকল্প স্কুলটিকে পর্যাপ্ত শ্রেণীকক্ষের আসবাবপত্র, লাইট, ফ্যান, টয়লেট, পানীয় সুবিধা ইত্যাদি সহ একটি স্বাস্থ্যকর এবং নিরাপদ পরিবেশ সৃষ্টিতে সহায়তা করেছে। কোভিড-১৯ এর সময় শিক্ষকরা অনলাইনে ক্লাস নেওয়ার মতো প্রযুক্তিগত যথেষ্ট দক্ষ ছিলেন না। আমরা শিক্ষকদের MS PowerPoint এবং Online ক্লাস নেয়ার প্রশিক্ষণ দিয়েছি। তাদের মানসিক শক্তি বাড়ানোর জন্য আমরা ‘ব্যক্তিত্ব বিকাশ’ বিষয়ে একটি মেন্টরিং সেশনের ব্যবস্থা করেছি। শিশুদের শারীরিক স্বাস্থ্য, সাধারণ সুস্থতা, সামগ্রিক বিকাশ এবং যেকোন ঘাটতি প্রাথমিকভাবে সনাক্ত করার জন্য আমরা শিক্ষার্থীদের জন্য একটি সাধারণ স্বাস্থ্য পরীক্ষা কর্মসূচীর ব্যবস্থা করেছি। আরও অধিকতর উন্নয়নের জন্য ইউনিসেফ আমাদের স্কুল পরিদর্শন করে এবং শিক্ষকদের প্রোফাইল সংগ্রহ করেছে।

আমরা আমাদের বিক্রয় কর্মীদের প্রশিক্ষণ দেওয়া অব্যাহত রেখেছি এবং ১৮৫টি স্টোরকে “জেনেসিস” প্রকল্পের আওতায় নিয়ে এসেছি যা আমাদের রিটেইল স্টোরে কনভার্সন ও কেপিআইয়ের উন্নতিতে সাহায্য করেছে। দলগত কর্মসূচী, ন্যায়পরায়নতা ও কর্মীদের মধ্যে সম্পর্কোন্নয়নের লক্ষ্যে কোম্পানি এই বছর বার্ষিক বনভোজনের আয়োজন করা হয়েছে। আমরা “মাসের সেরা কর্মী” পুরস্কার দেওয়া অব্যাহত রেখেছি যা যোগ্য কর্মীদের যথোপযুক্ত স্বীকৃতি প্রদান করেছে। ৩১ ডিসেম্বর, ২০২১ সাল পর্যন্ত আপনাদের কোম্পানিতে মোট ১,০৬২ জন কর্মী নিযুক্ত ছিল।

maintained 95%, and receivables reduced by 79% against last year.

Your Company constantly introduced new products in all categories; taking into account consumer demand in various market segments for new styles and designs, without ignoring the necessity for volume sales, which is our traditional strength, particularly in Thongs, Sandals, and Summer Lines. This initiative included improving the status of our footwear, gaining the loyalty of our respected customers, introducing the latest branded products, and introducing an extensive expansion program to increase the number of retail and wholesale outlets in vital commercial locations.

As part of Bata's CSR, Bata Bangladesh with the ambition of creating a brilliant and better future for the children, Bata Bangladesh adopted an underprivileged school named ‘Ashraf Textile Mills High School’ and brought out initiatives such as School Renovation, a Health campaign, Teacher's training, Mentoring session for students, awareness session, collaboration with UNICEF for teacher's assessment and development and so on. Previously the school had very poor infrastructure. There was a shortage of light, fans, benches, tables, and chairs in the classrooms, no separate toilets for boys and girls, and the infrastructure of the school was not up to the mark. Our renovation project supported the school to have a healthy and safe environment with adequate classroom furniture, lights, fans, toilets, drinking water facilities, etc. During Covid, the teachers were not skilled enough technologically to take classes online. Hence, we gave teachers training on MS. PowerPoint and how to take online classes effectively. We arranged a mentoring session on ‘Personality Development’ to escalate their mental strength. We arranged a general health check-up camp for the students to assess children's physical health, general well-being, overall development, and early detection of any deficiencies so that appropriate medical interventions can be initiated if required. By the end of 2021, we went into collaboration with UNICEF for Teacher assessment and development. UNICEF visited our school and collected our teacher's profiles for assessment and further development initiatives.

We have continued training to be the key driver and we covered 185 stores under the “Genesis” project, which helps to improve Conversion and Retail KPIs

পাদুকা শিল্পে উৎপাদন ও বাজারজাতকরণে নেতৃত্বস্থানীয় হিসেবে আপনাদের কোম্পানি ২০২১ সালে জাতীয় কোষাগারে মোট ১,৬০৪ মিলিয়ন টাকা প্রদান করেছে। আমি খুব সম্বৃত্তিচিতে আপনাদের জানাচ্ছি যে, আপনাদের কোম্পানি ২০২১ সালে টানা পঞ্চমবারের মতো জাতীয় রাজস্ব বোর্ড কর্তৃক ভিআইপি করদাতার মর্যাদা লাভ করেছে। ভ্যাট প্রদানের মাধ্যমে জাতীয় রাজস্ব খাতে অবদান রাখার জন্য এই বছর জাতীয় রাজস্ব বোর্ডের বৃহৎ করদাতা ইউনিট (LTU-VAT) আমাদের পুরস্কৃত করে।

২০২১ সালে ৩০ ডিসেম্বর তারিখে আপনাদের কোম্পানির ১০ টাকার প্রতিটি শেয়ার ঢাকা স্টক এক্সচেঞ্জে ৯৬৬.৯০ টাকায় ও চট্টগ্রাম স্টক এক্সচেঞ্জে ৯৫৫.৮০ টাকায় কেনাবেচা হয়েছে।

আপনাদের পরিচালকমন্ডলী শেয়ার প্রতি ৭.৫০ হারে মোট ১০২.৬০ মিলিয়ন টাকার অন্তর্বর্তীকালীন লভ্যাংশ প্রস্তাব করেছে যা ইতোমধ্যেই পরিশোধ করা হয়েছে। পরিচালকমন্ডলী শেয়ার প্রতি আরও ২.৫০ টাকা হারে মোট ৩৪.২০ মিলিয়ন টাকার চূড়ান্ত লভ্যাংশ এই বার্ষিক সাধারণ সভায় অনুমোদনের জন্য সুপারিশ করেছে। ফলে ৩১ ডিসেম্বর, ২০২১ সমাপ্ত বছরে শেয়ার প্রতি নগদ মোট লভ্যাংশের পরিমাণ দাঁড়াবে ১৩৬.৮০ মিলিয়ন টাকা।

কোম্পানির সংঘবিধি অনুযায়ী ব্যবস্থাপনা পরিচালক জনাব অনিবার্ণ অসিত কুমার ঘোষ ব্যতীত অন্যান্য পরিচালকগণ এই বার্ষিক সাধারণ সভায় অবসর গ্রহণ করলেন এবং যোগ্য বিধায় পুনর্নির্বাচনের জন্য প্রার্থী হলেন।

পরিশেষে, পরিচালকমন্ডলীর পক্ষ থেকে আমি কোম্পানির প্রতি অব্যাহত সমর্থন ও সহযোগিতার জন্য আমাদের সম্মানিত সকল শেয়ারহোল্ডারবৃন্দ, ক্রেতা-সাধারণ, সরবরাহকারী, ডিলার, ডিস্ট্রিবিউটর কোম্পানির কর্মকর্তা ও কর্মচারীবৃন্দ এবং সরকারের বিভিন্ন সংস্থা তথা গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের কাছে কৃতজ্ঞতা প্রকাশ ও ধন্যবাদ জ্ঞাপন করছি।

রাজীভ গোপালকৃষ্ণন
চেয়ারম্যান

in stores. To promote team spirit, integrity, and employee relations, your Company organized an Annual Picnic during the year. We also continued to award “Employee of the Month” certificates which provided due recognition to deserving employees. As of 31st December 2021, a total of 1,062 people were employed by your Company.

Your Company has contributed BDT 1,604 million to the country's National Exchequer for the year 2021 as the leading manufacturer and marketer in the country's shoe industry. I am very pleased to inform you that your Company achieved VIP taxpayer status in the year 2021, which consecutively fifth time nominated by the National Board of Revenue (NBR). This year we have also been awarded by the Large Taxpayers Unit, Value-Added Tax of NBR for the contribution of VAT to the national revenue.

Your Company's shares of a nominal value of Tk. 10.00 were traded at Tk. 966.90 on the Dhaka Stock Exchanges and Tk. 955.80 on the Chittagong Stock Exchange respectively on 30 December 2021.

Your Board of Directors approved an interim dividend of Tk. 7.50 per share amounting to Tk. 102.60 million. The Board is now recommending a final dividend of Tk. 2.50 per share amounting to Tk. 34.20 million for 2021. This will make a total dividend payment of Tk. 10.00 per share amounting to Tk. 136.80 million for the year ended 31 December 2021.

Under the Articles of Association of the Company, all the Directors, except the Managing Director, Mr. Anirban Asit Kumar Ghosh, retire at the Annual General Meeting and, being eligible offer themselves for re-election.

At last, on behalf of the Board of Directors, I would like to express our gratitude to you, our valued shareholders, as well as to our valued customers, suppliers, employees, and the Government of the People's Republic of Bangladesh for the keen support, and cooperation extended to our Company.

Rajeev Gopalakrishnan
Chairman

ROYAL SHINE



— With —
LifeSole
Comfort

Bata | RED LABEL

Directors' Report 2021

Your Directors have pleasure in submitting their Report and Audited Financial Statements of the Company for the year ended 31 December 2021.

Industry Outlook

Despite the pandemic, 2021 will be remembered as the best year in the most difficult circumstance. We had started the year on a high note, but the path became challenging once the country was further impacted by the pandemic. We have affixed the foundations of sustainability and remained resilient, which has paved the pathway to deliver yet another successful year and steady progress across multiple surfaces of our business. Bata Bangladesh enumerated volume growth in 2021 despite being in a challenging business environment due to the pandemic. During COVID lockdown, a focused sales and distribution drive-through alternative distribution models targeted activation in growth markets throughout the year. Besides, purposeful consumer-relevant and exciting brand campaign launch aided in this growth journey.

Despite the COVID-19 Pandemic, Company's turnover was 152% against last year, and during the year, the Company came back with a positive PBT of BDT 48 million from last year's negative PBT (1,594) million which indicates that the business is moving forward and/or improving day by day. Herewith mentionable that, during the year ended 2021, Company's net operating cash flow has increased to BDT 1,257 million from BDT (31) million. The Company is now good position in its solvency and liquidity and the Company has sufficient accumulated retained earnings and cash & bank balances in its financial position.

Segment-wise performance

The Company's segment-wise performance in accordance with "IFRS 8-Operating Segments" has been presented in note no 6 in this annual report.

Risks and concerns

Every business faces uncertainties or risks in its operating environment, which, if not managed and mitigated, would not only disrupt the achievement of its strategic and operational objectives but may also cause losses that could result in financial and reputational loss as well. As with other co-existing companies, Bata's business is also exposed to diverse risks that arise both from internal as well as external fronts.

External factors

The Company's results may be affected by factors outside its control such as global economical risk, regulatory risk, changing the customers' needs/demands, political unrest, strike, civil commotion, and act of terrorism.

Changes in income tax and value-added tax

Changes in income tax and VAT laws and sudden unpredictable changes in other business-related laws may adversely impact the results of operations and cash flows.

Changes in environmental, health, and safety laws and regulations

In line with global practice, the government has been initiating notable changes in environmental, health, and safety laws and regulations. The Company may require additional investment and expenditure to ensure conformity with future changes.

Exchange rate fluctuation

Since a large proportion of the Company's raw materials are imported, changes in currency exchange rates influenced the result of the Company's operations.

Management perception of the risks

While many of the risk areas are beyond the control of any single company, Bata is closely watching the trends and developments in each of the risk areas and takes the best possible measures to mitigate them through product and market diversification, efficient sourcing of materials, use of latest technology, quality, pricing, human safety, and investment in research and development to gain sustained competitive advantage. Being a strictly compliant company, Bata is aware of the global best practices in environment-friendly manufacturing processes. Bata played a pioneering role in installing an Effluent Treatment Plant and Incinerator of the global standard at its plants in conformity with environment-related regulations. There is no threat to the sustainability of the business.

Cost of Sales & Gross Profit Margin

During the year 2021, Bangladesh economy experienced a recovery from the losses it faced due to the pandemic situation. Bangladesh government also imposed a lockdown in 2021. In contrast, it also expressed its supportive actions to the industry when needed. Hence, shopping malls and retail stores reopened for limited hours, and it allowed the Company to get the business done during peak seasons and also during the year. This situation led the business to grow its sales, as well as the cost of sales, also increased by 30% during the year. Above all, an increase in revenue by almost 52% ultimately led the gross profit increased by 118% against last year.

Extraordinary gain or loss

As per IAS 1, Presentation of Financial Statements, no items of income and expenses are to be presented as 'extraordinary gain or loss' in the financial statements. Accordingly, no 'extraordinary gain or loss has been recognized in the Financial Statements.

Related Party Transactions

The detailed list of the related parties with whom transactions have taken place and their relationship as identified and certified by management is disclosed in related part disclosures under IAS 24 in note no 34 in this annual report.

Statement of Director Remuneration

The detailed disclosure of remuneration paid to the directors including independent directors has been taken place in note no 15 in this annual report.

Going Concern

The Directors are of the opinion that the Company is a going concern and there are no significant doubts upon the Company's ability to continue as a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

Operational results

The Directors take the opportunity to report the Financial Results of the Company for the year ended 31 December 2021 and recommend the following:

Particulars	2021 Taka '000	2020 Taka '000	Changed %
Revenue	7,774,936	5,084,506	52%
Cost of Sales	4,926,836	3,790,379	30%
Gross profit	2,818,100	1,294,126	118%
Net profit (loss) after tax	(106,197)	(1,321,483)	(92%)

Since revenue increased by 52%, the cost of sales increased by 30% simultaneously. In contrast, operating expenses increased by almost 17% due to effective management of cost control by the Company. Above all, an increase in revenue and cost controlling measurements has led the business to minimize the level of losses during the year.

Financial Performance**For the year ended 31 December**

	2021	2020
Earnings per share (EPS) (Taka)*	(5.01)	(96.83)
Net Operating Cash Flow Per Share (NOCFPS) (Taka)*	91.90	2.26
Net Asset Value Per Share (Taka)	252.33	270.09
Gross Profit Margin (%)	36.39	25.45
Net Profit After Tax Margin (%)	(0.90)	(26.10)

*Earning per share (EPS) increased compared to last year driven by revenue growth in sales volume and amount, especially in post COVID period. Net operating cash flow per share increased compared to last year driven by revenue growth in sales volume and amount as well as an increase in related collections, especially in post COVID period.

Key Operating & Financial Information

Your Directors have pleasure in submitting the key operating and financial data of the Company for the year ended 31 December 2021 along with the preceding five years below:

Financial results	2021 Taka '000	2020 Taka '000	2019 Taka '000	2018 Taka '000	2017 Taka '000	2016 Taka '000
Net profit before tax	48,261	(1,593,770)	792,275	1,405,8614	1,588,279	1,422,592
Income Tax (expense)/income	(116,740)	269,072	298,309	11,383	(442,468)	(379,574)
Net profit after tax	(68,479)	(1,324,698)	493,967	994,478	1,145,811	1,043,018
Un-appropriated profit brought forward	3,447,580	4,741,076	4,501,175	3,977,406	3,309,294	2,717,716
Earlier year adjustment	-	-	-	-	-	-
Other comprehensive Income/(Loss)	(37,718)	3,215	60,574	1252	(19,419)	-
Profit available for appropriation	3,204,584	3,447,580	5,055,716	4,973,135	4,435,686	3,760,734

From which the Directors recommended the following appropriations:

Final dividend paid (previous year)	(34,200)	-	(143,640)	(143,640)	(143,640)	(143,640)
Interim dividend paid (current year)	(102,600)	-	(171,000)	(328,320)	(314,640)	(307,800)
Total dividend	(138,600)	-	(314,640)	(471,960)	(458,280)	(451,440)
Un-appropriated profit carried forward	3,204,584	3,447,580	4,741,076	4,501,175	3,977,406	3,309,294

Dividend

For the year ended 31 December 2021, the Board of Directors recommended an interim dividend of Tk. 7.50 per share amounting to Tk. 102,600,000 and now recommends a final dividend of Tk. 2.50 per share amounting to Tk. 34,200,000 thus making a total dividend of Tk. 100.00 per share amounting to Tk. 136,800,000.

Directors Proposed for Re-Election

The Directors retiring as per Article 104 of the Company's Articles of Association are Mr. Rajeev Gopalakrishnan, Mr. Shaibal Sinha, Mr. K M Rezaul Hasanat, and Ms. Rupali Haque Chowdhury, and are eligible to offer themselves for re-election.

Audit Committee Meeting

The Audit Committee is a sub-committee of the Board. All members of the Audit Committee were appointed by the Board of Directors from amongst the members. They met 4 times during the year 2021. The Company Secretary is the Secretary of the Committee. The Audit Committee is comprised of:

<u>Name of Members</u>	<u>Status</u>
K M Rezaul Hasanat	- Chairman, Independent Director
Rupali Haque Chowdhury	- Member, Independent Director
Anirban Asit Kumar Ghosh	- Member

Reports on Activities of the Audit Committee

The Audit Committee has performed regularly the following activities:

- ◆ Oversee financial reporting.
- ◆ Monitoring the choice of accounting policies, principles, internal control, and risk management process.
- ◆ Oversee the performance of statutory auditors.
- ◆ Review the annual financial statements before submission to the Board for approval.
- ◆ Reviewing the statement of significantly related party transactions.

Internal Control

The Company maintains a sound internal control system that gives reasonable assurance that the Company's resources are safeguarded, and the financial position of the Company is well managed. The internal control framework is regularly reviewed by the Audit Committee in each meeting and reported to the Board of Directors. The Group Internal Audit team conducts an audit to evaluate the appropriateness of internal control. The findings and subsequent follow-up with remedial status are reported to the Audit Committee and are escalated to the Group Internal Audit. This report further encloses a detailed discussion on Corporate Governance.

Pattern of Shareholdings

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

Names of the shareholders	Number of share held	% holding
i) Parent/subsidiary/associate/related parties: ♦ Bafin Nederland (B.V.)	9,576,000	70.000
ii) Directors/CEO/CS/CFO/Audit Head and their spouses and minor children	Nil	Nil
iii) Executives (Head of Functions)	Nil	Nil
iv) Shareholders, who hold 10% or more	Nil	Nil
v) Others Shareholders, who hold less than 10% ♦ Non-resident shareholders ♦ Local shareholders	215,929 3,888,071	1.58 28.42
Total	13,680,000	100.00

Board Meetings

The Board met 4 (four) times during the year 2021. The Company Secretary and Finance Director were also present at the Board meetings. The attendance by each Director is stated below:

<u>Attended Directors' Name</u>	<u>No. of Attendance</u>
Rajeev Gopalakrishnan	3 meetings
Anirban Asit Kumar Ghosh	4 meetings
Shaibal Sinha	4 meetings
K M Rezaul Hasanat	4 meetings
Rupali Haque Chowdhury	3 meetings

Additional statements on regulatory disclosure:

The Directors of the Company have included the other following disclosures:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows, and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards (IFRSs) have been followed in the preparation of the Financial Statements and any departure therefrom has been adequately disclosed;
- Applying appropriate accounting policies and making accounting estimate that is reasonable in the circumstances;
- No situation has arisen with minority shareholders who are protected from abusive actions by or in the interest of, controlling shareholders acting either directly or have effective means of redress.
- All deviations from the last year's operating results of the Company have been highlighted under the above Financial Results;
- Utilization of proceeds from public issues is not applicable;
- Explanation of financial results after IPO is not applicable;
- No significant deviation in operation results of those quarterly and year-end operational results is noticed as a whole;
- The 'Management Discussion and Analysis required by condition 1(5)(xxv) of BSEC notification BSEC/CMRRCD/2006-158/207/Admin/80 of 3 June 2018 is an integral part of this report.

The Directors also report that:

- The Managing Director and Chief Financial Officer have certified to the Board that they have reviewed the financial statements for the year and to the best of their knowledge believe that these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
- The Managing Director and Chief Financial Officer have certified to the Board that they have reviewed the financial statements for the year and to the best of their knowledge 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;
- The Managing Director and Chief Financial Officer 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 is fraudulent, illegal, or in violation of the Company's Code of Conduct.

External Auditors

Hussain Farhad & Co., and Arun & Company Chartered Accountants have offered their willingness to be re-appointed as statutory auditors and corporate governance compliance auditors of the Company respectively. The Board recommends their appointment for the year 2022 and to continue till the next Annual General Meeting.

On behalf of the Board of Directors,



Anirban Asit Kumar Ghosh
Managing Director

Nomination and Remuneration Committee (NRC)

The Board formed a Nomination and Remuneration Committee in its 240th Board Meeting dated 28 October 2018. During the year 2021, one meeting was held of the committee on 15 December 2021. The Company Secretary is the Secretary of NRC. The NRC is comprised of:

<u>Name of Members</u>	<u>Status</u>
Rupali Haque Chowdhury	- Chairman Independent Director
K M Rezaul Hasanat	- Member Independent Director
Anirban Asit Kumar Ghosh	- Member

Terms of Reference of NRC

[as per Condition no. 6(1)(c) of Notification dated 03 June 2018]

In compliance with Condition no. 6(1)(c) of Notification dated 03 June 2018 issued by the Bangladesh Securities and Exchange Commission in relation to the Role of the Nomination and Remuneration Committee ("NRC") shall be formulated in writing for ensuring the corporate governance of the Company. Thus, this Terms of Reference ("ToR") is being prepared to mention the Role of the Committee covering the areas of role of NRC which has been described as follows:

Roles of NRC:

The NRC shall administer the following matters and make a report with a recommendation to the Board:

- (i) Formulating the criteria for determining qualifications, positive attributes, and independence of a director and recommend a policy to the Board relating to the remuneration of the directors, top-level executive considering the following terms:
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) Remuneration to directors, top-level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- (ii) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background, and nationality;
- (iii) Identifying persons who are qualified to become directors and who may be appointed in a top-level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- (iv) Formulating the criteria for evaluation of the performance of independent directors and the Board;
- (v) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement, and promotion criteria; and
- (vi) Developing, recommending, and reviewing annually the company's human resources and training policies.

Annexure-A
[As per condition No. 1(5)(xxvi)]

Bata Shoe Company (Bangladesh) Limited
Declaration by CEO and CFO

The Board of Directors
Bata Shoe Company (Bangladesh) Limited
Tongi, Gazipur, Bangladesh

Subject: Declaration on Financial Statements for the year ended on 31 December 2021

Dear Sirs,

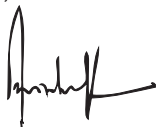
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Bata Shoe Company (Bangladesh) Limited for the year ended on 31 December 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure therefrom has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 31 December 2021 and that to the best of our knowledge and belief:
 - (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 collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal, or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(Anirban Asit Kumar Ghosh)
Managing Director



(Shambhu Nath Jha)
Finance Director

MANAGEMENT DISCUSSION & ANALYSIS

Annexure-B

Accounting policies and estimation for preparation of financial statements:

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. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules, 1987

The financial statements have been prepared on a historical cost basis in the statement of financial position except for land at Tongi which was revalued in 1979. The financial statements provide comparative information in respect of the previous period. 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. The detail of the significant accounting policies is available in note 47 of the Financial Statement.

Changes in accounting policies and estimation

In 2021, there was no major change in accounting policies and estimations except Note 46. The change in respective accounting policy has been incorporated in the financial statements with retrospective impact and as a result, previous years figures have been restated. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Comparative analysis of financial performance and operational performance

Financial results (BDT in million)	2021	2020	2019	2018	2017
Revenue	7,745	5,085	8,573	9,521	9,041
Cost of Goods Sold	(4,927)	(3,790)	(4,751)	(5,315)	(4,994)
Gross profit	2,818	1,294	3,822	4,206	4,047
Other income, operating expenses and impairment Loss/(reversal) on trade receivables	(2,623)	(2,706)	(2,803)	(2,743)	(2,390)
Operating profit	195	(1,412)	1,019	1,463	1,656
Finance Cost/Income	(144)	(182)	(185)	17	15
Profit before contribution to WPPF	51	(1,594)	834	1,480	1,672
Contribution to workers' profit participation fund	(3)	-	(42)	(74)	(84)
Profit/(loss) before Tax	48	(1,594)	792	1,406	1,588
Tax	(117)	269	(298)	(411)	(442)
Profit/(loss) after Tax	(68)	(1,325)	494	994	1,146
EPS (BDT)	(5.01)	(96.83)	36.11	72.79	82.34

Operational Results	2021	2020	2019	2018	2017
Share Capital (BDT in million)	137	137	137	137	137
No. of employees	1,062	1,266	1,615	1,621	1,635
Total contribution to Gov't exchequer (BDT in million)	1,604	1,478	2,150	2,497	2,414

Cash flow movement

Cash Flow (BDT in million)	2021	2020	2019	2018	2017
Cash generated from operating activities	1,511	391	1,585	464	1,299
Interest received	20	20	12	25	5
Interest paid	(163)	(167)	(176)	(8)	(5)
Income tax paid	(110)	(213)	(482)	(443)	(460)
Net cash from operating activities	1,257	31	939	38	839
Net cash used in investing activities	(69)	(38)	(243)	(146)	(195)
Net cash used in financing activities	(692)	(578)	(788)	(191)	(454)
Net cash increase/ decrease in cash and cash equivalents	(497)	(585)	(92)	(300)	191
Cash and cash equivalents at 01 January	126	711	803	1,103	912
Cash and cash equivalents at 31 December	623	126	711	803	1,103

Comparison of financial performance with the peer industry scenario

Bata Shoe Company (Bangladesh) Limited is the only multinational leather and footwear company in Bangladesh. Also, the reporting period of financial statements of the Company is different from the other footwear industries and hence it is not possible to compare the financial position and cash flow with peer companies.

The financial and economic scenario of Bangladesh and the Global Economy**Global Economy**

The global economy showed signs of recovery in 2021 (5.9%) amongst the pandemic after hitting its lowest point in 2020 since the 'Great Depression'. However, the pace by which recovery was taking place has been weakened by the deadly Delta variant and highly transmissible Omicron variant. Vaccinations have proven to be effective against COVID-19. However, unequal access to vaccines is a major concern as 60% of the population in advance economies were fully vaccinated while for low-income countries it was 4%.

Economies have slowly opened-up in the latter half of the year causing demand to rise. Simultaneously pandemic outbreaks and weather disruptions have resulted in supply shortages causing consumer price inflation to increase rapidly in countries like US, Germany, and many emerging market and developing economies. This followed by the ongoing cost-cutting of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Each economic unit has already started preparing for the post pandemic outlook of their respective economies and restore it to its previous state.

Bangladesh Economy

Even among a pandemic struck economy, the GDP growth of Bangladesh stood at 5.5% driven by record remittance inflows, increase in global demand for RMG (especially from second half) and resumption of work on national projects. With the current pace of economic recovery, Bangladesh GDP is expected to be 6.9% [Forecast] in the upcoming year. Despite having highest ever FX reserve till date, demand of USD for foreign payments was not met by the supply of USD in the market causing BDT to depreciate against USD.

Bangladesh's government has taken great steps in establishing relationship with foreign countries. Due to increased participation in infrastructure development projects, Bangladesh teamed up with both Japan and China. Under its "Look East" policy, Bangladesh will explore partnership with other countries from the same belt. Countries from the Middle East, especially Saudi Arabia and UAE are the biggest source of remittance while US, UK and Germany remain the main exporters.

For 2022, the focus and priorities would be to build on the growth delivered in 2021 and continue to work on reviving economy, reducing unemployment, restoring consumption, and managing disruptions in supply chain. Tackling recurrent coronavirus outbreaks (including those tied to new strains such as the Omicron variant) and expanding vaccine coverage will remain one of the key priorities in 2022. Target is to fully vaccinate 60% of the population by 2023 and immediately initiate booster doses. Poor asset quality in the banking sector will keep lending practices tight and private credit growth anemic.

Risks and concerns related to the Financial Statements

The Company has a series of policies, practices, and controls in place in relation to the financial reporting process, which is 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. Every year, Financial Statement risks are reviewed, involving control and process owners, to identify risks effectively so that Financial Statement assertions are met. The integrity of the Company's public financial reporting is further supported by several 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.

Future Plan of Bata Bangladesh

Bata Bangladesh continues to pursue its ambition of providing the best quality products to consumers through its numerous customers/brand users. It's also strategic ambition is to be the leading leather and footwear manufacturer and distributor that will unleash the potential of Bangladesh and continue growing in shareholder value. The overarching ambitions in the Company's strategy are broken down into the following four key areas:

Grow the revenue: Focusing on maintaining leadership, growing sales, and scaling up growth segments. For the high-profile group, the Company will focus on the best quality goods and services to maximize the shareholder's value.

Trendy, ease of use & comfortable: To support the company's growth ambition, Bata Bangladesh is working towards developing trendy, ease of use & comfortable leather and/or footwear goods along with maintaining modernized fashion and quality.

Price point: To focus the company's growth ambition, Bata Bangladesh fix the competitive and reasonable price of goods to maximizing the shareholder value through gaining the business profit. Moreover, never compromise the quality to set the price of goods.

Product Quality: Quality is the prime asset of the company. To emphasize, the company's growth ambition, Bata Bangladesh, all over gives the priorities to maintain the product quality.

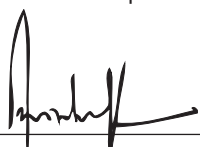
Moreover, the Company's social responsibility initiatives in 2020 will bring about a positive change across the nation with various initiatives directed towards achieving the sustainable development goals related to poverty mitigation, gender equality, human development, and well-being as well as donated 223,000 pairs of shoes to its communities like hospitals, Government health care organizations, defense forces, educational institutions and also donated foods to underprivileged children in collaboration of UCEP Bangladesh.

Related Party Transactions

The detailed list of the related parties with whom transactions have been taken place and their relationship as identified and certified by management is disclosed in related part disclosures under IAS 24 in note no 34 in this annual report.

Corporate Social Responsibility:

As part of Bata's CSR Bata Bangladesh with the ambition of creating a brilliant and better future for the children, Bata Bangladesh adopted an underprivileged school named 'Ashraf Textile Mills High School' and brought out initiatives such as School Renovation, Health campaign, Teacher's training, Mentoring session for students, awareness session, collaboration with Unicef for teacher's assessment and development and so on. Previously the school had very poor infrastructure. There was a shortage of light, fans, benches, tables, and chairs in the classrooms, no separate toilets for boys and girls, and the infrastructure of the school was not up to the mark. Our renovation project supported the school to have a healthy and safe environment with adequate classroom furniture, lights, fans, toilets, drinking water facilities, etc. During Covid, the teachers were not skilled enough technologically to take classes online. Hence, we gave teachers training on MS. PowerPoint and how to take online classes effectively. We arranged a mentoring session on 'Personality Development' to escalate their mental strength. We arranged a general health check-up camp for the students to assess children's physical health, general well-being, overall development, and early detection of any deficiencies so that appropriate medical interventions can be initiated if required. By the end of 2021, we went into collaboration with Unicef for Teacher assessment and development. UNICEF visited our school and collected our teacher's profiles for assessment and further development initiatives.



Anirban Asit Kumar Ghosh
Managing Director

PLAYING IN COLOR



**Arun & Company**

CHARTERED ACCOUNTANTS

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Annexure-B

[Certificate as per condition No. 1(5) (xxvii)]

Report to the Shareholders of Bata Shoe Company (Bangladesh) Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Bata Shoe Company (Bangladesh) Limited** (the "Company") for the year ended on 31 December 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code 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 the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the Company is satisfactory.

Arun Kumer Kundu FCA
Managing Partner
For **Arun & Company**
Chartered Accountants

Place: Dhaka, Bangladesh
Date: 28 April 2022

Annexure-C
[As per condition No. 1(5) (xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Report under Condition No. 9

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.	Board of Directors.			
1.1	Size of the Board of Directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not to be less than 5 (five) and more than 20 (twenty).	✓	-	-
1.2	Independent Directors			
1.2 (a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓	-	-
1.2 (b)	For the purpose of this clause "independent director" means a director			
1.2 (b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓	-	-
1.2 (b) (ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓	-	-
1.2 (b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓	-	-
1.2 (b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓	-	-
1.2 (b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓	-	-
1.2 (b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓	-	-
1.2 (b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓	-	-

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.2 (b)(viii)	Who is not independent director in more than 5 (five) listed companies;	✓	-	-
1.2 (b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓	-	-
1.2 (b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓	-	-
1.2(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓	-	-
1. 2 (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	Not Applicable	-	No such vacancy created in 2021
1.2 (e)	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; Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]; Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994.	✓	-	-
1.3	Qualification of Independent Director (ID)			
1.3 (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓	-	-
1.3 (b)	Independent director shall have following qualifications			
1.3 (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓	-	-
1.3 (b) (ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	✓	-	-
1.3 (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	Not Applicable	-	-

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.3 (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	Not Applicable	-	-
1.3 (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	Not Applicable	-	-
1.3 (c)	The independent director(s) shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓	-	-
1.3 (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	Not Applicable	-	-
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓	-	-
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓	-	-
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓	-	-
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive officer;	✓	-	-
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓	-	-
1.5	The Directors' Report to Shareholders addition			
1.5 (i)	An industry outlook and possible future developments in the industry;	✓	-	-
1.5 (ii)	The Segment-wise or product-wise performance;	✓	-	-
1.5 (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓	-	-
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓	-	Presented in the Financial Statement
1.5 (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	Not Applicable	-	No such Gain/Loss

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓	-	Presented in the Financial Statement
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any others instruments;	Not Applicable	-	During 2021 there were no public or right issue of share
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc.;	Not Applicable	-	-
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	Not Applicable	-	No such variance occurred
1.5 (x)	A statement of remuneration paid to the directors including independent directors;	✓	-	-
1.5 (xi)	A statement that 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;	✓	-	-
1.5 (xii)	A statement that proper books of account of the issuer company have been maintained;	✓	-	-
1.5 (xiii)	A statement that 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;	✓	-	-
1.5 (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓	-	-
1.5 (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓	-	-
1.5 (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓	-	-
1.5 (xvii)	A statement that there is no Significant doubt 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 there of shall be disclosed;	✓	-	Presented in the Financial Statement

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓	-	-
1.5 (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓	-	-
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	Not Applicable	-	-
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓	-	-
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓	-	-
1.5 (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details were stated below) held by:			
1.5 (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓	-	-
1.5 (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name- wise details);	✓	-	Does not hold any share
1.5 (xxiii) (c)	Executives; and	✓	-	-
1.5 (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓	-	-
1.5 (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1.5 (xxiv) (a)	A brief resume of the director;	✓	-	-
1.5 (xxiv) (b)	Nature of his/her expertise in specific functional areas; and	✓	-	-
1.5 (xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	✓	-	-
1.5 (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
1.5 (xxv) (a)	accounting policies and estimation for preparation of financial statements;	✓	-	-
1.5 (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓	-	-
1.5 (xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓	-	-
1.5 (xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓	-	-

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.5 (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	✓	-	-
1.5 (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓	-	-
1.5 (xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓	-	-
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	✓	-	-
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓	-	-
1.6	Meetings of the Board of Directors			
1.6	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓	-	-
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition no. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓	-	-
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓	-	-
2	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	Not Applicable	-	-
2 (b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	Not Applicable	-	-

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Not Applicable	-	-
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	Not Applicable	-	-
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable	-	-
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3.1	Appointment.			
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓	-	-
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓	-	-
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓	-	-
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓	-	-
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓	-	-
3.2	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓	-	-
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3 (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
3.3 (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓	-	-
3.3 (a) (ii)	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;	✓	-	-
3.3 (b)	The MD or CEO and CFO shall also certify that 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 code of conduct for the company's Board or its members;	✓	-	-
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓	-	-
4	Board of Directors' Committee			
4	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
(i)	Audit Committee; and	✓	-	-
(ii)	Nomination and Remuneration Committee.	✓	-	-
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5.1 (a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓	-	-
5.1 (b)	The Audit Committee shall assist the Board 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;	✓	-	-
5.1 (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓	-	-
5.2	Constitution of the Audit Committee			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓	-	-
5.2 (b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓	-	-

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
5.2 (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓	-	-
5.2 (d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	Not Applicable		There was no such vacancy created
5.2 (e)	The company secretary shall act as the secretary of the Committee:	✓	-	-
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓	-	-
5.3	Chairperson of the Audit Committee			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓	-	-
5.3 (b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓	-	-
5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓	-	-
5.4	Meeting of the Audit Committee			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓	-	-

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓	-	-
5.5	Role of Audit Committee			
5.5	The Audit Committee shall:			
5.5 (a)	Oversee the financial reporting process;	✓	-	-
5.5 (b)	monitor choice of accounting policies and principles;	✓	-	-
5.5 (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓	-	-
5.5 (d)	oversee hiring and performance of external auditors;	✓	-	-
5.5 (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓	-	-
5.5 (f)	review along with the management, the annual financial statements before submission on to the Board for approval;	✓	-	-
5.5 (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓	-	-
5.5 (h)	review the adequacy of internal audit function;	✓	-	-
5.5 (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓	-	-
5.5 (j)	review statement of all related party transactions submitted by the management;	✓	-	-
5.5 (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓	-	-
5.5 (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓	-	-
5.5 (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds 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:	Not Applicable	-	-

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
	Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			
5.6	Reporting of the Audit Committee			
5.6 (a)	Reporting the Board of Directors			
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board.	✓	-	-
5.6 (a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5.6 (a) (ii) (a)	report on conflicts of interests;	Not Applicable	-	-
5.6 (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	Not Applicable	-	-
5.6 (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	Not Applicable	-	-
5.6 (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	Not Applicable	-	-
5.6 (b)	Reporting to the Authorities:			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	Not Applicable	-	-
5.7	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition no. 5(6) (a) (ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓	-	-
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors			
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓	-	-

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓	-	-
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓	-	-
6.2	Constitution of the NRC			
6.2 (a)	The Committee shall comprise of at least three members including an independent director;	✓	-	-
6.2 (b)	All members of the Committee shall be non-executive directors;	✓	-	-
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	✓	-	-
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;	✓	-	-
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓	-	-
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓	-	-
6.2 (g)	The company secretary shall act as the secretary of the Committee;	✓	-	-
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓	-	-
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓	-	-
6.3	Chairperson of the NRC			
6.3 (a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓	-	-

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Not Applicable	-	-
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓	-	-
6.4	Meeting of the NRC			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	✓	-	-
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Not Applicable	-	-
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓	-	-
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓	-	-
6.5	Role of NRC			
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓	-	-
6.5 (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6.5 (b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6.5 (b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓	-	-
6.5 (b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓	-	-

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
6.5 (b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓	-	-
6.5 (b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓	-	-
6.5 (b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓	-	-
6.5 (b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓	-	-
6.5 (b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓	-	-
6.5 (b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓	-	-
6.5 (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓	-	-
7	External or Statutory Auditors			
7.1	The issuer shall not engage its external or statutory auditors to perform the following services of the company, namely:			
7.1 (i)	appraisal or valuation services or fairness opinions;	✓	-	-
7.1 (ii)	financial information system design and implementation;	✓	-	-
7.1 (iii)	book-keeping or other services related to the accounting records or financial statements;	✓	-	-
7.1 (iv)	broker-dealer services;	✓	-	-
7.1 (v)	actuarial services;	✓	-	-
7.1 (vi)	internal audit services or special audit services;	✓	-	-
7.1 (vii)	any services that the Audit Committee determines.	✓	-	-
7.1 (viii)	audit or certification services on compliance of corporate governance as required under condition No.9(1); and	✓	-	-

Condition No.	Title	Compliance Status Put ✓ in the appropriate column		Remarks (if any)
		Complied	Not Complied	
7.1 (ix)	any other service that creates conflict of interest.	✓	-	-
7.2	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; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓	-	-
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓	-	-
8	Maintaining a website by the Company			
8.1	The Company shall have an official website linked with the website of the stock exchange.	✓	-	-
8.2	The company shall keep the website functional from the date of listing.	✓	-	-
8.3	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s).	✓	-	-
9	Reporting and Compliance of Corporate Governance			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓	-	-
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	✓	-	-
9.3	The directors of the company shall state, in the directors' report whether the company has complied with these conditions or not.	✓	-	-

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Audit Committee Report

The Board of Directors of Bata Shoe Company (Bangladesh) Limited has constituted an Audit Committee to support the Board in fulfilling its oversight responsibilities.

The Audit Committee meeting was held four times for the year 2021. The Finance Director, Company Secretary, and the Head of Internal Audit were invitees to the Audit Committee meeting.

Purpose of the Audit Committee

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

Major Responsibilities of the Audit Committee

In 2021, the Audit Committee reviewed its terms of reference in line with requirements of the Bangladesh Securities and Exchange Commission's (BSEC) notification on corporate governance. The Committee carried out its duties in accordance with the terms of reference of the Audit Committee. Some of the major responsibilities of the Audit Committee are as follows:

- Review the annual, half-yearly, and quarterly financial statements and other financial results, and upon its satisfaction of the review, recommend the same to the Board.
- Review the adequacy and effectiveness of the financial reporting process, internal control system, risk management, auditing matters, and the company's processes for monitoring compliance with laws and regulations and the Codes of Conduct.
- Recommend appointment, termination, and determination of audit fees for statutory auditors. Consider the scope of work, and oversee and evaluate the work performed by statutory auditors. Review permitted non-audit services performed by statutory auditors.
- Exercise its oversight of the work of the Internal Audit department of the company. Review the effectiveness of the Internal Audit function including performance, structure, adequacy of resources, and compliance with professional standards. Examine audit findings and material weaknesses and monitor implementation of audit action plans.

Major Activities of the Audit Committee

- Reviewed and recommended to the Board the quarterly and annual financial statements for the year ended 31 December 2021.
- Considered and made a recommendation to the Board on the appointment and remuneration of external auditors, Hussain Farhad & Co. Chartered Accountants for the year 2022.
- Reviewed the management letter from external auditors for the year 2021 together with management's responses to the findings.
- Approved the Internal Audit Plan for 2022, monitored progress, and effected revisions when necessary.
- Discussed Internal Audit reports and findings in detail with auditors and members of management and monitored the status of implementation of audit action plans and provided guidance to ensure timely completion of action plans.
- Reviewed the activities of the compliance function, incidence reporting and actions, and the status of enforcement of the company's Codes of Conduct.
- Reviewed the Internal Audit Charter.
- Reviewed and received a report on the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC).

The above matters are significant recommendations for continuous improvement and therefore duly noted.



K M Rezaul Hasanat
Chairman - Audit Committee



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Independent Auditor's Report

To the shareholders of Bata Shoe Company (Bangladesh) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bata Shoe Company (Bangladesh) Limited ("the Company"), which comprise the statement of financial position as at December 31, 2021, and 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Our response to the risk
Carrying value (CV) of Property, plant and equipment (PPE) and its impairment	
PPE includes the Company's Non-current assets, which flow economic benefits to the entities for more than one year. PPE is measured at historical cost except for Freehold land, which is carried at a revalued amount, being fair values at the date of revaluation. PPE of Bata Shoe Company (Bangladesh) Limited comprises a major portion of the total assets, which amounts to Tk. 856,281,546 at the reporting date. Apparently, the carrying value of PPE represents a significant portion of the Company's assets and there is a function of charging depreciation that involved estimation. Therefore, it has been considered a significant area of auditor's judgment and requires special attention. There is also a risk that the impairment charges may not have been recognized.	We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others: • Reviewed basis of recognition, measurement and valuation of assets; • Observed procedures of assets acquisition, depreciation and disposal; • Checked ownership of the major assets; • Checked the Capital-Work-in-Progress (CWIP) and its transfer to PPE. • Performed physical asset verification at the year-end; • Critically reviewed the Company's assumptions in relation to recoverable amounts of the major PPE to identify if there is any requirement of recognition of impairment; and • Finally, assessed the appropriateness and presentation of disclosures related to relevant accounting standards. • Our test results did not identify any issues with regard to the carrying value of PPE or any indication that would trigger impairment.
See notes no. 18 & 47 (E) to the financial statements	
Revenue Recognition	
Key Audit Matter	Our response to the risk
For the year-end, the Company reported total revenue of Taka 7,744,936,100 in Note 7 of the financial statements. Revenue is measured by net of discounts, incentives, Value Added Tax (VAT) and loyalty points earned by customers on the Company's sales. The Company makes sales through retail, non-retail sales (NRS), and E-commerce channels across the country and export sales made during the year. The company recognizes sales on fortnightly basis. Revenue was considered a material item due to the nature of the transactions. There is also a risk that revenue may be misstated due to fraud through misstating of price declaration, unrecorded sales, maintaining accrual concept for invoicing, recognition within the Cutoff period, and inaccurate sales figures and unauthorized sales.	We have tested the design and operating effectiveness of key controls focusing on the following areas: • Assessed whether the revenue recognition policy is appropriate which is in line with IFRS 15 - Revenue from contracts with customers; • Performed walkthrough tests to understand the adequacy and the design of the revenue cycle; • Reviewed the monthly reporting from stores and depots and distributors, assessed them for consistency, and checked the documentation on a sample basis; • Obtained supporting documentation for sales transactions recorded at the beginning and end of the year to verify the revenue recognition at the cut off time. • Obtained third-party confirmation on a sample basis for trade and other receivables. • Performed substantive analytical procedures to understand how revenue trends impacted over the year, among other parameters. Finally, assessed the appropriateness and presentation of disclosures related to relevant accounting standards.

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See note no. 7 & 46 (A) to the financial statements	
Implementation of IFRS 16 Leases	
Key Audit Matter	Our response to the risk
IFRS 16: Leases modifies the accounting treatment of operating leases at inception, with the recognition of a Right Of Use (ROU) on the leased assets and liability for the lease payments over the lease contract term with respect to operating leases of premises, in exchange for a lease debt, using an implicit discount rate. The company has made all leasing arrangements within the scope of IFRS 16, which have been identified and appropriately included in the calculation and specific assumptions have been applied to determine the discount rates for leases.	We have reviewed the appropriateness of management's approach for IFRS 16 and its impact on the financial statements. Our following audit procedure included a test of classification and measurement of right-of-use assets and lease liabilities in accordance with IFRS 16: • Checked the present value calculation for lease assets and liabilities. • Reviewed lease agreements and made a calculation to ascertain the appropriateness of the incremental borrowing rate used. • Examined the accuracy and appropriateness of accounting adjustments in the financial statements as well as verified the adequacy and appropriateness of disclosures in the financial statements.
See Note no. 19, 29 & 47 (K) to the financial statements	
Deferred tax Assets	
Key Audit Matter	Our response to the risk
The company reported net deferred tax assets of Tk. 468,282,300 as at December 31, 2021. Significant judgment is required about deferred tax assets as it impacts forecasts of future profitability over a number of years. There is significant measurement uncertainty involved in this valuation and therefore, it was significant to our audit.	We have carried out the following substantive tests to address the related risk: • Developed an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax assets and deferred tax liabilities and the assumptions used in estimating the future taxable income of the Company. • Assessed the completeness and accuracy of the data used for the estimations of future taxable income. • Tested the mathematical accuracy in the calculation of deferred tax. • Assessed key assumptions, controls, recognition and measurement of Deferred Tax Assets. • Assessed the adequacy of the Company's disclosures, setting out the basis of deferred tax assets balances and the level of estimation involved. • We also reviewed the tax implications, the reasonableness of estimations and calculations determined by management. • Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Taxes.
See note no 28 & 47 (D) to the financial statements.	
Valuation of Inventories	
Key Audit Matter	Our response to the risk
The Company had inventories of Tk. 2,773,817,825 at 31st December 2021 held in factories, depots and outlets. Inventories are carried at a lower cost and net realizable value. As a result, the Management applies judgement in determining the appropriate values for slow-moving or obsolete items. Since the inventory value is significant to the financial statements and there is substantial measurement uncertainty involved in this valuation, the inventory valuation was significant to our audit.	We verified the appropriateness of the management's assumptions applied in the calculation of the value of the inventory. To mitigate the related risk we have followed following audit procedures: • Evaluated the design and implementation of key inventory controls operating across the factory, depots and outlets; • Conducted inventory counts of outlets, factories and depots and reconciled the count results to the inventory listings to test the completeness of data; • Evaluated, on a sample basis, whether inventories were stated at the lower of cost and net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date; • Assessed whether some of the inventory became slow-moving or obsolete due to the pandemic caused by COVID-19 and assessed the necessity for inventory provisioning; and • Evaluated the adequacy of financial statement disclosure as per IAS-2
See note no 20 & 47 (I) to the financial statements	

Other Matter

The financial statements of Bata Shoe Company (Bangladesh) Limited for the year ended December 31, 2020, were audited by Hoda Vasi Chowdury & Co., Chartered Accountants who expressed an unmodified opinion on those financial statements on 01 June, 2021.

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Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations 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.

In preparing financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules, 2020 and relevant notification issued by Bangladesh Securities and Exchange Commission, 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the Company's statements of financial position and statement of profit or loss and other comprehensive income along with the annexed notes 1 to 48 dealt with by the report are in agreement with the books of accounts; and
- d) the expenditure incurred was for the purposes of the Company's business.

Firm Name : Hussain Farhad & Co., Chartered Accountants
 Registration no : 4/452/ICAB-84

Signature of the auditor : 
 Name of the auditor : M Farhad Hussain FCA, Partner/Enrollment No: 0452
 DVC No : 2204270452AS796983
 Place : Dhaka
 Date : 25th April 2022.

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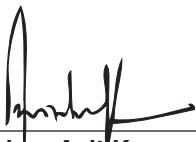
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Bata Shoe Company (Bangladesh) Limited Statement of Financial Position

As at 31 December 2021 <i>In taka</i>	Note	31 December 2021	31 December 2020
Assets			
Property, plant and equipment	18	856,281,546	955,426,807
Right-of-use assets	19	1,458,678,691	1,498,878,565
Deferred tax assets	28	468,282,300	448,000,000
Non-current assets		2,783,242,537	2,902,305,372
Inventories	20	2,773,817,825	2,918,062,766
Trade and other receivables	21	40,309,098	192,137,684
Advances, deposits and prepayments	22	219,704,929	495,451,427
Cash and cash equivalents	23	622,781,937	125,919,383
Current assets		3,656,613,789	3,731,571,260
Total assets		6,439,856,326	6,633,876,632
Equity			
Share capital	24	136,800,000	136,800,000
Reserves and surplus	25	110,492,803	110,492,803
Retained earnings	26	3,204,583,592	3,447,580,109
Total equity		3,451,876,395	3,694,872,912
Liabilities			
Lease liabilities	29	1,062,880,077	1,089,303,058
Non-current liabilities		1,062,880,077	1,089,303,058
Lease liabilities	29	413,055,396	442,123,331
Trade and other payables	30	1,280,267,118	1,164,750,283
Unclaimed dividend	31	10,973,803	45,524,635
Contract liabilities	32	29,161,950	20,930,809
Current tax liabilities	33	191,641,587	176,371,604
Current liabilities		1,925,099,854	1,849,700,662
Total liabilities		2,987,979,931	2,939,003,720
Total equity and liabilities		6,439,856,326	6,633,876,632
Net asset value (NAV) per share [previous year's figure restated]	38	252.33	270.09

These financial statements should be read in conjunction with annexed notes


Anirban Asit Kumar Ghosh
Managing Director


K. M. Rezaul Hasanat
Director


Shambhu Nath Jha
Finance Director


Md. Hashim Reza
Company Secretary and
GM - Finance

As per our report of same date.


Hussain Farhad & Co.
Chartered Accountants

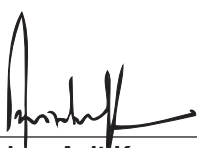
Place: Dhaka
Dated: 25 April 2022
DVC: 2204270452AS796983

Bata Shoe Company (Bangladesh) Limited

Statement of Profit or Loss and other Comprehensive Income

For the year ended 31 December 2021			
<i>In taka</i>	<i>Note</i>	2021	2020
Revenue	7	7,744,936,100	5,084,505,532
Cost of sales	8	(4,926,836,295)	(3,790,379,242)
Gross profit		2,818,099,805	1,294,126,290
Other income/(loss)	9	16,708,703	6,843,639
Operating expenses	10	(2,643,483,678)	(2,268,559,359)
Impairment loss/(reversal) on trade receivables	21(C)	3,188,700	(443,920,040)
Operating profit/(loss)		194,513,530	(1,411,509,470)
Finance income	11(A)	20,216,528	19,630,776
Finance costs	11(B)	(163,929,076)	(201,891,497)
Net finance costs	11	(143,712,548)	(182,260,721)
Profit/(loss) before tax and contribution to WPPF		50,800,982	(1,593,770,191)
Contribution to WPPF	12	(2,540,049)	-
Profit/(loss) before tax		48,260,933	(1,593,770,191)
Income tax (expense)/income	13	(116,739,750)	269,071,750
Profit/(loss) for the year		(68,478,817)	(1,324,698,441)
Other comprehensive income/(loss), net of tax	14	(37,717,700)	3,215,250
Total comprehensive income/(loss)		(106,196,517)	(1,321,483,191)
Earnings per share [previous year's figure restated]	37	(5.01)	(96.83)
Earnings per share [before restatement]	37	(5.01)	(96.94)

These financial statements should be read in conjunction with annexed notes


Anirban Asit Kumar Ghosh
Managing Director


K. M. Rezaul Hasanat
Director


Shambhu Nath Jha
Finance Director


Md. Hashim Reza
Company Secretary and
GM - Finance

As per our report of same date.


Hussain Farhad & Co.
Chartered Accountants

Place: Dhaka
Dated: 25 April 2022
DVC: 2204270452AS796983

Bata Shoe Company (Bangladesh) Limited

Statement of Changes in Equity

For the year ended 31 December 2021							
In taka	Note	Share capital	Reserve on revaluation of land	Non-distributable special reserve	General Reserve	Retained earnings	Total equity
Balance at 1 January 2020		136,800,000	60,631,183	998,620	48,863,000	4,741,076,478	4,988,369,281
Impact of capitalized freight costs of 2019		-	-	-	-	27,986,822	27,986,822
Restated balance at 1 January 2020		136,800,000	60,631,183	998,620	48,863,000	4,769,063,300	5,016,356,103
Total comprehensive income/(loss) for the year							
Profit/(loss) for the year		-	-	-	-	(1,324,698,441)	(1,324,698,441)
Other comprehensive income for the year		-	-	-	-	3,215,250	3,215,250
Total comprehensive income/(loss) for the year		-	-	-	-	(1,321,483,191)	(1,321,483,191)
Contributions and distributions							
Interim dividends	26	-	-	-	-	-	-
Final dividends	26	-	-	-	-	-	-
Total transactions with owners of the Company							
Balance at 31 December 2020		136,800,000	60,631,183	998,620	48,863,000	3,447,580,109	3,694,872,912
Balance at 1 January 2021		136,800,000	60,631,183	998,620	48,863,000	3,447,580,109	3,694,872,912
Total comprehensive income/(loss) for the year							
Profit/(loss) for the year		-	-	-	-	(68,478,817)	(68,478,817)
Other comprehensive income/(loss) for the year		-	-	-	-	(37,717,700)	(37,717,700)
Total comprehensive income/(loss) for the year		-	-	-	-	(106,196,517)	(106,196,517)
Contributions and distributions							
Interim dividends	26	-	-	-	-	(102,600,000)	(102,600,000)
Final dividends	26	-	-	-	-	(34,200,000)	(34,200,000)
Total transactions with owners of the Company		-	-	-	-	(136,800,000)	(136,800,000)
Balance at 31 December 2021		136,800,000	60,631,183	998,620	48,863,000	3,204,583,592	3,451,876,395

These financial statements should be read in conjunction with annexed notes


Anirban Asit Kumar Ghosh
 Managing Director


K. M. Rezaul Hasanat
 Director


Shambhu Nath Jha
 Finance Director


Md. Hashim Reza
 Company Secretary and
 GM - Finance

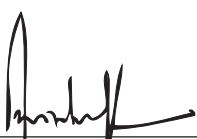
Place: Dhaka
Dated: 25 April 2022

Bata Shoe Company (Bangladesh) Limited

Statement of Cash Flows

For the year ended 31 December 2021			
<i>In taka</i>	<i>Note</i>	2021	2020
Cash flows from operating activities			
Cash receipts from customers		7,884,731,973	5,762,916,940
Cash payments to and on behalf of employees		(1,325,501,249)	(1,623,835,555)
Cash payments for defined benefit plan	27	(73,920,000)	(313,113,000)
Cash payments to suppliers and contractors for goods and services		(4,974,640,007)	(3,434,471,343)
Cash generated from operating activities		1,510,670,717	391,497,042
Interest received	11(A)	20,216,528	19,630,775
Interest paid	11(B)	(163,929,076)	(167,217,709)
Income taxes paid		(109,730,017)	(213,012,505)
Net cash from operating activities		1,257,228,152	30,897,603
Cash flows from investing activities			
Acquisition of property, plant and equipment		(69,850,867)	(39,174,818)
Proceeds from sale of property, plant and equipment		1,315,210	703,183
Net cash used in investing activities		(68,535,657)	(38,471,635)
Cash flows from financing activities			
Payment of lease liabilities (principal portion)	29(A)	(520,479,109)	(407,869,074)
Dividend paid	31	(171,350,832)	(169,727,128)
Net cash used in financing activities		(691,829,941)	(577,596,202)
Net increase/(decrease) in cash and cash equivalents		496,862,554	(585,170,234)
Cash and cash equivalents at the beginning		125,919,383	711,089,617
Cash and cash equivalents at 31 December	23	622,781,937	125,919,383
Net Operating Cash Flow Per Share (NOCFPS)	39	91.90	2.26

These financial statements should be read in conjunction with annexed notes


Anirban Asit Kumar Ghosh
Managing Director


K. M. Rezaul Hasanat
Director


Shambhu Nath Jha
Finance Director


Md. Hashim Reza
Company Secretary and
GM - Finance

Place: Dhaka
Dated: 25 April 2022



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Bata Shoe Company (Bangladesh) Limited

Notes to the Financial Statements

For the year ended 31 December 2021

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 255th meeting held on 25 April 2022.

Details of the Company's accounting policies, including changes during the year, if any, are included in notes 46 and 47.

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 29: Lease term

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2021 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 18:	Depreciation on property, plant and equipment
Note 28:	Deferred tax assets/liabilities
Note 20:	Provision for obsolescence
Note 21:	Measurement of allowance for trade receivables
Note 27:	Measurement of defined benefit obligations: key actuarial assumptions
Note 30(B):	Recognition and measurement of provisions
Note 33:	Uncertain tax provisions
Note 41:	Recognition and measurement of contingencies

Notes to the financial statements (continued)

6. Operating segments

See accounting policy in Note 47(N).

A. Basis for segmentation

The Company has two operating segments, Domestic and Unallocated, which are the Company's strategic divisions. They are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Company's management reviews internal management reports at least on a monthly basis. Of these two, only domestic segment is reportable. Domestic segment is mainly engaged in manufacturing and marketing of leather, rubber, plastic and canvas footwear, hosiery and accessories in domestic market. All other segments include export and their associated expenses and other income and expenses.

B. Information about reportable segments

2021 (Amount in thousands)	Domestic	All other segments	Total
Revenue	7,733,563	11,373	7,744,936
Cost of sales	(4,916,755)	(10,081)	(4,926,836)
Gross profit	2,816,808	1,292	2,818,100
Other income	-	16,709	16,709
Operating expenses	(2,637,605)	(5,879)	(2,643,484)
Impairment loss/(reversal) on trade receivables	3,188	-	3,188
Operating profit	182,391	12,122	194,513
Finance income	-	20,217	20,217
Finance costs	(153,509)	(10,420)	(163,929)
Net finance income/(costs)	(153,509)	9,797	(143,712)
Profit before tax and contribution to WPPF	28,882	21,919	50,801
Contribution to WPPF	(2,540)	-	(2,540)
Profit before tax	26,342	21,919	48,261
2020 (Amount in thousands)			
Revenue	5,073,184	11,322	5,084,506
Cost of sales	(3,780,692)	(9,688)	(3,790,380)
Gross profit	1,292,492	1,634	1,294,126
Other loss	6,844	(1)	6,843
Operating expenses	(2,265,099)	(3,460)	(2,268,559)
Impairment loss/(reversal) on trade receivables	(443,920)	-	(443,920)
Operating loss	(1,409,683)	(1,826)	(1,411,509)
Finance income	-	19,631	19,631
Finance costs	(201,631)	(261)	(201,892)
Net finance income/(costs)	(201,631)	19,370	(182,261)
Profit/(loss) before tax	(1,611,314)	17,544	(1,593,770)

C. Reconciliation of information on reportable segments to IFRSs measures

<i>In taka</i>	2021	2020
a) Revenue		
Revenue for reportable segments	7,733,563	5,073,184
Revenue for other segments	11,373	11,322
Total revenue	7,744,936	5,084,506
b) Operating profit/(loss)		
Operating profit/(loss) for reportable segments	182,391	(1,409,683)
Operating profit for other segments	12,122	(1,826)
Total operating profit/(loss)	194,513	(1,411,509)

D. Segment assets and liabilities

The necessary information regarding assets and liabilities of operating segments are not separable and individually identifiable for this purpose. For this reason the assets and liabilities of the respective segments have not been presented here.

Notes to the financial statements (continued)

7. Revenue

See accounting policy in Note 47(A).

<i>In taka</i>	<i>Note</i>	2021	2020
Local	7(A)	7,733,562,986	5,073,183,491
Export		11,373,114	11,322,041
		7,744,936,100	5,084,505,532

A. Disaggregation of local revenue

	Quantity in pairs		Amount in taka	
	2021	2020	2021	2020
Shoes	18,616,418	17,941,580	7,425,359,905	4,854,175,995
Hosiery and accessories	-	-	308,203,081	219,007,496
	18,616,418	17,941,580	7,733,562,986	5,073,183,491

8. Cost of sales

<i>In taka</i>	<i>Note</i>	2021	2020
Materials:			
Opening stock of raw materials		342,176,324	209,334,279
Purchase during the year*		2,420,983,788	1,455,108,169
Cost of raw materials available for use		2,763,160,112	1,664,442,448
Closing stock of raw materials		(490,464,218)	(342,176,324)
Raw materials consumed		2,272,695,894	1,322,266,124
Direct wages		398,915,628	395,825,059
Prime costs		2,671,611,522	1,718,091,183
Manufacturing overheads			
Entertainment		3,540,839	2,343,817
Insurance		9,166,825	8,014,154
Remuneration		205,561,526	324,918,264
Uniform		2,038,875	3,046,529
Stationery		1,999,081	1,065,998
Domestic travelling		6,316,972	4,056,315
Overseas travelling		965,410	1,065,608
Health and welfare		18,594,442	15,978,652
Postage and fax		1,225,047	1,763,709
Repairs and maintenance		39,024,752	26,907,943
Water, gas and electricity		33,489,569	29,538,342
Depreciation of property, plant and equipment	18(C)	34,633,584	35,591,660
		356,556,922	454,290,991
Total manufacturing cost		3,028,168,444	2,172,382,174
Opening work-in-progress		63,906,846	51,962,073
Closing work-in-progress	20	(29,493,864)	(63,906,846)
Cost of goods manufactured		3,062,581,426	2,160,437,401
Opening stock of finished goods		2,495,471,542	3,054,611,731
Purchase of finished goods during the year		1,622,643,070	1,070,801,652
Cost of finished goods available for sale		7,180,696,038	6,285,850,784
Closing stock of finished goods	20	(2,253,859,743)	(2,495,471,542)
		4,926,836,295	3,790,379,242

*Duty drawback of Taka 353,081 (2020: Taka 206,334) claimed on export sales has been adjusted against cost of raw materials.

Notes to the financial statements (continued)

8. Cost of sales (Continued)

A. Cost of raw materials consumed

<i>In taka</i>	Imported	Local purchase	2021
Opening stock	194,751,753	147,424,570	342,176,323
Purchase	1,295,961,520	1,130,589,627	2,426,551,147
Closing stock	(368,341,351)	(122,122,867)	(490,464,218)
	1,122,371,922	1,155,891,330	2,278,263,252
% of material sourcing	53%	47%	
<i>In taka</i>	Imported	Local purchase	2020
Opening stock	152,873,467	56,460,812	209,334,279
Purchase	717,804,533	737,303,636	1,455,108,169
Closing stock	(194,751,753)	(147,424,570)	(342,176,323)
	675,926,247	646,339,878	1,322,266,125
% of material sourcing	49%	51%	

B. Production capacity and actual production

<i>In pairs</i>	Tongi	Dhamrai	2021
Production capacity	19,402,000	3,581,000	22,983,000
Actual production	14,412,000	3,244,000	17,656,000
<i>In pairs</i>	Tongi	Dhamrai	2020
Production capacity	32,250,000	7,614,000	39,864,000
Actual production	14,123,000	2,829,000	16,952,000

9. Other income/(loss)

<i>In taka</i>	2021	2020
Forfeited amount of provident fund	-	10,327,991
Discount for early payment	27,627,405	12,262,583
Loss on disposal of property, plant and equipment	(10,711,708)	(10,328,728)
Loss on remeasurement of lease liabilities	(206,994)	(5,418,207)
	16,708,703	6,843,639

10. Operating expenses

<i>In taka</i>	Note	2021	2020
Administrative expenses	10(A)	623,916,614	554,850,055
Selling and distribution expenses	10(B)	2,019,567,064	1,713,709,304
		2,643,483,678	2,268,559,359

A. Administrative expenses

Remuneration		370,287,568	338,213,672
Global Footwear Services fees		132,897,133	83,314,486
Domestic travelling		27,541,226	42,650,617
Depreciation of property, plant and equipment	18(C)	21,331,385	20,772,288
General charges		15,812,890	24,622,424
Rent, rates and taxes		14,101,217	12,218,688
Insurance		6,985,908	4,192,288
Legal and professional fees		6,392,360	3,147,049
Depreciation of right-of-use assets	19(B)	4,584,842	5,122,067
Health and welfare		4,113,678	3,977,718
Entertainment		3,947,987	3,919,507
Repairs and maintenance		3,440,558	2,531,182
Stationery		2,778,984	1,980,015
Water, gas and electricity		2,715,884	2,817,838
Subscription and donation		2,500,934	927,230
Postage and fax		1,599,664	1,741,625
Land revenue		923,700	923,700
Bank charges		709,932	730,170
Audit fees		650,000	650,000
Overseas travelling		447,764	229,491
Directors' fees		153,000	168,000
		623,916,614	554,850,055

Notes to the financial statements (continued)

10. Operating expenses (continued)

B. Selling and distribution expenses

<i>In taka</i>	<i>Note</i>	2021	2020
Remuneration		372,999,192	386,753,933
Depreciation of right-of-use assets	19(B)	540,913,623	558,676,503
Royalties	10(B)(i)	332,441,408	161,309,508
Commission		144,203,926	96,417,125
Repairs and maintenance		117,367,620	78,300,053
Depreciation of property, plant and equipment	18(C)	101,004,242	119,468,174
Rent, rates and taxes		74,553,869	39,009
Freight and transport		73,345,345	79,939,881
Water, gas and electricity		72,616,505	58,759,010
Packing expenses		53,917,446	50,028,421
Selling expenses		39,311,383	13,444,445
Advertisement		33,572,509	51,331,087
Domestic travelling		21,153,831	18,965,244
Health and welfare		10,651,428	10,951,061
Stationery		9,556,609	9,249,677
Postage and fax		7,923,678	6,889,384
Entertainment		7,353,332	7,457,293
Bank charges		5,694,948	2,128,536
Legal and professional fees		663,581	2,993,767
Overseas travelling		322,589	607,193
		2,019,567,064	1,713,709,304

i. Royalties

Royalty on Hush Puppies brand	23,841,878	14,850,487
Royalty on Dr. Scholl brand	11,718,104	7,231,454
Royalty on Ben10 and Powerpuff Girls	1,771,674	2,651,318
Trade mark license fees	295,109,752	136,576,249
	332,441,408	161,309,508

11. Net finance costs

See accounting policy in Note 47(B).

Finance income	11(A)	20,216,528	19,630,776
Finance costs	11(B)	(163,929,076)	(201,891,497)
		(143,712,548)	(182,260,721)

A. Finance income

Interest on short term deposits	20,216,528	19,630,776
	20,216,528	19,630,776

B. Finance costs

Interest expense on lease liabilities	29	143,633,508	155,520,526
Interest expense on overdraft		-	8,635,905
Interest expense on personal account		2,433,762	2,454,287
Interest expense on net defined benefit obligation	27(A)	6,446,000	22,368,000
Receivable collection charges		7,441,732	606,991
Exchange loss		3,974,074	12,305,788
		163,929,076	201,891,497

Notes to the financial statements (continued)

12. Contribution to WPPF

See accounting policy in Note 47(C).

<i>In taka</i>	<i>Note</i>	2021	2020
Profit/(loss) before tax and contribution to WPPF		50,800,982	(1,593,770,191)
Applicable contribution rate		5%	5%
Amount of contribution to WPPF		2,540,049	-

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

13. Income tax expense/(income)

See accounting policy in Note 47(D).

A. Amounts recognised in profit or loss

Current tax expense			
Current year		125,000,000	57,000,000
		125,000,000	57,000,000
Deferred tax income			
Current year	28(A)	(8,260,250)	(326,071,750)
		(8,260,250)	(326,071,750)
Income tax expense/(income)		116,739,750	(269,071,750)

B. Reconciliation of effective tax rate

Profit/(loss) before tax			48,260,933	(1,593,770,191)
Income tax using applicable tax rate	22.50%	25.00%	10,858,710	(398,442,548)
Factors affecting the tax charge for current year:				
- Non-deductible expense	236.51%	-28.51%	114,141,290	454,370,798
- Movement of temporary difference	-17.12%	20.39%	(8,260,250)	(325,000,000)
	241.89%	16.88%	116,739,750	(269,071,750)

14. Other comprehensive loss/(income), net of tax

Remeasurement of defined benefit liability	48,668,000	(4,287,000)
Related tax credit	(10,950,300)	1,071,750
	37,717,700	(3,215,250)

15. Emoluments to directors

<i>In taka</i>	<i>Note</i>	2021	2020
Remuneration		28,191,215	19,676,847
Bonus		1,731,800	-
Retirement benefit schemes		1,884,310	1,333,238
Housing		4,427,200	3,145,234
		36,234,525	24,155,318

16. Emoluments to managers

Remuneration	132,395,682	120,432,590
Retirement benefit schemes	21,403,689	21,049,424
Housing	26,225,794	27,411,543
	180,025,165	168,893,557

17. Contribution to employees' provident fund and pension fund

Provident fund	17(A)	27,266,499	30,338,296
Pension fund		11,371,136	11,091,170
		38,637,635	41,429,466

A. Provident fund

Managers	10,087,224	9,958,254
Officers and supervisors	10,032,553	10,364,841
Workers	7,146,722	10,015,201
	27,266,499	30,338,296

Notes to the financial statements (continued)

18. Property, plant and equipment See accounting policy in Note 47(E).

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 2020	86,057,856	404,006,785	839,526,123	21,072,963	97,849,604	1,198,395,080	38,762,601	2,685,671,012
Additions	-	14,835,003	3,121,901	-	4,580,004	53,871,628	15,654,134	92,062,670
Disposals	-	-	-	-	-	(41,782,689)	-	(41,782,689)
Transfer	-	-	-	-	-	-	(52,887,852)	(52,887,852)
Balance as at 31 December 2020	86,057,856	418,841,788	842,648,024	21,072,963	102,429,608	1,210,484,019	1,528,883	2,683,063,141
Balance as at 1 January 2021	86,057,856	418,841,788	842,648,024	21,072,963	102,429,608	1,210,484,019	1,528,883	2,683,063,141
Additions	-	2,863,844	4,940,700	-	10,284,118	28,056,517	24,891,390	71,036,569
Disposals	-	-	-	-	(10,641,955)	(35,181,987)	(1,185,702)	(47,009,644)
Balance as at 31 December 2021	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
Accumulated depreciation								
Balance as at 1 January 2020	-	229,368,017	642,583,866	15,563,226	81,365,426	613,674,455	-	1,582,554,990
Depreciation	-	8,369,120	36,137,403	2,350,811	6,415,520	122,559,268	-	175,832,122
Disposals	-	-	-	-	-	(30,750,778)	-	(30,750,778)
Balance as at 31 December 2020	-	237,737,137	678,721,269	17,914,037	87,780,946	705,482,945	-	1,727,636,334
Balance as at 1 January 2021	-	237,737,137	678,721,269	17,914,037	87,780,946	705,482,945	-	1,727,636,334
Depreciation	-	8,738,394	34,804,535	2,350,811	7,078,259	103,997,212	-	156,969,211
Disposals	-	-	-	-	(10,587,144)	(23,209,881)	-	(33,797,025)
Balance as at 31 December 2021	-	246,475,531	713,525,804	20,264,848	84,272,061	786,270,276	-	1,850,808,520
Carrying amounts								
At 1 January 2020	86,057,856	174,638,768	196,942,257	5,509,737	16,484,178	584,720,625	38,762,601	1,103,116,022
At 31 December 2020	86,057,856	181,104,651	163,926,755	3,158,926	14,648,662	505,001,074	1,528,883	955,426,807
At 31 December 2021	86,057,856	175,230,101	134,062,920	808,115	17,799,710	417,088,273	25,234,571	856,281,546

Notes to the financial statements (continued)

18. Property, plant and equipment (continued)

B. Under construction

<i>In taka</i>	Plant and machineries	Computer and computer equipments	Buildings	Furniture for different stores	Total
Cost					
Balance as at 1 January 2020	-	-	2,344,119	36,418,482	38,762,601
Additions	1,344,401	2,663,992	11,645,741	-	15,654,134
Transfer	(1,344,401)	(1,135,109)	(13,989,860)	(36,418,482)	(52,887,852)
Balance as at 31 December 2020	-	1,528,883	-	-	1,528,883
Balance as at 1 January 2021	-	1,528,883	-	-	1,528,883
Additions	5,533,623	3,531,119	-	15,826,648	24,891,390
Transfer	(1,185,702)	-	-	-	(1,185,702)
Balance as at 31 December 2021	4,347,921	5,060,002	-	15,826,648	25,234,571

C. Allocation of depreciation

<i>In taka</i>	<i>Note</i>	2021	2020
Cost of sales	8	34,633,584	35,591,660
Administrative expenses	10(A)	21,331,385	20,772,288
Selling and distribution expenses	10(B)	101,004,242	119,468,174
		156,969,211	175,832,122

D. Disposal of property, plant and equipment

Auction sales to various parties

<i>In taka</i>	Computer and computer equipments	Shop furnitures and equipments	Total
2021			
Cost	10,641,955	35,181,987	45,823,942
Accumulated depreciation	(10,587,144)	(23,209,881)	(33,797,025)
Written down value	54,811	11,972,106	12,026,917
Sales value	277,482	1,037,728	1,315,210
Profit/(loss) on disposal	222,671	(10,934,378)	(10,711,707)
2020			
Cost	-	41,782,689	41,782,689
Accumulated depreciation	-	30,750,778	30,750,778
Written down value	-	72,533,467	72,533,467
Sales value	-	703,183	703,183
Profit/(loss) on disposal	-	(71,830,284)	(71,830,284)

Notes to the financial statements (continued)

19. Right-of-use assets

See accounting policy in Note 47(K).

A. Reconciliation of carrying amount

<i>In taka</i>	Store and warehouses	Total
Cost		
Balance as at 1 January 2020	2,182,187,610	2,182,187,610
Additions	125,228,580	125,228,580
Modifications	(50,604,514)	(50,604,514)
Adjustment for remeasurement	289,416,883	289,416,883
Balance as at 31 December 2020	2,546,228,559	2,546,228,559
Balance as at 1 January 2021	2,546,228,559	2,546,228,559
Additions	9,246,485	9,246,485
Modifications	496,259,100	496,259,100
Adjustment for remeasurement	(206,994)	(206,994)
Balance as at 31 December 2021	3,051,527,150	3,051,527,150
Accumulated Depreciation		
Balance as at 1 January 2020	533,049,803	533,049,803
Depreciation	563,798,570	563,798,570
Disposals	(49,498,379)	(49,498,379)
Balance as at 31 December 2020	1,047,349,994	1,047,349,994
Balance as at 1 January 2021	1,047,349,994	1,047,349,994
Depreciation	545,498,465	545,498,465
Balance as at 31 December 2021	1,592,848,459	1,592,848,459
Carrying amounts		
At 1 January 2020	1,649,137,807	1,649,137,807
At 31 December 2020	1,498,878,565	1,498,878,565
At 31 December 2021	1,458,678,691	1,458,678,691

B. Allocation of depreciation

<i>In taka</i>	Note	2021	2020
Administrative expenses	10(A)	4,584,842	5,122,067
Selling and distribution expenses	10(B)	540,913,623	558,676,503
		545,498,465	563,798,570

20. Inventories

See accounting policy in Note 47(I).

<i>In taka</i>	2021	2020
Raw materials	490,464,218	358,684,378
Work in process	29,493,864	63,906,846
Finished goods	2,253,859,743	2,495,471,542
	2,773,817,825	2,918,062,766
Opening balance of finished goods	2,495,471,542	3,054,611,731
Add: Capitalized freight costs for the year 2019	-	27,986,822
Restated opening balance	2,495,471,542	3,082,598,553
Purchase of finished goods during the year	1,622,643,070	1,070,801,652
Transferred to Cost of goods sold	(4,359,726,411)	(1,657,928,663)
Closing balance	2,253,859,743	2,495,471,542

Notes to the financial statements (continued)

21. Trade and other receivables

See accounting policy in Note 47(G).

<i>In taka</i>	<i>Note</i>	2021	2020
Trade receivables from external parties	21(A)	652,084,214	793,123,419
Trade receivables from related parties	34(C)	1,243,332	-
Other receivables	21(B)	7,893,506	23,114,919
Provision for impairment loss on trade receivables	21(C)	(620,911,954)	(624,100,654)
		40,309,098	192,137,684

A. Trade receivables from external parties

Export customers		1,716,858	1,348,457
Receivables from dealers		622,033,341	747,634,805
Receivables from institutional sale		28,334,015	44,140,157
		652,084,214	793,123,419

B. Other receivables

Receivable from provident fund forfeited accounts		-	10,327,991
VAT claims		7,861,586	4,663,052
Insurance claims		31,920	8,123,876
		7,893,506	23,114,919

C. Provision for impairment loss on trade receivables

Opening balance		624,100,654	180,180,614
Provision made/(reversed) during the year		(3,188,700)	443,920,040
Closing balance		620,911,954	624,100,654

22. Advances, deposits and prepayments

See accounting policy in Note 47(G).

<i>Advances</i>	22(A)	25,527,157	52,487,738
<i>Deposits</i>	22(B)	139,820,505	407,375,142
<i>Prepayments</i>	22(C)	54,357,267	35,588,547
		219,704,929	495,451,427

A. Advances

Advance to suppliers		6,985,501	10,511,658
Advance to employees	22(A)(i)	18,541,656	41,976,080
		25,527,157	52,487,738

i. Advance to employees

Advance paid		45,381,610	76,927,960
Provision for doubtful debts		(26,839,954)	(34,951,880)
		18,541,656	41,976,080

B. Deposits

Security and other deposits		139,820,505	407,375,142
		139,820,505	407,375,142

C. Prepayments

Prepayments to landlords		54,357,267	35,588,547
		54,357,267	35,588,547

23. Cash and cash equivalents

See accounting policy in Note 47(G).

Cash in hand		83,343	169,846
Bank balances		622,698,594	125,749,537
		622,781,937	125,919,383

24. Share capital

Authorised

2,000,000 ordinary shares of Taka 10 each		200,000,000	200,000,000
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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

Notes to the financial statements (continued)

24. Share capital (Continued)

A. Ordinary shares

The shares are listed both in the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and quoted at Taka 966.90 (2020: Taka 702.70) and Taka 955.80 (2020: Taka 700.00) per share at 31 December 2021 and 2020 respectively.

B. Percentage of shareholding

Name of the shareholders	As at 31 December 2021	
	Face value (Taka)	Percentage of holding
Bafin (Nederland) B.V	95,760,000	70.00%
Non-resident shareholders	2,159,290	1.58%
Local shareholders	38,880,710	28.42%
	136,800,000	100%

Name of the shareholders	As at 31 December 2020	
	Face value (Taka)	Percentage of holding
Bafin (Nederland) B.V	95,760,000	70.00%
Non-resident shareholders	2,478,230	1.81%
Local shareholders	38,561,770	28.19%
	136,800,000	100%

C. Classification of shareholders by holdings

Holdings	Number of shareholders		Number of shares	
	2021	2020	2021	2020
Less than 501 shares	5,515	5,988	557,904	613,942
501 to 5,000 shares	307	358	455,508	519,019
5,001 to 10,000 shares	30	37	226,127	256,165
10,001 to 20,000 shares	23	23	318,094	344,685
20,001 to 30,000 shares	6	3	152,448	75,188
30,001 to 40,000 shares	5	5	173,673	172,911
40,001 to 50,000 shares	3	3	141,575	141,030
50,001 to 100,000 shares	12	11	817,845	758,083
100,001 to 1,000,000 shares	6	6	1,260,826	1,222,977
Over 1,000,000 shares	1	1	9,576,000	9,576,000
	5,908	6,435	13,680,000	13,680,000

25. Reserves and surplus

In taka	Note	2021	2020
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.

26. Retained earnings

Opening balance	26(A)	3,447,580,109	4,769,063,300
Loss for the year		(68,478,817)	(1,324,698,441)
Other comprehensive income/(loss)		(37,717,700)	3,215,250
Interim dividend paid during the year		(102,600,000)	-
Final dividend paid during the year		(34,200,000)	-
Closing balance		3,204,583,592	3,447,580,109

A. Opening balance

Opening balance	3,447,580,109	4,741,076,478
Add: Capitalized freight costs for the year 2019	-	27,986,822
Restated opening balance	3,447,580,109	4,769,063,300

Notes to the financial statements (continued)

27. Employee benefits

See accounting policy in Note 47(C).

<i>In taka</i>	2021	2020
Defined benefit liability	246,194,476	193,258,896
Total defined benefit liability	246,194,476	193,258,896
Defined benefit asset	246,194,476	193,258,896
Total defined benefit asset	246,194,476	193,258,896
Net defined benefit liability/(asset)	-	-

A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balance to the closing balances for the defined benefit (asset) liability and its components.

<i>In taka</i>	2021	2020	2021	2020	2021	2020
Opening balance	193,258,896	265,200,896	193,258,896	-	-	265,200,896
Included in Profit and loss						
Current service cost	18,806,000	21,769,000	-	-	18,806,000	21,769,000
Past service cost	-	-	-	-	-	-
Interest cost/(income)	12,892,000	22,368,000	6,446,000	-	6,446,000	22,368,000
Included in OCI	31,698,000	44,137,000	6,446,000	-	25,252,000	44,137,000
Remeasurement actuarial loss/(gain)	43,664,580	2,328,000	(5,003,420)	-	48,668,000	2,328,000
Other	43,664,580	2,328,000	(5,003,420)	-	48,668,000	2,328,000
Contribution paid by the employer	-	-	73,920,000	313,113,000	(73,920,000)	(313,113,000)
Curtailments	-	1,447,000	-	-	-	1,447,000
Benefits paid	(22,427,000)	(55,854,000)	(22,427,000)	(55,854,104)	-	104
Settlements	-	(64,000,000)	-	(64,000,000)	-	-
	(22,427,000)	(118,407,000)	51,493,000	193,258,896	(73,920,000)	(311,665,896)
Closing balance	246,194,476	193,258,896	246,194,476	193,258,896	-	-

27. Employee benefits (continued)

The estimated liability for defined benefit (asset) liability has been recorded based on the actuarial valuations for the year ended 31 December 2021 which was performed by Willis Towers Watson India Private Limited, independent actuary, using the Projected Unit Credit method. Prior year amounts were rearranged to present actual comparative amount. The significant assumptions used in the valuations for the year ended 31 December 2021 are as follows:

Particulars	Assumptions
Discount Rate	6.80%
Salary Escalation Rate	5.00%
Mortality Rate	Assumptions regarding future mortality have been used based on published statistics and mortality tables. As there is no published mortality table in Bangladesh and hence the Indian Assured Life Mortality rate (2006-08) (modified) Ult. based on the mortality experience of assured lives in India is being used as a reasonable approximation. The current longevities underlying the values of the defined obligations at the reporting date was adopted from Indian Life Mortality table.
Gratuity fund age	60 years; Workers; 58 years; Management Employees

Notes to the financial statements (continued)

28. Deferred tax assets

See accounting policy in Note 47(D).

<i>In taka</i>	<i>Note</i>	2021	2020
Opening balance		449,071,750	123,000,000
Recognition in profit or loss account	28(A)	8,260,250	326,071,750
Closing balance other than OCI		457,332,000	449,071,750
Recognition in OCI		10,950,300	(1,071,750)
Closing balance including OCI		468,282,300	448,000,000

A. Movement in deferred tax balances

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

<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
2021					
Property, plant and equipment	(9,677,818)	7,030,818	(2,647,000)	-	2,647,000
Right-of-use assets	(374,719,641)	46,516,641	(328,203,000)	-	328,203,000
Lease liabilities	382,856,597	(50,771,597)	332,085,000	332,085,000	-
Employee benefits	-	-	-	-	-
Provision against personal accounts	8,737,970	(2,698,970)	6,039,000	6,039,000	-
Provision for impairment loss on trade receivables	156,025,163	(16,320,163)	139,705,000	139,705,000	-
Unused tax losses	285,849,479	24,503,521	310,353,000	310,353,000	-
	449,071,750	8,260,250	457,332,000	788,182,000	330,850,000
Deferred tax income recognised in profit or loss account					(8,260,250)
Deferred tax income recognised in OCI					(10,950,300)
					(19,210,550)
2020					
Property, plant and equipment	(23,518,536)	13,840,718	(9,677,818)	-	9,677,818
Right-of-use assets	417,720,931	(792,440,572)	(374,719,641)	-	374,719,641
Lease liabilities	(392,046,423)	774,903,020	382,856,597	382,856,597	-
Employee benefits	66,300,224	(66,300,224)	-	-	-
Provision against personal accounts	8,644,220	93,750	8,737,970	8,737,970	-
Provision for impairment loss on trade receivables	45,045,154	110,980,009	156,025,163	156,025,163	-
Unused tax losses	-	285,849,479	285,849,479	285,849,479	-
Rounded off	854,430	(854,430)	-	-	-
	123,000,000	326,071,750	449,071,750	833,469,209	384,397,459
Deferred tax income recognised in profit or loss account					(326,071,750)
Deferred tax expenses recognised in OCI					1,071,750
					(325,000,000)

Notes to the financial statements (continued)

28. 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 31 December	Tax base amount as at 31 December	Taxable/ (deductible) temporary difference
	(i)	(ii)	(iii = i - ii)
2021			
Property, plant and equipment	744,889,336	733,125,038	11,764,298
Right-of-use assets	1,458,678,692	-	1,458,678,692
Lease liabilities	(1,475,935,473)	-	(1,475,935,473)
Employee benefits	-	-	-
Provision against personal accounts	(26,839,954)	-	(26,839,954)
Provision for impairment loss on trade receivables	(620,911,954)	-	(620,911,954)
Unused tax losses	-	1,379,348,757	(1,379,348,757)
Applicable tax rate			22.5%
			(457,332,000)
Deferred tax income recognised in other comprehensive income			(10,950,300)
Deferred tax assets			(468,282,300)
2020			
Property, plant and equipment	865,018,762	826,307,487	38,711,275
Right-of-use assets	1,498,878,565	-	1,498,878,565
Lease liabilities	(1,531,426,389)	-	(1,531,426,389)
Provision against personal accounts	(34,951,880)	-	(34,951,880)
Provision for impairment loss on trade receivables	(624,100,654)	-	(624,100,654)
Unused tax losses	-	1,143,397,916	(1,143,397,916)
Applicable tax rate			25.0%
			(449,071,750)
Deferred tax expenses recognised in other comprehensive income			1,071,750
Deferred tax assets			(448,000,000)

29. Lease liabilities

See accounting policy in Note 47(K).

A. Reconciliation of carrying amount

<i>In taka</i>	Note	2021	2020
Opening balance		1,531,426,389	1,568,185,692
Additions		464,988,193	371,109,771
Interest on lease liabilities as per IFRS 16	11(B)	143,633,508	155,520,526
Payment of lease liabilities (principal portion)		(520,479,109)	(407,869,074)
Payment of lease liabilities (Interest portion)		(143,633,508)	(155,520,526)
Closing balance		1,475,935,473	1,531,426,389
B. Balances in the statement of financial position			
Non-current		1,062,880,077	1,089,303,058
Current		413,055,396	442,123,331
Closing balance		1,475,935,473	1,531,426,389
Maturity analysis			
6 months or less		213,422,107	219,061,666
6 - 12 months		199,633,289	223,061,666
1 - 5 years		788,391,577	863,001,444
More than 5 years		274,488,500	226,301,613
		1,475,935,473	1,531,426,389

Notes to the financial statements (continued)

29. Lease liabilities (continued)

<i>In taka</i>	<i>Note</i>	2021	2020
C. Amounts recognised in profit or loss			
Interest on lease liabilities as per IFRS 16	11(B)	143,633,508	155,520,526
Loss due to remeasurement of lease liabilities	9	206,994	5,418,207
Depreciation of right-of-use assets as per IFRS 16	19	545,498,465	563,798,570
		689,338,967	724,737,303
Expenses related to non-lease components as per IFRS 16		88,655,086	12,257,697
Total expenses recognised in profit or loss as per IFRS 16		777,994,053	736,995,000
D. Amounts recognised in the statement of cash flows			
Payment of lease liabilities (principal portion)		520,479,109	407,869,074
Payment of lease liabilities (Interest portion)	11(B)	143,633,508	155,520,526
		664,112,617	563,389,600
Payment related to non-lease components as per IFRS 16		88,655,086	12,257,697
Total cash outflows for leases during the year		752,767,703	575,647,297
E. Disaggregation of total expenses			
Rent for commercial space		577,065,707	488,724,607
Other rent (non commercial space), rate and taxes		114,368,490	174,961,702
		691,434,197	663,686,309
Vat on rent for commercial space		86,559,856	73,308,691
		777,994,053	736,995,000
30. Trade and other payables			
See accounting policy in Note 47(G).			
Trade payables to external parties	30(A)	144,341,265	219,342,573
Trade payables to related parties		408,493,753	420,886,359
Creditors for other finance	30(B)	441,948,519	352,181,948
Accrued expenses	30(C)	285,483,581	172,339,403
		1,280,267,118	1,164,750,283
A. Trade payables to external parties			
Creditors for goods		10,740,212	139,323,833
Creditors for expenses	30(A)(i)	133,601,053	80,018,740
		144,341,265	219,342,573
i. Creditors for expenses			
Payable to local suppliers		26,685,853	8,934,546
Payable to Global Footwear Services		106,915,200	71,084,194
		133,601,053	80,018,740
B. Creditors for other finance			
Workers' profit participation fund	12	2,540,049	-
Personal accounts of employees and agents		94,707,404	97,784,057
Security and other deposits		28,102,792	30,897,987
Tax deducted at source		114,754,567	79,907,460
Salary and wages payable		85,215,422	97,690,319
Provident fund		5,759,335	-
Others		110,868,950	45,902,125
		441,948,519	352,181,948
C. Accrued expenses			
Royalty		59,353,270	54,485,663
Utility		14,687,800	8,652,800
Legal and audit fee		3,910,000	2,086,500
Bonus		63,911,721	18,681,177
Joint venture commission		1,891,498	4,497,783
Rent		84,327,853	61,799,080
Other accrued liabilities		57,401,439	22,136,400
		285,483,581	172,339,403

Notes to the financial statements (continued)

31. Unclaimed dividend

See accounting policy in Note 47(M).

<i>In taka</i>	<i>Note</i>	2021	2020
Opening balance		45,524,635	215,251,763
Cash dividend declared		136,800,000	-
Paid during the year		(171,350,832)	(169,727,128)
Closing balance		10,973,803	45,524,635

i. Aging analysis of unclaimed dividend

Prior to 2018	-	37,148,586
For the year 2018*	5,683,653	5,962,082
For the year 2019	2,283,826	2,413,967
For the year 2020	566,448	-
For the year 2021	2,439,876	-
Closing balance	10,973,803	45,524,635

*Final dividend for 2018 was approved at the 47th Annual General Meeting of the Company at 27 June 2019.

32. Contract liabilities

See accounting policy in Note 47(A).

Bata club loyalty points	32(A)	29,161,950	20,930,809
		29,161,950	20,930,809

A. Movement of contract liabilities

Opening balance		20,930,809	22,452,540
Points awarded during the year		157,373,270	116,248,405
Points redeemed during the year		(46,365,338)	(16,889,132)
Points expired during the year		(102,776,791)	(100,881,004)
Closing balance		29,161,950	20,930,809

33. Current tax liabilities

See accounting policy in Note 47(D).

Provision for tax	33(A)	322,818,799	279,023,206
Advance income tax	33(B)	(131,177,212)	(102,651,602)
		191,641,587	176,371,604

A. Provision for tax

Opening balance		279,023,206	550,872,114
Provision for the current year	13(A)	125,000,000	57,000,000
Adjustment of provision for tax on completion of assessment		(81,204,407)	(328,848,908)
Closing balance		322,818,799	279,023,206

B. Advance income tax

Opening balance		102,651,602	218,488,005
Tax paid during the year:			
- Income year ended 31 December 2021		71,879,817	-
- Income year ended 31 December 2020		37,850,200	43,354,207
- Income year ended 31 December 2019		-	169,658,298
Adjustment of advance tax on completion of assessment		(81,204,407)	(328,848,908)
Closing balance		131,177,212	102,651,602

Notes to the financial statements (continued)

34. 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>	2021	2020
Directors' emoluments	36,234,525	24,155,318
Top managers' emoluments	86,657,637	64,837,000
	122,892,162	88,992,318

C. Other related party transactions

In taka

Nature of relationships	Nature of transactions	Transaction during the year		Balance outstanding	
		2021	2020	2021	2020
Parent of the Company Associated Companies	Dividend	(95,760,000)	(119,700,000)	-	-
	Purchase of goods	(71,494,657)	(56,498,403)	(14,485,588)	(1,533,560)
	Service received	(2,463,764)	(8,195,047)	(2,040,009)	-
	Sales of goods	3,549,292	-	1,243,332	-
	Service provided	-	188,433	-	-
	Trade mark license fees	(295,109,752)	136,576,249	(435,520,173)	(465,947,555)

35. Remittance of foreign currency

Name of parties	Nature of transactions	Foreign Currency	Foreign currency		Local currency	
			2021	2020	2021	2020
Bafin (Nederland) B.V.	Dividend	USD	998,765	1,256,327	86,184,000	107,730,000
Global Footwear Services Pte. Ltd., Singapore	Management services fees	SGD	1,108,536	1,680,000	70,613,743	107,335,200
Wolverine World Wide Inc., USA	Royalty on Hush Puppies Brand and consultancy fees	USD	219,484	162,219	18,634,816	13,796,736
Bata Brands S.a.r.l - Swiss Branch	Royalty and business development expenses	USD	3,472,058	1,813,355	296,165,687	154,316,471
Aurelius Alpha International	Royalty on Dr. Scholl Brand and technical know how fees	EUR	104,809	85,590	10,638,069	8,403,849
Turner Broadcasting	Royalty on Ben10, PPG etc.	USD	-	50,000	-	4,247,500
Heidrick & Struggles	Management services fees	USD	-	89,509	-	7,603,772
Bata India	Management services fees	USD	-	5,938	-	504,433
Bata Thailand	Business Development	USD	84	-	7,138	-
Bata Shoe (Singapore) Pte. Ltd.	Business Development	USD	4,543	-	387,208	-
Avado Asia Pacific Pte. Ltd.	Business Development	USD	2,595	-	219,018	-
Ernst And Young Associates LLP	Business development expenses	USD	144	-	12,233	-
Paper Planes Pictures Private Limited	Consultancy fees	USD	11,503	-	977,197	-
Capillary Technologies India Private Ltd.	Trade mark license fees	USD	-	9,200	-	781,540
			5,922,521	5,152,138	483,839,109	404,719,501

Notes to the financial statements (continued)

36. Earnings in foreign currency

<i>In taka</i>	2021	2020
Export of shoes and other footwear goods	11,373,114	11,322,041

37. Earnings per share

Losses attributable to the ordinary shareholders	(68,478,817)	(1,324,698,441)
Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
Earnings per share [previous year's figure restated]	(5.01)	(96.83)
Losses attributable to the ordinary shareholders	(68,478,817)	(1,326,195,238)
Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
Earnings per share [before restatement]	(5.01)	(96.94)

38. Net Asset Value (NAV) per share

Net asset value	3,451,876,395	3,694,872,912
Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
	252.33	270.09

39. Net Operating Cash Flow Per Share (NOCFPS)

Net operating cash flow	1,257,228,152	30,897,603
Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
	91.90	2.26

i. Reconciliation of net operating cash flows

Profit for the year	(68,478,817)	(1,324,698,441)
Adjustment for:		
Depreciation on property, plant and equipment	156,969,211	175,832,122
Depreciation on right-of-use assets	545,498,465	563,798,570
Net finance costs	143,712,548	182,260,721
Other income/(loss)	(16,708,703)	(6,843,639)
Tax expenses	116,739,750	(269,071,750)
	946,211,271	645,976,024
Cash generated before changes in working capital	877,732,454	(678,722,417)
Changes in working capital:		
- Inventories	144,244,941	430,282,811
- Trade and other receivables	151,828,586	1,103,182,918
- Advances, deposits and prepayments	274,644,154	380,720,296
- Creditor for goods	(128,583,621)	(205,763,183)
- Creditor for expenses	53,582,313	(281,383,054)
- Creditor for other finance	89,766,571	(28,130,482)
- Accrued expenses	113,144,178	(17,343,750)
- Contract liabilities	8,231,141	(1,521,731)
Total changes in working capital	706,858,263	1,380,043,825
Interest Received	20,216,528	19,630,776
Interest paid	(163,929,076)	(163,929,076)
Income tax paid	(109,730,017)	(213,012,505)
Cash payments for defined benefit plan	(73,920,000)	(313,113,000)
Net cash generated from operating activities	1,257,228,152	30,897,603

Notes to the financial statements (continued)

40. Financial instruments - Fair values and risk management

See accounting policy in Note 47(G).

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. 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.

31 December 2021		Financial assets at amortised cost	Other financial liabilities	Total
<i>In taka</i>	<i>Note</i>			
Financial assets not measured at fair value				
Trade and other receivables	21	40,309,098	-	40,309,098
Advances, deposits and prepayments	22	219,704,929	-	219,704,929
Cash and cash equivalents	23	622,781,937	-	622,781,937
		882,795,964	-	882,795,964
Financial liabilities not measured at fair value				
Lease liabilities	29	-	(1,475,935,473)	(1,475,935,473)
Trade and other payables	30	-	(1,280,267,118)	(1,280,267,118)
		-	(2,756,202,591)	(2,756,202,591)
31 December 2020				
Financial assets not measured at fair value				
Trade and other receivables	21	192,137,684	-	192,137,684
Advances, deposits and prepayments	22	495,451,427	-	495,451,427
Cash and cash equivalents	23	125,919,383	-	125,919,383
		813,508,494	-	813,508,494
Financial liabilities not measured at fair value				
Lease liabilities	29	-	(1,531,426,389)	(1,531,426,389)
Trade and other payables	30	-	(1,164,750,283)	(1,164,750,283)
		-	(2,696,176,672)	(2,696,176,672)

The Company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, advances, deposits and prepayments, trade and other payables and lease liabilities because their carrying amounts are a reasonable approximation of fair values.

B. Financial risk management

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

- credit risk (see (B)(ii));
- liquidity risk (see (B)(iii)); and
- market risk (see (B)(iv)).

i. Risk management framework

The Company's management 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 control, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes to the financial statements (continued)

40. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

ii. 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.

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

<i>In taka</i>	<i>Note</i>	2021	2020
Trade receivables from external parties	21	31,172,260	793,123,419
Deposits	22	139,820,505	407,375,142
Bank balances	23	622,698,594	125,749,537
		793,691,359	1,326,248,098

i. Trade and other receivables

Gross receivables	21	652,084,214	793,123,419
Provision for impairment loss	21	(620,911,954)	(624,100,654)
		31,172,260	169,022,765

Ageing of receivable from customers

0-30 days	19,424,386	29,596,735
31-90 days	3,464,807	63,792,000
91-180 days	7,172,657	47,979,000
181-365 days	2,220,820	55,109,000
Over 365 days	619,801,544	596,646,684
	652,084,214	793,123,419

Provision for impairment loss on trade receivables

31 December 2021	Expected credit loss rate	Estimated gross carrying amount at default	Expected Credit loss (In taka)
0-30 days	1.77%	19,424,386	343,328
31-90 days	10.50%	3,464,807	363,805
91-180 days	9.00%	7,172,657	645,539
181-365 days	17.00%	2,220,820	377,539
Over 365 days	99.90%	619,801,544	619,181,742
		652,084,214	620,911,954

31 December 2020	Expected credit loss rate	Estimated gross carrying amount at default	Expected Credit loss (In taka)
0-30 days	3.41%	29,596,735	1,011,616
31-90 days	10.70%	63,792,000	6,825,744
91-180 days	17.34%	47,979,000	8,320,662
181-365 days	20.50%	55,109,000	11,297,345
Over 365 days	100.00%	596,646,684	596,646,684
		793,123,419	624,100,654

ii. Cash and cash equivalents

Bank balances	23	622,698,594	125,749,537
		622,698,594	125,749,537

The bank balances of the Company are held with banks which are rated AAA, AA+ and AA by Credit Rating Agency of Bangladesh.

Notes to the financial statements (continued)

40. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iii. 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 another financial asset. 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.

The Company maintains sufficient cash and cash equivalents to meet expected operational expenses for periods which the Company thinks appropriate. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. Moreover, the Company may also get support from the parent in the form of shareholder's loan/capital contribution to ensure payment of obligation in the event that there is insufficient cash to make the required payment.

Exposure to liquidity risk

The followings are the remaining contractual maturities of financial liabilities at the reporting date:

2021 <i>In taka</i>	Note	Carrying amount	Contractual cash flows				
			Total	6 months or less	6 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial liabilities							
Lease liabilities	29	1,475,935,473	1,475,935,473	213,422,107	199,633,289	788,391,577	274,488,500
Trade and other payables	30	1,280,267,118	1,280,267,118	777,065,961	503,201,157	-	-
		2,756,202,591	2,756,202,591	990,488,068	702,834,446	788,391,577	274,488,500
2020 <i>In taka</i>	Note	Carrying amount	Contractual cash flows				
			Total	6 months or less	6 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial liabilities							
Lease liabilities	29	1,531,426,389	1,531,426,389	219,061,666	223,061,666	863,001,444	226,301,613
Trade and other payables	30	1,164,750,283	1,164,750,283	965,860,523	154,625,125	5,700,000	38,564,635
		2,696,176,672	2,696,176,672	1,184,922,189	377,686,791	868,701,444	264,866,248

Notes to the financial statements (continued)

40. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iv. Market risk

Market risk is the risk that 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.

Currency risk

The Company is exposed to currency risk on sales and purchases with foreign customers and suppliers including Bata Group (globally) and on royalty payment. Majority of the Company's foreign currency transactions are denominated in USD. The Company maintains USD bank account where all receipts are deposited and all corresponding payments are made.

Exposure to currency risk

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

Foreign currency denominated assets	2021		2020	
	USD	SGD	USD	SGD
Trade and other receivables	34,481	-	15,911	-
Bank balances	62,165	-	29,621	-
	96,646	-	45,532	-
Foreign currency denominated liabilities				
Trade and other payables	(5,449,587)	(1,627,324)	(4,966,211)	(1,108,536)
Net exposure	(5,352,941)	(1,627,324)	(4,920,679)	(1,108,536)

Payable to other entities represents payable for Global footwear service fees, IT fees etc.

Exposure to currency risk as at 31 December 2021 in respect of the separate financial statements does not vary from above. The Company has a foreign exchange loss amounting to Taka. 3,974,074 during the year ended 31 December 2021.

The following significant exchange rates are applied during the year:

In taka	Average rate for the year		Reporting date spot rate	
	2021	2020	2021	2020
US Dollar 1	85.33	84.90	85.85	84.75
Singapore Dollar 1	64.23	61.47	65.70	64.12

Foreign exchange rate sensitivity analysis for foreign currency expenditures

A strengthening (weakening) of the Taka, as indicated below, against the USD and SGD at 31 December 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. The analysis is performed on the same basis for 2021, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below:

	Profit or loss		Equity	
	Increase	Decrease	Increase	Decrease
At 31 December 2021				
USD (1 percent movement)	4,678,470	(4,678,470)	4,678,470	(4,678,470)
SGD (1 percent movement)	1,069,152	(1,069,152)	1,069,152	(1,069,152)
At 31 December 2020				
USD (1 percent movement)	4,644,140	(4,644,140)	4,644,140	(4,644,140)
SGD (1 percent movement)	710,842	(710,842)	710,842	(710,842)

Notes to the financial statements (continued)

40. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iv. Market risk (continued)

Interest rate risk

The interest bearing financial instrument for the Company is the short term deposit (STD) account maintained by the Company with its commercial banks. These are highly liquid and very short term deposits with nominal interest rate. Interest rate fluctuation for such investment have little impact on financial statements. Therefore, interest rate risk for the Company is insignificant.

Commodity risk

Commodity risk refers to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities. As the Company purchases MS wire, blended power, calcium carbide and other raw materials, it is exposed to risks arising from the purchase of these materials for use in production. Commodity price risk is managed by supply contracts with suppliers.

41. Contingent liabilities

See accounting policy in Note 47(R).

<i>In taka</i>	2021	2020
Letter of credit:		
Eastern Bank	74,768,766	156,432,402
HSBC	207,286,505	81,370,764
	282,055,271	237,803,166
Bank Guarantee:		
Eastern Bank	11,769,251	18,809,576
Unresolved disputed tax and VAT cases	598,819,000	571,188,000
	892,643,522	827,800,742

The Company appealed before the High Court Division of the Supreme Court of Bangladesh against the Tribunal order demanding a net claim of tax liability of Taka 30 million for the assessment years from 2000 to 2011.

The Company filed before the High Court Division of the Supreme Court of Bangladesh and other stages against the Tribunal order and other lower courts respectively demanding a claim of total VAT liability of Taka 568 million for the assessment years from 2001 to 2019.

42. Capital expenditure and financial commitment

There were no capital expenditure commitments as at 31 December 2021 (2020: Nil).

Commitments of the Company is Taka 493,378,590 as on 31 December 2021 (2020: Taka 244,642,798) for purchase of raw materials and finished goods.

43. Numbers of employees

The number of employees engaged for the whole period or part there of who received a total remuneration of Taka 36,000 or more per annum was 1,062 (2020: 1,266).

44. Events after the reporting date

See accounting policy in Note 47(S).

The Board of Directors, at its 255th meeting held on 25 April 2022, proposed Taka 2.5 per share amounting to a total of Taka 34,200,000 as final dividend for the year ended 31 December 2021 which represents 25 % of the paid-up capital. These dividend are subject to final approval by the shareholders at the forthcoming Annual General Meeting of the Company.

45. Significant deviations

A. Revenue and profit for the year 2021

The new version of Covid-19 had an impact on our industry in the year 2021 which started early in the year 2020. The virus not only caused havoc on our shoe industry but also devastated the economy. We lost two EID businesses which contribute almost 30% of the total Company's business. However, after the Government vaccination program, the COVID situation came under control as well as economic condition started to normalize, customers returned back to the shops with their old traits. As a result, Company's business has improved and net revenue has increased by 52% in 2021 against last year as well as during the year, the company come back to a positive PBT BDT 48 million whereas last year's result was negative PBT of BDT (1,594) million. The above mentioned positive trend of business and PBT indicates that business is moving forward and/or improving day by day.

Since revenue increased by 52%, the cost of sales increased by 30% simultaneously. Besides, operating expenses also increased by almost 17% simultaneously. Above all, increase in revenue has led the business to minimize the level of losses during the year.

Notes to the financial statements (continued)

B. Earning Per Share (EPS)

Earning per share (EPS) increased compared to last year driven by revenue growth in sales volume and amount, especially in post COVID period.

C. Net operating cash flow per share (NOCFPS)

Net operating cash flow per share increased compared to last year driven by revenue growth in sales volume and amount as well as an increase in related collections, especially in post COVID period.

45. Basis of measurement

The financial statements have been prepared on the historical cost basis.

46. Change in significant accounting policy

During the year 2021, the Company conducted a review of its inventory policy to align with the Group. As per IAS 2, every cost to bring the inventory to its final stage should be included in the inventory valuation. According to the Group policies, freight costs between internal warehouses and retail stores represent an unavoidable part of the supply chain in getting inventories to their present location and condition. Therefore, the Company has decided to include these freight costs in the cost of inventory (e.g. capitalize and recognize as Cost of Sales when sold). The effect of changes in this policy for capitalized freight cost is as follows:

In taka

Increase/(Decrease) in Inventories	34,001,358
Decrease/(increase) in deferred tax liabilities	(7,650,306)
Increase/(decrease) in equity	26,351,052
Decrease/(increase) in Cost of sales (Freight and transportation)	34,001,358
Decrease/(increase) in income tax expenses	(7,650,306)
Increase/(decrease) in profit	26,351,052

47. 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 pages that follow:

A.	Revenue recognition	87
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Notes to the financial statements (continued)

47. Significant accounting policies (continued)

A. Revenue recognition

Revenue from sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of discounts, incentives, Value Added Tax (VAT) and loyalty points earned by customers on the Company's sales.

The Company recognizes revenue when a contractual performance obligation is fulfilled by transferring control over the promised goods to a customer provided that collectability of the consideration is probable.

(i) Information about its performance obligations

The Company typically satisfies its performance obligations which are as follows:

<u>Nature</u>	<u>When the Company typically satisfies its performance obligations</u>
Retail	Upon acceptance and paying for goods by customers at retail stores.
Wholesale	Upon acceptance of goods at depots and/or distribution centers by the dealers (i.e. point of dispatching from depot and/or distributor's gate).
e-commerce	Upon delivery to customers.
Export sales	Free on board.

(ii) Obligations in relation to repair or replace

It is the Company's policy to sell its goods to the customers with a right to repair or replace within 30 days. The Company's obligation to replace faulty goods under the warranty period is recognized as provision as per IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

(iii) Bata club loyalty points

The Company operates a loyalty program where retail customers accumulate points for purchases made which entitle them to discount on future purchases. A contract liability for the award points is recognized at the time of the sale. Revenue is recognized when the points are redeemed or when they expire 12 months after the initial sale. A contract liability is recognized until the points are redeemed or expire.

B. Finance income and finance expenses

Finance income comprises interest income on funds invested are recognized in profit or loss. Interest income is recognized on accrual basis.

Finance expense comprises interest expense on overdraft, lease, defined benefit liability, receivable collection charge and interest on shop managers account held with the Company. All finance expenses are recognized in profit or loss.

C. Employee benefits

The Company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

i) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(a) Provident fund

The Company maintains three recognized provident funds for its permanent employees categorized as managers, officers and workers. Members, upon confirmation as regular employment of the Company, are required by the Company to join one of the three provident funds as per their "Grade/Designation". The eligible members of these three funds contribute 8% to 10.50% of their basic salary and the Company makes the equal contribution to these funds. Members of these funds become eligible to receive the Company's contribution upon completion of 2 years of continuing services with the Company. These funds are administered by the separate boards of trustees.

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

To pursuant the directive from Financial Reporting Council (FRC), each board of trustees returns the forfeited amounts from the fund to the Company at the year end and the amounts are duly recognized as other income by the Company in profit or loss.

Notes to the financial statements (continued)

47. Significant accounting policies (continued)

C. Employee benefits (continued)

(b) Managerial Staff pension fund

The Company maintains funded managerial staff pension scheme for management employees which is a defined contribution plan. Members, upon confirmation as regular employment of the Company, are required by the Company to join the pension fund in which only members contribute 20% of their basic salary. Members of this scheme become eligible to receive pension upon completion of 10 years of continuing services with the Company. This fund is administered by a separate board of trustees.

ii) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years.

Gratuity scheme

The gratuity scheme has been converted from unfunded to funded one and applicable to all its employees. The Company contributes to the fund as per Bangladesh Labor Act 2006 amended in 2013 for the eligible employees from the date of joining. The fund is managed by a Board of Trustees. Members of this scheme become eligible to receive gratuity upon completion of 12 months continuing services with the Company. The gratuity scheme is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to current and former employees.

The net defined benefit liability or asset in respect of gratuity scheme is recognized in the statement financial position which is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by a professional actuary. Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost by using mutually compatible actuarial assumptions about demographic and financial variables.

Current service cost, past service cost, amortization of past service cost, gain/loss on settlements and curtailments and net interest on the defined benefit liability and asset are recognized in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized 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.

Workers' Profit Participation Fund (WPPF)

The Company provides 5% of its profit before charging such expense as WPPF in accordance with "The Bangladesh Labor Act 2006 (amended in 2013)".

D. Income tax

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

(i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Bata qualifies as a "Publicly Traded Company" hence the applicable tax rate is 22.5%.

Notes to the financial statements (continued)

47. Significant accounting policies (continued)

D. Income tax (continued)

(ii) Deferred tax

Deferred tax is recognized 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 measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. 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 realized.

E. Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment, excluding land, are measured at cost less accumulated depreciation and accumulated impairment losses. Land is measured at amount revalued in 1979.

Cost includes expenditures that are directly attributable to the acquisition of assets. The cost of self-constructed assets (i.e. show rooms and office and factory buildings) includes the following:

- the cost of materials and direct labor;
- any other cost directly attributable to bringing the asset to a working condition for the intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

ii) Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

iii) Depreciation

Items of property, plant and equipment except land are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component.

Addition during the year of property, plant and equipment is depreciated when an asset is available for use, while no depreciation is charged in the month of disposal.

The estimated useful lives for the current and comparative year of property, plant and equipment are as follows:

	<u>2021</u>	<u>2020</u>
Buildings	40	40
Plant and machineries	13.33	13.33
Vehicles	5	5
Computer and computer equipments	4	4
Furniture, fixtures and office equipment	4 - 13.33	4 - 13.33

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv) Under construction

Property, plant and equipment that is being under construction/ acquisition is accounted for as capital work in progress until available for use and measured at cost.

Notes to the financial statements (continued)

47. Significant accounting policies (continued)

F. Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies on the reporting date are retranslated to the functional currency using the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate on the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate on the date of the transaction.

Foreign currency differences arising on translation are recognized in profit or loss.

G. 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.

i) Financial assets

(a) Initial recognition

The Company initially recognizes financial assets in its statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

(b) Derecognition

The Company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the contractual rights to receive the cash flows of the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(c) Classification and measurement of financial assets

The classification and measurement of financial assets is based on the basis of both:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

Three measurement classifications for financial assets have been established which are amortized cost, fair value through other comprehensive income and fair value through profit and loss. These measurement classifications align with the following three business models available under IFRS 9:

- Hold to collect— Financial assets held with the objective to collect contractual cash flows;
- Hold to collect and sell— Financial assets held with the objective to collect contractual cash flows and sell;
- Other— Financial assets held for trading or assets that do not meet the criteria for either 'Hold to collect' or 'Hold to collect and sell'. Financial assets designated as trading and are held with an objective to sell the assets in the short term.

For purposes of determining the measurement classification, financial assets under the 'Hold to collect' and 'Hold to collect and sell' business model require an assessment to determine whether the cash flows are solely payments of principal and interest (SPPI). Basic lending arrangements with limited volatility in cash flows typically have contractual cash flows that are SPPI; however, other factors should be considered in making this determination, such as whether interest payments provide only a consideration for the passage of time associated with time value of money.

Financial assets under a 'Hold to collect' business model, with contractual cash flows that are SPPI, are classified and measured at amortized cost. Financial assets under a 'Hold to collect and sell' business model, with contractual cash flows that are SPPI, are classified and measured at fair value through other comprehensive income (FVOCI).

Financial assets that have contractual cash flows that are not SPPI, are designated as trading or do not fit the business model criteria for 'Hold to collect' and 'Hold to collect and sell' are measured at fair value through profit and loss (FVTPL).

Based on the above, recognition and measurement relies on amortized cost, fair value through profit or loss and fair value through other comprehensive income.

Financial assets currently being used by the Company are as follows:

Notes to the financial statements (continued)

47. Significant accounting policies (continued)

G. Financial instruments (continued)

(d) Initial measurement

Cash and cash equivalents

Cash and cash equivalents, except cash in hand, comprise of cash balances and all cash deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Trade and other receivables

At initial recognition, the Company measures trade and other receivables at their transaction price.

Security and other deposits

At initial recognition, the Company measures security and other deposits at its fair value plus or minus transaction costs that are directly attributable to the acquisition.

(e) Subsequent measurement of financial assets

The Company classifies its financial assets as subsequently measured at amortized cost.

ii) Financial liabilities

Financial liabilities are recognized when its contractual obligations arising from past events are certain and settlement of which is expected to result in an outflow of resources embodying economic benefits from the Company.

(a) Initial recognition

The Company initially recognizes financial liabilities in its statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

(b) Derecognition

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

(c) Classification and measurement of financial liabilities

Financial liabilities currently being used by the Company which are creditors for goods, creditors for expenses, creditors for other finance, accrued expenses and lease liabilities which are measured in the following way.

(d) Initial measurement

At initial recognition, the Company measures its financial liabilities at its fair value plus or minus transaction costs that are directly attributable to the acquisition.

(e) Subsequent measurement of financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost.

Trade and other payables

The Company recognizes a 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.

H. Impairment

(i) Financial assets

A loss allowance for expected credit loss (ECL) on financial assets has been calculated as permitted by IFRS-9, that are measured at amortized cost. The Company measures loss allowance on financial assets at an amount equal to the lifetime expected credit losses. At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition considering reasonable and supportable information, that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and forward-looking information. Regardless the Company also assesses significant increases in credit risk on trade receivables when contractual payments are past due over 30-60 days which is the maximum period over which the Company is exposed to credit loss.

Notes to the financial statements (continued)

47. Significant accounting policies (continued)

H. Impairment (continued)

Measurement of expected credit loss

The Company measures expected credit loss of a financial asset which is a probability-weighted amount and determined by considering time value of money using effective interest rate of the financial asset (i.e. the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive discounted at the original effective interest rate). Regardless, the Company recognizes 50% impairment provision on trade receivables when contractual payments from customers are past due over 180 days and recognizes 100% impairment provision on trade receivables when contractual payments from customers are past due over 365 days, on collective basis.

(ii) Non-financial assets

The recoverable amount of an asset is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or Cash Generating Unit (CGU). For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amount of the assets in the CGU on a pro rata basis. However, no impairment losses arose and reported in 2021.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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 asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. No such impairment loss arose in 2021 as well.

I. Inventories

Inventories except raw material in transit are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle, 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 realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

J. Provisions

A provision is recognized if, as a result of past event, the Company has a present legal or constructive obligation that can reliably be estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation.

K. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the financial statements (continued)**47. Significant accounting policies (continued)****K. Leases (continued)*****(i) Lease liabilities***

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(ii) Right-of-use assets

From 1 January 2019, IFRS 16 has been adopted and all leasing arrangements except those having less than 12 months of useful life and underlying asset values of less than Taka 425,000 when new, have been capitalized as "right-of-use" asset with a corresponding financial liability on the financial position.

Leased assets are capitalized from the start date of the lease agreement at the present value of the future leased payments, based on the rate of interest entered in the asset master data. Low value (< Taka 425,000) and short term leases (<12months) have been excluded from the recognition requirements and expensed in operating profit as rental costs. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in scope of lease agreement can be made if necessary.

The asset is written off on a straight-line basis over the tenure of the lease agreements. Hence, the useful life of any lease assets depends on the number of periods the assets can be used. The useful life of such assets are dependent on individual agreement and can vary from one agreement to another.

The Company recognizes a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities. When a right-of-use asset meets the definition of investment property, it is presented in investment property.

iii) Short-term leases and leases of low-value assets

The Company does not apply the recognition and measurement requirements of IFRS 16 to short-term leases (leases of less than 12 months maximum duration). It also does not apply the recognition and measurement requirements of IFRS 16 to leases for which the underlying assets are low value (i.e. less than Taka 425,000 when new). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

L. Earnings per share

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.

Notes to the financial statements (continued)

47. Significant accounting policies (continued)

M. Dividend distribution

The Board of Directors has established a dividend policy, which forms the basis for the proposals on dividend payments that it makes to the shareholders taking into consideration the business performance of the Company and its strategic initiatives. The Board believes that it is in the best interest of the Company to draw up a long-term and predictable dividend policy. The objective of the policy is to allow the shareholders to make informed investment decisions. The Board has approved the following dividend policy:

(i) The Board shall recommend interim/final and cash/stock dividends to the shareholders, which shall be subject to the approval of the shareholders at Annual General Meetings of the Company.

(ii) The Company may issue bonus share as a part of a stock dividend in any financial year, subject to approval from the board and Company's shareholders at the Annual General Meeting.

(iii) Dividends shall be paid only out of current profits and/or past profits after providing for depreciation and setting off losses if any subject to the company's business performance and cash availability.

The Company shall aim for as frequent dividend distribution as possible to the consistent growth in dividend payout. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

N. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's management to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

O. Duty drawback

Duty drawback claimed on export sales is adjusted against cost of imported raw materials.

P. Sales proceeds from wastage and scrap etc.

Sales of empty drum of chemicals, split leather and other wastage of materials have been adjusted with cost of raw materials consumed.

Q. Going concern

The financial statements of the Company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern.

R. Contingent liabilities

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 Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

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

S. Events after the reporting period

Events after the reporting period which provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

Notes to the financial statements (continued)

48. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

A. Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Company has determined that all contracts existing at 31 December 2021 will be completed before the amendments become effective.

B. Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- Changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and
- Hedge accounting.

C. Other standards

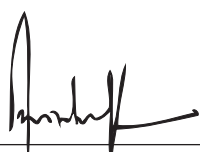
The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

- *COVID-19-Related Rent Concessions (Amendment to IFRS 16).*
- *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).*
- *Reference to Conceptual Framework (Amendments to IFRS 3).*
- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1).*
- *IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.*

Bata Shoe Company (Bangladesh) Limited
Statement of Profit or Loss and other Comprehensive Income by Manufacturing and Trading

For the year ended 31 December 2021

<i>In taka</i>	Manufacturing	Trading	2021	2020
Revenue	7,021,059,623	723,876,477	7,744,936,100	5,084,505,532
Cost of sales	(4,471,268,548)	(455,567,747)	(4,926,836,295)	(3,790,379,242)
Gross profit	2,549,791,075	268,308,730	2,818,099,805	1,294,126,290
Other income/(loss)	14,240,866	2,467,837	16,708,703	6,843,639
Operating expenses	(2,391,799,991)	(251,683,687)	(2,643,483,678)	(2,268,559,359)
Impairment loss/(reversal) on trade receivables	2,885,107	303,593	3,188,700	(443,920,040)
Operating profit/(loss)	175,117,057	19,396,473	194,513,530	(1,411,509,470)
Finance income	18,291,731	1,924,797	20,216,528	19,630,776
Finance costs	(148,321,537)	(15,607,539)	(163,929,076)	(201,891,497)
Net finance costs	(130,029,806)	(13,682,742)	(143,712,548)	(182,260,721)
Profit/(loss) before tax and contribution to WPPF	45,087,251	5,713,731	50,800,982	(1,593,770,191)
Contribution to WPPF	(2,298,213)	(241,836)	(2,540,049)	-
Profit/(loss) before tax	42,789,038	5,471,895	48,260,933	(1,593,770,191)
Income tax expense	(105,625,064)	(11,114,686)	(116,739,750)	269,071,750
Profit/(loss) for the year	(62,836,026)	(5,642,791)	(68,478,817)	(1,324,698,441)
Other comprehensive income/(loss), net of tax	(34,126,632)	(3,591,068)	(37,717,700)	3,215,250
Total comprehensive income/(loss)	(96,962,658)	(9,233,859)	(106,196,517)	(1,321,483,191)



Anirban Asit Kumar Ghosh
Managing Director



K. M. Rezaul Hasanat
Director



Shambhu Nath Jha
Finance Director



Md. Hashim Reza
Company Secretary
& GM Finance

Bata
ED OXYGEN

NEW

Stay

COOL

all day



NEW **SUPER HERO** COLLECTION



1st in
BANGLADESH
★★★★
GENUINE
PRODUCTS

Exclusively
produced in
collaboration
with **DC** to sell
only in **Bata**



batabd.com



Bata

প্রক্লি ফরম

অনুগ্রহ করে উল্লেখ করুন

শেয়ারহোল্ডারের ফলিও / বিও নং	শেয়ার সংখ্যা

আমি/আমরা -----

ঠিকানা -----

বাটা সু কোম্পানি (বাংলাদেশ) লিমিটেড-এর শেয়ারহোল্ডার হিসাবে

জনাব /বেগম ----- কে
আমার/ আমাদের প্রতিনিধি হিসাবে আগামী বৃহস্পতিবার, ৩০ জুন ২০২২ অনুষ্ঠিতব্য কোম্পানির ৫০তম বার্ষিক সাধারণ সভায় এবং
এর মূলতবী ঘোষিত সভায় আমার/ আমাদের পক্ষে উপস্থিত থাকার এবং ভোট প্রদান করার জন্য নিযুক্ত করলাম।

সাক্ষ্য হিসাবে আজ ----- ২০২২ তারিখে আমি / আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করলাম।

শেয়ারহোল্ডারের স্বাক্ষর

প্রতিনিধির স্বাক্ষর

তারিখ -----

সাক্ষীর স্বাক্ষর

২০.০০ টাকার
রাজস্ব টিকেট

(কোম্পানিতে সংরক্ষিত শেয়ারহোল্ডারের স্বাক্ষর অবশ্যই মিলতে হবে।)

উপস্থিতি

আমি/আমরা এতদ্বারা বৃহস্পতিবার, ৩০ জুন ২০২২ সকাল ১১:০০টায় ডিজিটাল প্ল্যাটফর্মের মাধ্যমে অনুষ্ঠিতব্য বাটা সু কোম্পানি
(বাংলাদেশ) লিমিটেড-এর ৫০তম বার্ষিক সাধারণ সভায় আমার/আমাদের উপস্থিতি লিপিবদ্ধ করলাম।

শেয়ারহোল্ডারের নাম -----

স্বাক্ষর

প্রতিনিধির নাম -----

স্বাক্ষর

শেয়ারহোল্ডারের ফলিও / বিও নং -----

Form of Proxy

Please Quote

Shareholder's Folio / BO No.	No. of Shares held

I/We

of

being shareholder(s) of **BATA SHOE COMPANY (BANGLADESH) LIMITED**, entitled to vote hereby appoint Mr./Ms.

as my/our proxy to attend and vote for me/us and on my/our behalf at the 50th Annual General Meeting of the Company to be held on Thursday, 30 June 2022 and any adjournment thereof and poll that may be taken in consequenced thereof.

As witness my/our hand this day of 2022

.....
Signature of Shareholder (s)

.....
Signature of Proxy

Date

.....
Signature of Witness

Revenue Stamp
of Tk. 20.00

(Signature of Shareholder (s) must be in accordance with specimen signature with the Company.)

ATTENDANCE

I/We hereby record my/our presence at the 50th Annual General Meeting of **Bata Shoe Company (Bangladesh) Limited** through digital platform on Thursday, 30 June 2022 at 11:00 a.m.

Full name of the Shareholder
(in block letter) Signature

Full name of the Proxy
(in block letter) Signature

Shareholder's Folio / BO No.

JOIN BATA CLUB TODAY



SNEAKER STUDIO

FITNESS

OUTDOOR



Bata SHOE COMPANY (BANGLADESH) LIMITED

Tongi, Gazipur, Bangladesh

Tel: +880-2-9810501-5, Fax: +880-2-9810511

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Bata

Bata



Sneaker Fest

COMFORT IN EVERY STYLE

Bata