



Bata PAKISTAN LIMITED

LIVE OUTDOORS **EINBRENNER®** • SINCE 1892 •



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CLASSIC 2 COMFORTABLE WITH IT

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Corporate Social Responsibility



Play its role as a corporate social responsible entity Bata planted more than 2,000 trees in Batapur and Branch Factory Maraka.

Shoes were distributed in the flood affected districts of Sialkot.





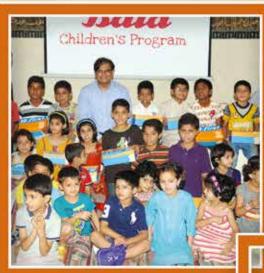




Free eye check-up camp was arranged in a village school where experienced doctors examined more than 200 children, their parents and local community.



Established football training academy at Batapur with a vision to promote sports culture not only in the children of our employees but also to the children living in the surrounding areas.





As much as 265 pairs and other gifts were donated to the children of SOS Village Lahore.

> Drawing Insole Competition was arranged at Bata Club for children between 6-8 years of age. Families were also present to support the children.



OUEERS 2000 FORTABLE WITH IT

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Visior

To make great shoes accessible to everyone

K

We help people look and feel good

by continuously focusing on product quality, innovation and value.

issic

We become the customer's destination of choice

by offering personal shopping experience to create long standing customer relationships.

We attract and retain the best people

by showing great leadership, a passion for high standards our respect for diversity and commitment to create exceptional opportunities for professional growth.

We remain the most respected footwear company

by being socially responsible and ethical in everything we do and a credit to every community in which we operate.

Corporate Information

Board of Directors

Mr. F. Garcia	Chairman
Mr. Muhammad Qayyum	Chief Executive
Mr. M. G. Middleton	Director
Mr. Cesar Panduro	Director
Mr. Muhammad Ali Malik	Director
Mr. Muhammad Maqbool	Director
Mr. Ijaz Ahmad Chaudhry	Director
Mr. Shahid Anwar (Nominee of NIT)	Director
Mr. Syed Haroon Rashid (Nominee of NIT)	Director

Chairman

Member

Member

Chairman

Member

Member

Audit Committee

Mr. Muhammad Maqbool Mr. Ijaz Ahmad Chaudhry Mr. M. G. Middleton

Human Resource and Remuneration Committee

Mr. Ijaz Ahmad Chaudhry Mr. Muhammad Qayyum Mr. Muhammad Maqbool

Chief Financial Officer (CFO)

Mr. Cesar Panduro

Company Secretary

Mr. Amjad Farooq

Auditors

EY Ford Rhodes Chartered Accountants 4th Floor Pace Mall Building, 96-B-1, Gulberg II, M.M. Alam Road, Lahore.

Legal Advisor

Surridge & Beecheno 60, Shahrah-e-Quaid-e-Azam, Ghulam Rasool Building, Lahore. Stock Exchange Listing

Bata Pakistan Limited is listed on Pakistan Stock Exchange.

The Company's shares are quoted in leading Newspapers under "Personal Goods" sector.

Bankers

Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited Bank Al Habib Limited National Bank of Pakistan Limited United Bank Limited

Registered Office

Batapur, G. T. Road, P.O. Batapur, Lahore.

Share Registrar

Corplink (Pvt.) Ltd. Wings Arcade, 1-K Commercial Area, Model Town, Lahore.

Factories

Batapur, G. T. Road, P.O. Batapur, Lahore.

Maraka, 26 - Km, Multan Road, Lahore.

Liaison Office

138 C-II Commercial Area, P.E.C.H.S., Tariq Road, Karachi.

Bata 10

Notice of Meeting

NOTICE IS HEREBY GIVEN that the 65th Annual General Meeting of Bata Pakistan Limited will be held at the Registered Office of the Company at Batapur, District Lahore on 24th April, 2017 at 12.00 noon, to transact the following business:

- 1. To confirm the minutes of the Annual General Meeting held on 20th April, 2016.
- To receive, consider, and adopt the Directors' Report, Audited Accounts of the Company and Auditors' Reports thereon, for the year ended 31st December, 2016.
- 3. To approve dividend as recommended by the Directors.
- 4. To appoint Auditors and fix their remuneration for the year ending 31st December, 2017.
- 5. To transact any ordinary business of the Company with the permission of the Chairman.

Special Business:

Ordinary Resolution:

6. To consider and, if thought fit, to pass the following resolution:

"RESOLVED that the consent and approval of the members of Bata Pakistan Limited (the "Company") be and is hereby accorded for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to the members for future years through CD or DVD or USB instead of transmitting the same in hard copies.

FURTHER RESOLVED that the Chief Executive Officer or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution."

Special Resolution:

7. To consider and pass, with or without modification, the following Special Resolution:

"RESOLVED that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and other law(s), Articles of Association of the Company be and are hereby amended by inserting a new Article 52-A immediately after the existing Article 52 to read as under:

52-A. The Company shall comply with the mandatory e-voting requirements as may be prescribed by the Securities and Exchange Commission of Pakistan from time to time and members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this Article.

FURTHER RESOLVED that the Chief Executive or the Company Secretary be and is hereby authorized to do all acts, deeds and things, take all steps and actions necessary, ancillary and incidental for altering the Articles of Association of the Company including filing of all requisite documents/statutory forms as may be required to be filed with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolution."

By order of the Board Bata Pakistan Limited

Company Secretary

Batapur Lahore: 22.02.2017

NOTES:

- 1. A member entitled to attend, speak and vote at the meeting may appoint any person as his proxy to attend the meeting and vote instead of him. The proxy shall have the right to attend, speak and vote in place of the member appointing him at the meeting. A proxy need not be a member of the Company. Proxy form must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the meeting.
- 2. The members whose shares are maintained on Central Depository System with the Central Depository Company of Pakistan Limited should follow the guidelines for attending the General Meetings and appointment of proxies as laid down by the Securities and Exchange Commission of Pakistan.
- 3. Shareholders (non-CDC) are requested to promptly notify the Company of any change in their addresses. All the CDC shareholders are requested to please update their address with the CDC participants.
- 4. The Share Transfer Books of the Company will remain closed from 17th to 24th April, 2017 (both days inclusive).

Mandatory Submission of CNIC : With reference to the notification of Securities and Exchange Commission of Pakistan (SECP), SRO 779(1)2011 dated August 18, 2011, the Members/Shareholders who have not yet submitted photo copy of their valid CNIC to the Company are required to send the same at the earliest directly to the Company's Share Registrar M/s. Corplink (Pvt) Ltd. 1-K Commercial, Model Town, Lahore. Kindly comply with the request as the CNIC number would be printed at future dividend warrants. In case of non-receipt of the copy of valid CNIC and non-compliance of the above mentioned SRO of SECP, the Company may be constrained to withhold dispatch of dividend warrant in the future.

Deduction of Withholding Tax on the amount of dividend (Mandatory) : The Government of Pakistan through Finance Act, 2015 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the Companies. Tax rates are as under:

i) For filers of income tax returns : 12.5%

ii) For non-filers of income tax returns : 20%

To enable the Company to make tax deduction on the amount of the cash dividend @ 12.5% instead of 17.5% all the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR despite the fact that they are filers, are advised to make sure that their names are entered into ATL. Otherwise tax on the cash dividend will be deducted @ 17.5% instead of 12.5%.

For shareholders holding their shares jointly as per the clarification issued by the Federal Board of Revenue withholding tax will be determined separately on 'Filer'Non-filer' status of Principle shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of Principle shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar in writing as follows:

			Principal S	hareholder	Joint Shareholder	
Company Name	Folio/CDC Account #	Total Shares	Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

Dividend Mandate (Optional)

Under Section 250 of the Companies Ordinance, 1984, a shareholder may, if he/she so desires, direct the Company to pay dividend through his/her/its bank account. In pursuance of the directives given by SECP vide Circular No.18 of 2012 dated 5th June, 2012, a shareholder may authorize the Company to directly credit cash dividend to his/her/its account. If shareholders want to avail the direct credit facility for a dividend amount, can provide the necessary information to the Company's Share Registrar using the format available on the Company's website. Please note that providing a bank mandate for dividend payment is optional. In case shareholder do not wish to avail this facility may ignore this notice.

Electronic payment of Dividend / E-mandate (optional): For the efficient cash dividend disbursement, SECP, through its Circular No.8(4) SM/CDC 2008 of 5th April 2013, has announced an e-dividend mechanism where shareholders can have their dividend credited directly into their respective bank accounts electronically by authorizing the Company to electronically credit their dividend to their accounts. Accordingly, CDC shareholders are requested to send their bank account details to their respective participant / investor account services. In case you hold shares in physical form, please send your details to the Company's Share Registrar using the format mentioned above.

Transmission of Annual Financial Statement via Email: In pursuance of the directions given by SECP vide SRO 787 (1) 2014 dated 8th September, 2014, shareholders who desire to receive Annual Financial Statements via email in future instead of by post are advised to provide formal consent along with a valid email address on a standard request form which is available on the Company's website. Shareholders must send a completed and signed copy of this form, along with a copy of their CNIC/PoA to the Company's Share Registrar. Please note that providing an email address for the purpose of receiving Annual Financial Statements via email is optional. In case shareholders do not wish to avail this facility, please ignore this notice. Annual Financial Statements will be sent to shareholder's registered address by post as per normal practice.

Transmission of annual reports

In pursuance of SECP notification S.R.O. No.470(1)2016 dated 31st May, 2016 the companies have been allowed to circulate their annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to the members for future years through CD or DVD or USB instead of transmitting the same in hard copies. The Board of Directors has recommended that the resolution be placed before the shareholder for approval

E-voting

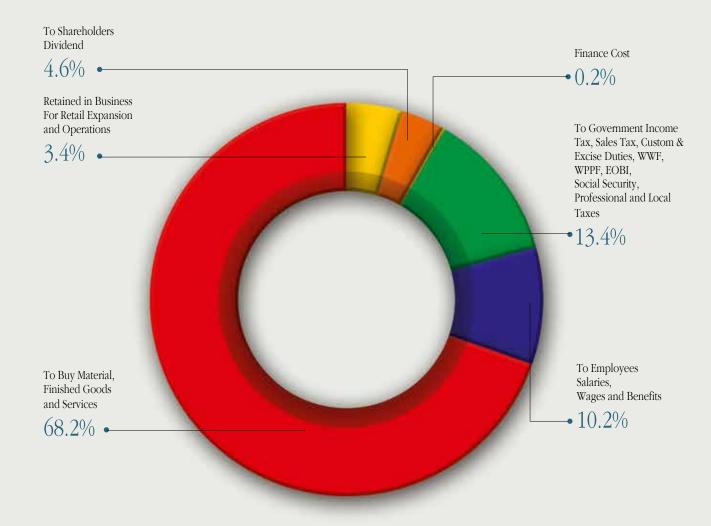
In pursuance of SECP notification S.R.O. 43 dated 22nd January, 2016 the companies have been required to make arrangement for e-voting as may be prescribed by the Securities and Exchange Commission of Pakistan from time to time and members may be allowed to appoint members as well as nonmembers as proxies for the purposes of electronic voting. In this behalf, a new Article 52-A will be inserted in the Articles of Associations of the Company. The Board of Directors has recommended that the proposal be placed before the shareholders for their approval for amendments in the Articles of Associations of the Company.



Key Operating Highlights

Year		2016	2015	2014	2013	2012 (Restated	2011 l)	2010
Financial Position								
Authorized capital	Rs. ' 000s	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Paid up capital	Rs. ' 000s	75,600	75,600	75,600	75,600	75,600	75,600	75,600
Shareholders' equity	Rs. ' 000s	6,662,594	6,051,192	5,255,391	4,500,647	3,933,505	3,277,790	2,741,300
Total assets	Rs. ' 000s	9,084,556	8,239,266	7,391,089	6,389,270	5,638,165	4,626,288	4,177,050
Property, plant and equipment	Rs. ' 000s	1,420,757	1,470,821	1,392,241	1,116,281	833,259	733,695	630,754
Provision for gratuity	Rs. ' 000s	72,150	68,805	53,135	54,424	85,010	79,262	74,211
Current assets	Rs. ' 000s	7,585,132	6,684,071	5,909,432	5,206,538	4,733,714	3,808,438	3,459,297
Current liabilities	Rs. ' 000s	2,264,332	2,025,534	1,977,587	1,746,343	1,554,782	1,198,488	1,300,867
Trading Results								
Sales	Rs. ' 000s	15,082,171	14,781,520	13,767,156	12,774,438	11,476,817	9,816,296	8,329,829
Gross profit	Rs. ' 000s	6,193,926	6,005,197	5,379,123	4,994,113	4,258,771	3,540,677	3,331,928
Operating profit	Rs. ' 000s	2,140,580	2,131,784	1,919,321	1,740,903	1,439,035	1,076,214	1,228,756
Profit before tax	Rs. ' 000s	2,100,645	2,101,280	1,887,916	1,714,388	1,385,586	1,025,008	1,189,021
Profit after tax	Rs. ' 000s	1,442,016	1,445,500	1,339,412	1,232,422	1,020,801	748,170	871,293
Distribution								
Interim cash dividend - paid	%	650.00	510.00	430.00	650.00	300.00	-	-
Final cash dividend - proposed	%	600.00	450.00	340.00	350.00	230.00	200.00	280.00
Financial Ratios and Values								
Gross profit	%	41.07	40.63	39.07	39.09	37.11	36.07	40.00
Operating profit	%	14.19	14.42	13.94	13.63	12.54	10.96	14.75
Profit before tax	%	13.93	14.22	13.71	13.42	12.07	10.44	14.27
Profit after tax	%	9.56	9.78	9.73	9.65	8.89	7.62	10.46
Return on equity	%	21.64	23.89	25.49	27.38	26.04	22.83	31.78
Price earning ratio	Times	22.60	17.10	19.70	17.13	9.99	8.27	5.73
Dividend yield	%	2.55	2.69	2.23	3.15	3.71	2.44	0.00
Earnings per share	Rs.	190.74	191.20	177.17	163.02	135.03	98.96	115.25
Debt : equity ratio	Times	0.00:1	0.00:1	0.00:1	0.00:1	0.00:1	0.00:1	0.00:1
Current ratio	Times	3.35 : 1	3.30 : 1	2.99:1	2.98:1	3.04:1	3.18:1	2.66 : 1
Average stock turns - value	Times	3.03	3.08	3.29	3.40	3.24	3.33	3.56
Debtors turnover	Times	11.29	18.75	27.33	35.10	34.04	75.44	373.12
Average collection period	Days	32	19	13	10	11	5	1
Property, plant and equipment turnover	Times	10.62	10.05	9.89	11.44	13.77	13.38	13.21
Break up value per share	Rs.	881.30	800.42	695.16	595.32	520.30	433.57	362.61
Market price per share	Rs.	4,310.00	3,269.70	3,490.00	2,792.46	1,349.50	818.00	660.00
Market capitalization	Rs. ' 000s	32,583,600	24,718,932	26,384,400	21,110,998	10,202,220	4,989,600	4,989,600
Other information								
Permanent employees	Number	2,492	2,544	2,485	2,343	2,400	2,495	2,585
Retail outlets	Number	412	417	407	395	386	396	380
Wholesale depots	Number	13	13	13	13	13	13	13
Installed capacity	Pairs ' 000s	19,439	18,941	17,305	16,202	14,079	12,881	11,154
Actual production	Pairs ' 000s	16,545	16,123	17,117	16,491	11,837	11,204	11,540
Capacity utilization	%	85.11	85.12	98.91	101.78	84.08	86.98	103.46
Capital expenditure	Rs. ' 000s	177,751	340,725	505,102	332,942	217,054	209,712	142,222
Contribution to the National Exchequer	Rs. ' 000s	2,420,794	2,205,089	2,013,668	1,678,484	1,361,259	1,060,068	814,445

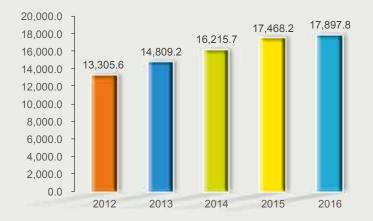
Value Added and its Distribution



Revenue Generated	2016 Rs. '000s	%	2015 Rs. '000s	%
Sales	17,897,831	90	17,468,167	90
Other Income	107,461		91,348	
	,		,	
	18,005,292	100%	17,559,515	100%
Revenue Distributed				
To Buy Material, Finished Goods and Services	12,266,591	68.2%	12,146,341	69.1%
To Employees - Salaries, Wages and Benefits	1,834,970	10.2%	1,739,180	9.9%
To Government - Income Tax, Sales Tax, Custom & Excise Duties, WWF, WPPF, EOBI, Social Security, Professional and Local Taxes	2,420,794	13.4%	2,205,089	12.6%
Finance Cost	39,935	0.2%	30,504	0.2%
To Shareholders - Dividend	831,600	4.6%	642,600	3.7%
Retained in Business - For Retail Expansion and Operations	611,402	3.4%	795,801	4.5%
	18,005,292	100.0%	17,559,515	100.0%

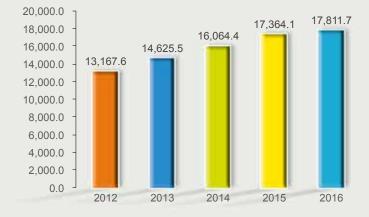
Operational Statistics

(Rupees in million)



Total Turnover (Gross)

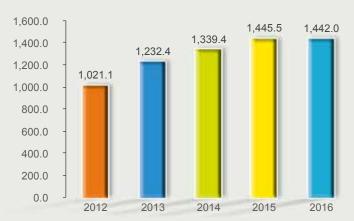
Domestic Turnover (Gross)



200.0 183.7 180.0 151.3 160.0 138.0 140.0 120.0 104.1 100.0 86.2 80.0 60.0 40.0 20.0 0.0 2012 2013 2014 2015 2016

Export Turnover (Gross)

Profit After Tax





Chairman's Review

On behalf of the Board, I welcome you all to the 65th Annual General Meeting of the Company and feel pleased to present the annual review of the Company's performance and the audited financial statements for the year ended 31 December, 2016.

The Company business achieved net turnover of Rs. 15.082 billion showing a growth of 2% over last year. The gross profit was recorded at Rs. 6.194 billion against last year of Rs. 6.005 billion. Operating profit increased from Rs. 2.132 billion to Rs. 2.141 billion. Profit after taxation was Rs. 1.442 billion compared to Rs. 1.446 billion of last year. Company achieved earnings per share of Rs. 190.74 (Rs. 191.20 in 2015).

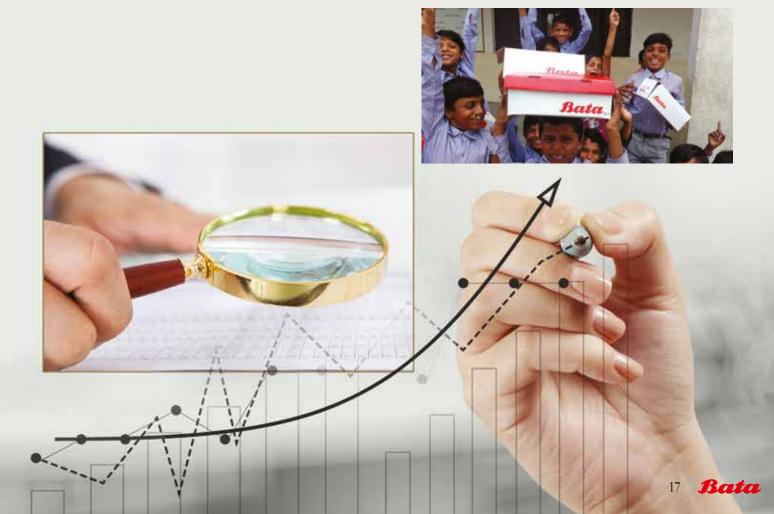
The Company has during 2016, an effective cash flow management system in place whereby cash inflows and outflows are projected on regular basis. The profit on short term investment and bank deposits along with income from discounting of supplier invoices was Rs. 96.373 million. The Board is satisfied that there are no short or long term financial constraints at the close of the year.

Bata 16

Based on the performance and progress made by the Company, your Directors have decided to recommend a final dividend of Rs. 60 per share which in addition to an interim dividend of Rs. 65 per share totalize Rs. 125, of total dividend for the year 2016 and also proposed that Rs. 498 million to be transferred to general reserve to utilize for further growth of the business in the coming years.

Although non-retail division remained under stress during the period due to competition and bleak market conditions, our Retail division continues to grow with the current setup along with the new stores having achieved a growth of 5%. In order to sustain this growth and to provide friendly and modern atmosphere in the stores, an amount of Rs. 96 million has been spent to open new stores and to renovate existing stores at key business locations. Much of the expansion was focused on our modern format of stores concept.

In our manufacturing operations we undertook some further restructuring in line with Company objectives. As a result, our production facilities at Batapur and Maraka remained fully loaded throughout the period to meet the demand of higher value products particularly in PU and DIP footwear.



The Company continued to be a significant contributor to the National Exchequer and during 2016, paid Rs. 2.421 billion in Corporate Tax, Sales Tax, Custom Duty and other levies.

The growth of our business is highly dependent on the skills imparted to our personnel through sound training. The Company has invested a considerable time and money on human resource during the period to acquire latest development in the field of technology and business administration. This wouldbe the ongoing process for future periods. Training of our employees has always been considered as an investment for the future with the objective to provide them with safe and healthy working environment.

The Company continued its Corporate Social Responsibilities activities during the period under review and donated shoes to under privileged children studying in different schools and SOS village, planted more than 2,000 trees in both the factories and arranged free eye check-up camp for children and parents of local community schools. Company also distributed shoes in the areas of Sialkot district amongst people affected by the floods in River Chenab, to encourage and promote healthy and active life style, football training academy was established in Batapur for people in community. Drawing Competition was arranged at Bata Club for children between 6-8 years age wherein families were also present to support these children. The Company is



considerable time and money on human resource and training of employees has always been considered as an investment for the future with the objective to provide them with safe and healthy work place.

For sport activities, the Company this year organized events, where the employees were involved. The sports played during this year were badminton and cricket at our own premises.

As we move forward, we are certain to face competitions and challenges due to ever changing economic and marketing conditions. Based on our strengths we are confident to successfully overcome the challenges in future.

On behalf of your Board, I take this opportunity to express my gratitude and appreciation to our customers for their confidence in our products, our employees for their efforts and all other stakeholders for their continued support.

> F. Garcia Chairman



چيئرمين کاجائزہ

بورڈ آف ڈائر کیٹرز کی جانب سے میں آپ سب کو کمپنی کے65 ویں سالاندعام اجلاس میں خوش آمدید کہتا ہوں اور کمپنی کی سالانہ رپورٹ اور آڈٹ ہوئی مالیاتی معلومات برائے سال جو بداختنام 31 دسمبر 2016ء کو پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

سمپنی کواس مدت میں 15.082 ارب کی آمدنی ہوئی جو کہ پیچلےسال کی آمدنی سے 2% زیادہ ہے۔کل منافع پیچلےسال کے 6.005 ارب کے مقابلے میں 191.6 ارب رہا۔ آپریڈنگ منافع 231.2 ارب سے بڑھ کر 1.141 ارب ہوا۔ منافع بعداز نگیل 1.446 ارب کے مقابلے میں 1.442 ارب رہا۔ کمپنی نے فی حصوں آمدنی 190.70 روپ حاصل کی ۔ (191.74 روپ 2015ء) کمپنی نے 2016ء کے دوران ایک مؤٹر کیش فلومینجنٹ سٹم استعال کرتے ہوئے با قاعدگی سے متوقع ان فلواورآ ڈٹ فلوپیش کیے مختصر مدت کی سرمایہ کاری بینک ڈیپازٹ اور سپال ترزکادا ایک گول کی میں 20.63 کروڑ کا منافع ہوا۔

بورڈ طمنعن ہے کہ کمپنی سال کے اختتام پر کسی قتیل یاطویل مدت کی مالیاتی رکاوٹوں سے دوچار نہیں ہے۔کمپنی کی کارگردگی کو ٹو ظاطر رکھتے ہوئے آئے بورڈ آف ڈائر یکٹرز نے 60روپ فی تصص کے سالا نہ ڈیویڈنٹ کی سفارش کی ہے۔جو کہ 65روپ کے عبوری ڈیویڈنٹ کے علاوہ ہے۔گل ڈیویڈنٹ 125روپ فی تصص ہے۔جو کہ ستنقبل میں کمپنی کی نمو کیلئے استعال ہو گئے۔

اگر چەنان رىيىل ڈويژن زىرجائزەمدت كے دوران دباؤميں رېى كىين رىيىل ڈويژن نے نئى دكانوں كے كھولنے كى مدد سے پچھلے سال كے مقابلے ميں %5اضافہ پیش كیا۔اى نموكو برقر ارر كھنے اور دكانوں ميں ايک خوشگواراور جديد ماحول كيليے 60.6 كروڑروپے نئى دكانوں كوكھولنےاور پرانى ددكانوں كى تزين دآرائش پرخرچ كيے۔

ہمارے باٹا پورادرمعرا کہ کے پیداداری بینٹ اپنی جمر پور صلاحیت کے مطابق جدید جوتوں کی بڑھتی ہوئی طلب کو پورا کرنے میں معروف عمل رہے۔ پیداداری عمل کی تنظیم نوجد بد تقاضوں کے عین مطابق کی گئی۔ کپنی نے قومی خزانے میں ایک اہم شریک ہونے کے کردار کے تسلسل کو برقر ارد کھتے ہوئے کار پوریٹ نیکس، کیٹر ٹی ورڈیگر لیویز کی مدمیں 2.421 ارب روپے قومی خزانے کوادا کیے۔

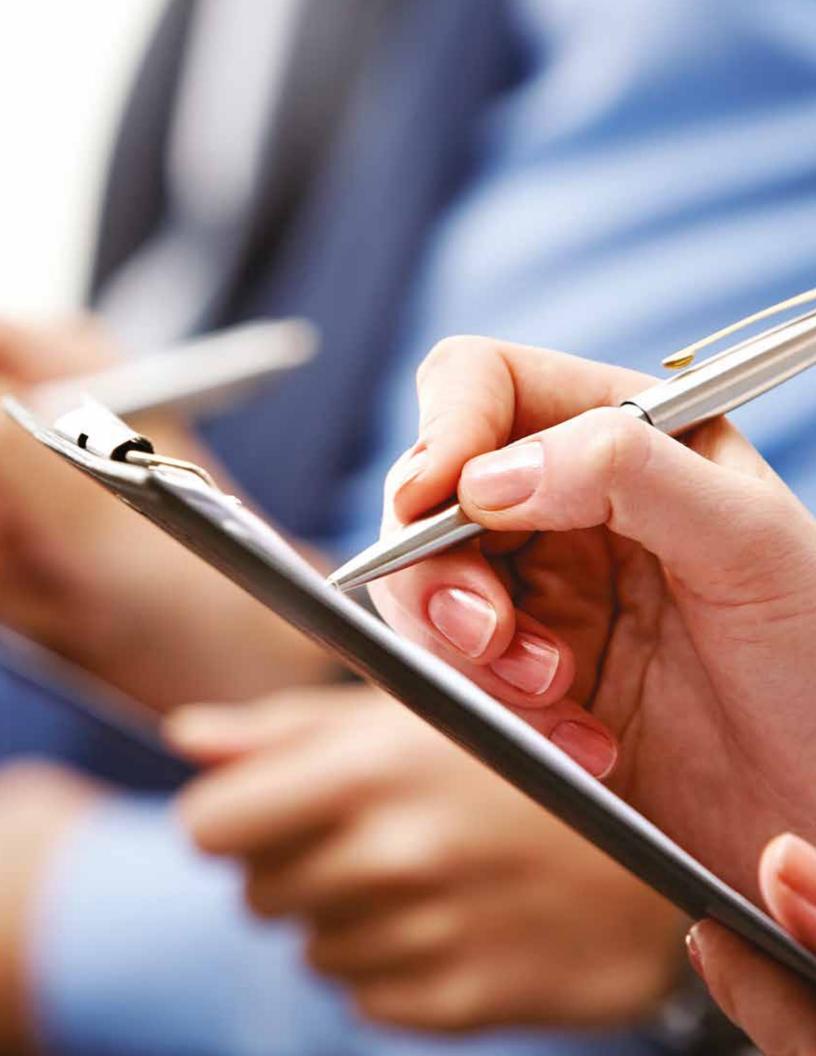
سمپنی کی تر تی کا انحصار عملے کی مہارت اور اچھی تربیت پر ہے۔اس لئے کمپنی نے اپنی مالی اور دیگر دسائل کو تکنیکی تر تی سے مصول کے لئے وقف کیا۔ کمپنی ہمیشدانسانی دسائل پر وقت اور پیسے کی سرمایہ کار کا کو سنتعبل کی سرمایہ کار کی کہ کہ کی کہ کہ کہ کہ کہ کہ کی تر تی کہ محصول کے لئے وقف کیا۔ کمپنی میں سال پر وقت اور پیسے کی سرمایہ کار کی کو سنتعبل کی سرمایہ کار سبھتی ہے۔تا کہ اُن کیلئے ایک محفوظ اور صحت افزاء جگہ میں رہ سکہ ہے۔

کمپنی نے 2016 میں اپنی سابق سرگرمیاں جاری رکمیں جس میں مختلف سکولوں اور رفاعی اداروں کے مشقق طلباء میں جوتے تقسیم کے ،دوہزارے زائد درخت لکوائے ،مقامی لوکوں، بچوں کے مفت آتکھوں کے علاج کے لئے کمپ لگایا کمپنی نے دریائے چناب میں سیلاب آنے کی وجہے ڈسٹر کٹ سیالکوٹ اور اُس کے مضافات کے سیلاب زدگان میں جوتے بھی تقسیم کے ۔تندرست اور فعال طرز زندگی کے فروغ اور حوصلہ افزائی کمیلئے بانا پور کے مقامی لوگوں کیلئے ذف بال کاتر بیت سنٹر بنایا گیا۔ بانا کلب میں 6 سے 8 سال کی عمرے بچوں کی مضافات کے سیلاب زدگان میں جوتے بھی تقسیم کے ،دوہزارے زائد رخت کی کے فروغ اور حوصلہ افزائی کمیلئے بانا پور کے مقامی لوگوں کیلئے دف بال کاتر بیت سنٹر بنایا گیا۔ بانا کل میں 6 سے 8 سال کی عمرے بچوں کی خان کے خاندان کے افراد بھی موجود تھے، کھیلوں کے فروغ کی کمپنی نے اس سال کمپنی کے لوگوں کیلئے ، کپنی نے احاط میں بیڈونٹن اور کرکٹ کے مقابلوں کا انعقاد کیا۔

مستقبل میں ہمیں یقنی چیلنجز اور مسابقت کا سامنا رہے گالیکن ہمیں اپنی طاقت پر یقتین ہے اور ان مشکلات پر قابو پانے کیلئے بے حد پُر اعتماد ہیں۔اس موقع پر میں بورڈ کی جانب سے ہماری مصنوعات پراعتماد کرنے والے خریداروں، کمپنی کے تمام ملاز مین اور تمام حصّے داروں کاشکر گزارہوں۔

> ایف۔گارسیا چیئر مین۔





Directors' Report to the Members

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in submitting their report and financial statements of the Company for the year ended 31 December 2016.

1. The Chairman's Review which is an integral part of this report deals with the year's activities, financial affairs and future prospects of the Company, the contents of which are endorsed by the directors.

2. Financial results

The financial results of the Company are as under:	Rs. ('000)
Profit before taxation	2,100,645
Less: Provision for taxation	, , .
Current	608,272
Prior years	58,977
Deferred	(8,620)
	658,629
Profit after tax	1,442,016
To this must be added	
Unappropriated profit brought forward from last year	1,053,109
Experience Adjustments - Employee Benefits	986
Profit available for appropriations	2,496,111
To this the following must be deducted:	
Final dividend 2015 @ Rs. 45.00 per share	340,200
Interim dividend 2016 @ Rs. 65.00 per share	491,400
Transfer to general reserve	712,000
	1,543,600
Leaving an unappropriated profit to be carried forward to next year	952,511

The directors in their meeting held on 22 February 2017 have also proposed a final cash dividend @ Rs. 60 per share (In addition to interim dividend of Rs. 65 per share). (2015: Final @ Rs. 45.00 per share) and transfer to general reserve amounting to Rs. 498 million for approval of members in the Annual General Meeting to be held on April 24, 2017.

3. Earning per share -Basic and diluted

Earning per share for the year ended 31 December, 2016 was Rs. 190.74 as against Rs. 191.20 of preceding year.

4. The pattern of shareholding

The pattern of shareholding as on 31 December 2016 and its disclosure according to the requirement of Code of Corporate Governance is annexed to this report.

5. Auditors

The present Auditors, Messrs EY Ford Rhodes, Chartered Accountants, retire and offer themselves for re-appointment. The Board of Directors, on recommendation of Audit Committee, proposes the re-appointment of Messrs EY Ford Rhodes, Chartered Accountants, for the year ending 31 December 2017.

6. Statement pursuant to clause XIX of Corporate Governance

The Company had complied with all the requirements of the Code of Corporate Governance as required by the listing regulations.

Accordingly, the Directors are pleased to confirm the following:

- a) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accordingly estimates are based on reasonable and prudent judgment. Change in accounting policy, if any has been adequately disclosed.
- d) International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from, if any, has been adequately disclosed.

- e) The system of internal controls is sound in design and has been effectively implemented and is being consistently reviewed by the internal audit department.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as detailed in listing regulations of Pakistan Stock Exchange.
- h) Key operating and financial data of last six years is annexed to this report.
- i) Statement of compliance with the Code of Corporate Governance is annexed.
- j) Value of assets of Provident Fund Trusts was Rupees ('000) 1,674,956 as on 31 December 2016 as per its audited accounts. The value of assets includes accrued interest.
- k) Attendance at five meetings of the Board of Directors held during the year under review was as under:

Name of Director	Meetings Attended
Mr. F. Garcia	1
Mr. Muhammad Qayyum	5
Mr. M. G. Middleton	5
Mr. Ceasar Panduro	5
Mr. Muhammad Ali Malik	5
Mr. Ijaz Ahmad Chaudry	5
Mr. Muhammad Maqbool	5
Mr. Shahid Anwar	5
Mr. Syed Haroon Rashid	5

- 1) No trading in the shares of the Company was carried out by the Directors, CEO, CFO and Company Secretary, their spouses and minor children.
- m) The Audit Committee met five times during the year under reference. The Audit committee reviewed the quarterly, half yearly and annual financial statements before submission to the Board and their publication. CFO, Head of Internal Audit and a representative of external auditors attended the meetings where issues relating to accounts and audit were discussed. The Audit Committee also reviewed internal audit findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance. The Audit Committee also discussed with the external auditors their letter to the management. Related Parties Transactions were also placed before the Audit Committee prior to approval of the Board.
- n) Outstanding taxes and levies are given in the relevant notes to the audited financial statements.
- o) An orientation course was arranged for the Directors to acquaint them with their duties & responsibilities and enable them to manage affairs of the Company on behalf of the shareholders.
- p) The directors of the Company having 15 years of experience on the board of directors of a listed company are exempt from the requirements of directors training programme.
- q) No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of directors' report.

7. Related party transactions

The transactions with the related parties and associated undertakings were made at arm's length prices.

On behalf of the BOARD OF DIRECTORS

MUHAMMAD QAYYUM CHIEF EXECUTIVE

Batapur LAHORE: 22 February 2017

- سمپنی کی طرف سے تیار کردہ مالیاتی اسٹیٹنٹ اس کی صورتحال کار کر دگی نقذی کے بہاؤاد را یکویٹی میں تبدیلیوں کا داضح اظہار کرتی ہیں۔
 - ا کمپنی کےاکاؤنٹس کی مناسب *ا*درست کتابیں تیار کی گئی ہیں۔
- ۳ مالیاتی اشینن کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسوں کا یکسال اور مسلسل اطلاق کیا گیا ہے۔ اکاؤنٹنگ تخمینہ موزوں اور مختلط اندازوں پیڈی ہے۔ اکاؤنٹنگ پالیسی میں تبریلی کامناسب انکشاف کیا گیا ہے۔
 - ۴ مالیاتی اشینن کی تیاری میں پاکستان میں لا گو نین الا اقوامی اکا ؤٹنگ سینٹڈ رڈ ز پرعملدرآ مد کیا گیا ہےاوراس کسی بھی انحراف کووضاحت کے ساتھ سالاندا کا ؤنٹس میں بیاں کیا گیا ہے۔
 - ۵ اندرونی انحطاط کانظام مضبوط خدوخال پراستوار کیا گیا ہے اورانٹریشش آ ڈٹ ڈیپارٹمنٹ کی طرف سے مؤثر اطلاق اور جائچ کی گئی ہے۔
 - ۲ بطورادارہ مینی کے کام جاری رکھنے کی اہلیت پر کسی شک وشبہ کی گنجائش نہیں ہے۔
 - ۷ کار پوریٹ گورنٹس کے بہترین معیاراورضا بطیمل ہے کوئی قابل ذکرانحراف نہیں کیا گیا
 - ۸ چیسال کااہم آپریٹینگ اور فاننشل مواد سالاندر پورٹ سے منسلک ہے
 - ۹ کوڈ آف کارپوریٹ گورننس کی تعمیل کابیان سالانہ رپورٹ میں شامل ہے
 - · ا پویڈ ینٹ فنڈٹرسٹ کے اثاثوں کی قیمت سالانہ آڈیٹڈر پورٹ برائے سال بداختمام 31 دسمبر 2016ء 1,674,956 ہزاررو پے ب
 - اا بورڈ آف ڈائر یکٹرز کی سال کے دوران پانچ اجلاسوں میں ڈائر یکٹرز کی حاضری درج ذیل ہے۔

حاضري اجلاس
1
5
5
5
5
5
5
5
5

- ۱۲ کمپنی کے صف کی خرید وفروخت قطعی طور پرڈائر یکٹر CFO, CEO کمپنی سیکرٹری ان کی اہلیہ یا بچوں نے نہ کی ہے۔
- ۱۳ آڈٹ کمیٹن کا اجلاس سال میں پانٹی دفعہ مقعد ہوا آڈٹ کمیٹی نے ششماندی اور سالا نہ مالیاتی شیٹرنٹ کا جائزہ پورڈ میں پیش کرنے اور اخاعت سے پہلے کیا OFO اعزل آڈٹ کے سربراہ اور ہیرونی آڈیٹر کے نمائندے نے ان اجلاس میں شرکت کی جہاں اکاؤنٹ اور آڈٹ مے متعلق محاملات پر بجٹ ہوئی۔ آڈٹ کمیٹی نے انٹرل آڈٹ کے حاتائے کا جائزہ لیا اور کوڈ آف کار پوریٹ گومنس کے معیار کے مطالبی اندرونی اڈیٹر کے ساتھ علیحدہ ملاقا تیس کی۔ آڈٹ کمیٹی نے بیرونی آڈیٹرز کے ساتھ Letter of the Management پر بھی بحث کی۔ بورڈ مے منظوری سے پہلے آڈٹ کی نے شرکت کی مسی کی خان کی مطالب میں شرکت کی مطالب میں شرکت کی جائزہ میں معاملہ کی مطالب میں معاملہ میں میں اور بیرونی آڈیٹر کے ساتھ علیحدہ ملاقا تیس کی۔ آڈٹ کمیٹی نے بیرونی آڈیٹرز کے ساتھ کی اور میں میں کی اور میں میں میں میں مطالب کی مطالب کی میں م
 - ۱۴ نیکس اور لیویز کے بقایا جات کی تفصیل مالیاتی سٹیٹنٹ میں متعلقہ نوٹ کے ساتھ پیش کی ہیں۔
 - ۱۵ د الز میشرز کوان نے فرائض اور ذمہ داریوں کی آگاہی کیلئے ایک دانقیتی کورس کابند وبست کیا گیا تا کہ کمپنی کے حصہ داروں کی جانب سے ڈائر میشرزا پنی ذمہ داریاں بخو بی سرانجام د سے کمیں۔
 - 11 ایسے ڈائر کیٹرز جن کالسڈ ڈکمپنیوں نے بورڈ آف ڈائر کیٹرز میں ہونے کا پندرہ سالہ تج یہ ہے وہ ڈائر کیٹرز کے تربیتی پو گرام کی شرائط سے متثلیٰ ہیں۔
 - ۷ مالی سال کے اختبا ماورڈائر کیٹرزر پورٹ کی تاریخ کے درمیان کے عرصے میں کوئی ایسی موادی تبدیلیاں نہ ہوئی ہیں جو کمپنی کے مالی پوزیشن پراثر اندارز ہوں۔

7. منعلقد پارٹی سے لین دین مسلک ذمدار بیں اور منعلقہ پارٹیوں سے لین دین اُن کی حیثیت کے مطابق کیا گیا ہے۔

> منجانب وبرائے بورڈ آف ڈائر کیٹرز محمد قیوم چیف ایگزیکٹو

باڻاپور:-لاہور:-22 فروري 2017ء



د ائر يکٹرز کی رپورے

بورڈ آف ڈائر بکٹراور کپنی کی سالاندآ ڈٹ ہوئی مالیاتی رپورٹ برائے سال بداختنا م31 دسمبر 2016 مونہا یت مسرت سے پیش کرتے ہیں۔ 1. چیئر مین کا جائزہ جس میں سال بھر سرگر میاں ، مالی معاملات اور سنتقتل کے امکانات کا ذکر بے جسکی ڈائر بکٹرز نے توثیق کی ہے وہ اس رپورٹ کا اہم حصہ ہے۔

2. مالياتي نتائج

کمپنی کے مالی نتائج درج ذیل میں۔

ہزارروپے،000	
2,100,645	منافع قبل اذتیکس
	منهائیکن پرویژن
608,272	موجوده سال
58,977	پچھلے سال
(8,620)	استكت سال
658,629	
1,442,016	منافع بعداذتيكن
1,053,109	افتتاحى غير خصيص شده منافع
986	متعمین ایم پلان کی دوبارہ پیائش
2,496,111	فتحصيص كيليح دمتنايب منافع
340,200	حتى دُيويدُتُه @45.00 رويه في حصص-2015 ،
491,400	عبوری کیش ڈیویڈنڈ @65.00روپے فی ⁵ صص 2016ء
712,000	جزل ريزرو
1,543,600	
952,511	افتتاحى غير شخصيص شده منافع

ڈائر کیٹرنے22 فرور 2017ء کی میٹنگ میں حتی کیش ڈیویڈ ٹر @60.00 روپے فی حصص (علاوہ عبوری کیش ڈیویڈ ٹر @45.00 روپ فی حصص)اور جزل ریز رومین منتقلی کیلئے 49.8 کروڑ روپے کی تجویز دی جو کہ 24 اپر یل 2017ء کے سالا نہ عام اجلاس منظوری کیلئے بیش کی جا یکی۔

3. في خصص آمدني

سال کی صص آمدنی 190.74 روپے رہی جوسال 2015ء میں 191.20 روپے تھی۔

4. شيئر ،ولد نگ كاانداز

کوڈ آف کارپوریٹ گورنٹس کے تحت کمپنی کا 31 دسمبر 2016 وکٹیئر ہولڈنگ کا اندازاس سالا نہ رپورٹ کے ساتھ منسلک ہے۔

5. آڈیٹرز

کپنی کے رخصت ہونے والے آڈیڈ میسرزای۔وابے فورڈ روڈز چارٹرڈا کاؤنٹنٹ نے اگلی مدت کے امل ہونے کے سبب دوبار دیقور رکی پیچنش کی ہے۔ آڈٹ کیٹی کی تجویز پر دورڈ اف ڈائر کیٹرزآنے والے سالانہ عام اجلاس میں آڈیٹر میسرزای۔وائے فورڈ دوڈز چارٹرڈا کاؤنٹنٹ کی مالی سال 2017، کیلیے کپنی کے قانونی آڈیٹرز کی تقرر رکی کی سفارش کرتا ہے۔

کارپوریٹ گورنٹس کے تحت بیان

کمپنی نے کار پوریٹ گونٹس کے تمام معیارادرشرائط کی کمل پاسداری کی ہے۔جو کدایس۔ای۔ی۔پی(SECP) کی جانب سے معین کردہ ہےاس کے مطابق بورڈ آف ڈائر میٹرزمندرجہذیل نکات کی خوشی سے تصدیق کرتے میں بورڈ آف ڈائر کیٹرز جمسرت رپورٹ کرتے میں کہ:۔



Corporate Governace

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 31st DECEMBER, 2016

This statement is being presented to comply with the Code of Corporate Governance (Code) contained in Listing Regulation No. 5.19 Chapter 5 of the Pakistan Stock Exchange Limited) for the purpose of establishing a frame work of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names	
Independent Directors	Mr. Muhammad Maqbool	
	Mr. Shahid Anwar	
	Mr. Syed Haroon Rashid	
Executive Directors	Mr. Muhammad Qayyum	
	Mr. Cesar Panduro	
Non-Executive Directors	Mr. F. Garcia	
	Mr. M. G. Middleton	
	Mr. Muhammad Ali Malik	
	Mr. Ijaz Ahmad Chaudhry	

The Independent directors meets the criteria of independence under clause i(b) of the CCG.

- 2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
- 3. All the resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- 4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
- 7. The meetings of the board were presided over by the Chairman and, in his absence, by the Chief Executive Officer and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 8. The Company arranges orientation course for its directors as and when needed to apprise them of their duties and responsibilities.
- 9. The Board has approved all the transactions entered into by the Company with related parties during the year. A complete party wise record of related parties transactions has been maintained by the Company.

- 10. The board has approved the appointment of Company Secretary including his remuneration and terms and conditions of the employment. There were no new appointments of the Chief Financial Officer (CFO) and the Head of Internal Audit during the year.
- 11. The director's report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
- 12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
- 13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- 14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
- 15. The system of internal controls is sound in design and has been effectively implemented and is being consistently reviewed by the Internal Audit Department.
- 16. There has been no material departure from the best practices of Corporate Governance as detailed in listing regulations of Pakistan Stock Exchange.
- 17. The board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors and the chairman of the committee is an independent director.
- 18. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
- 19. The board has formed an HR and Remuneration Committee. It comprises of three members, of whom one is an independent director, the other is an executive director and the chairman of the committee is a non-executive director.
- 20. The board has set up an effective internal audit function with suitably qualified and experienced staff for the purpose and are conversant with the policies and procedures of the Company.
- 21. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- 22. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 23. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
- 24. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
- 25. We confirm that all other material principles enshrined in the CCG have been complied with.

Batapur: LAHORE: 22 February 2017 **MUHAMMAD QAYYUM** CHIEF EXECUTIVE OFFICER



Review Report to the Members

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Bata Pakistan Limited (the Company) for the year ended 31 December 2016 to comply with the requirements of Listing Regulation 5.19 of the rule book of Pakistan Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the board of directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2016.

LAHORE: 22 February 2017

EY FORD RHODES CHARTERED ACCOUNTANTS Audit Engagement Partner's Name: Farooq Hameed







Auditors' Report to the Members

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Bata Pakistan Limited (the Company) as at 31 December 2016 and the related statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the 'financial statements'), for the year then ended and we state that 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.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the changes as stated in note 2.2 with which we concur;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, statment of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of the total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

LAHORE: 22 February 2017

EY FORD RHODES CHARTERED ACCOUNTANTS Audit Engagement Partner's Name: Farooq Hameed



Financial Statements



BALANCE SHEET

AS AT 31 DECEMBER 2016

	Note	2016	2015
		(Rupees	in '000)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,420,757	1,470,821
Intangible assets	7	2,079	4,260
Long term investments	8	45,000	45,000
Long term deposits and prepayments	9	31,588	35,114
CURRENT ASSETS		1,499,424	1,555,195
Stores and spare parts	10	248	343
Stock in trade	11	2,901,903	2,967,199
Trade debts - unsecured	12	1,336,061	788,405
Advances - unsecured	13	24,752	42,990
Deposits and short term prepayments	14	51,871	69,071
Other receivables	15	602,969	549,839
Interest accrued		1,790	2,293
Short term investment	16	1,600,000	1,300,000
Tax refunds due from Government	17	508,597	508,597
Cash and bank balances	18	556,941	455,334
		7,585,132	6,684,071
TOTAL ASSETS		9,084,556	8,239,266
EQUITY AND LIABILITY			
SHARE CAPITAL AND RESERVES			
Authorized share capital	19	100,000	100,000
Issued, subscribed and paid up capital Reserves	19	75,600	75,600
Capital reserve	20	483	483
Revenue reserves	21	6,586,511	5,975,109
		6,586,994	5,975,592
NON-CURRENT LIABILITIES		6,662,594	6,051,192
Long term deposits	22	45,000	45,000
Deferred liability - employee benefits	22	72,150	68,805
Deferred taxation	23 24	40,480	48,735
		157,630	162,540
		.,	- 12 -
CURRENT LIABILITIES Trade and other payables	25	1,656,060	1,403,702
Short term borrowings	25 26	-	1,400,/02
Provision for taxation		608,272	621,832
		2,264,332	2,025,534
CONTINGENCIES AND COMMITMENTS TOTAL EQUITY AND LIABILITIES	27	9,084,556	8,239,266
		9,004,000	0,239,200

The annexed notes from 1 to 48 form an integral part of these financial statements.

Chief Executive

Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015
		(Rupee	es in '000)
Sales Cost of Sales	28 29	15,082,171 8,888,245	14,781,520 8,776,323
Gross Profit		6,193,926	6,005,197
Distribution Cost Administrative Expenses Other Expenses	30 31 32	3,030,729 959,975 170,103	2,852,455 936,629 175,677
Other Income	33	4,160,807 107,461	3,964,761 91,348
Operating Profit Finance Cost	34	2,140,580 39,935	2,131,784 30,504
Profit Before Taxation Taxation	35	2,100,645 658,629	2,101,280 655,780
Profit After Taxation		1,442,016	1,445,500
Other Comprehensive Income (not to be reclassified to profit and loss)			
Remeasurement adjustments - employee benefits (net of tax)	23	986	(7,099)
Total Comprehensive Income for the Year		1,443,002	1,438,401
Earnings Per Share - Basic and Diluted	37	Rs. 190.74	Rs. 191.20

The annexed notes from 1 to 48 form an integral part of these financial statements.

Chief Executive



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015
		(Rupees	in '000)
Profit before taxation		2,100,645	2,101,280
Adjustment to reconcile profit before tax to net cash flows:			[]
Depreciation of property, plant & equipment	6.1	204,835	206,342
Amortization of intangible assets	7	2,321	3,000
Provision for gratuity	23.2	8,469	8,951
Loss on disposal of property, plant and equipment	32	9,082	13,199
Income from short term investments	33	(57,591)	(41,536)
Income from long term investments	33	(2,782)	(2,713)
Exchange loss	32	4,107	5,034
Finance cost	34	5,644	5,083
Income from discounting of supplier invoices	33	(19,292)	(22,731)
Provision for trade debts and advances (net)	30	4,114	5,755
(Reversal) / provision for slow moving and obsolete stock (net)		(1,023)	19,961
Provision for obsolescence - stores & spare parts	10.1	2,128	6,773
		160,012	207,118
Operating profit before working capital changes		2,260,657	2,308,398
Working capital adjustments:		, ,	,- ,- ,
(Increase) / decrease in current assets:			
Stores and spare parts		(2,033)	(7,039)
Stock in trade		66,319	(257,453)
Trade debts - unsecured		(552,407)	(291,026)
Advances - unsecured		18,875	18,198
Deposits, short term prepayments		17,200	2,315
Other receivables		536	(1,313)
× //1 \\ .19.140.0		(451,510)	(536,318)
Increase / (decrease) in current liabilities: Trade and other payables		250 792	(36,663)
* •		259,783	
Cash generated from operations		2,068,930	1,735,417
Finance costs paid	34	(5,644)	(5,083)
Tax paid		(734,475)	(607,491)
Gratuity paid	23.2	(3,773)	(3,570)
Interest income received		60,876	45,883
		(683,016)	(570,261)
Decrease in long term prepayments		3,526	11,373
Increase in long term deposits		-	7,000
Net cash generated from operating activities	А	1,389,440	1,183,529
CASH FLOWS FROM INVESTING ACTIVITIES		, ,	
Purchase of operating fixed assets		(125,806)	(253,731)
Increase in Capital work in progress		(40,787)	(47,789)
Purchase of intangible assets	7	(140)	(2,331)
Proceeds from sale of property, plant and equipment	6.4	2,740	3,399
Increase in long term investments		-	(7,000)
Net cash used in investing activities	В	(163,993)	(307,452)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(823,840)	(634,432)
Net cash used in financing activities	С	(823,840)	(634,432)
NET INCREASE IN CASH AND CASH EQUIVALENTS	A+B+C	401,607	241,645
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		1,755,334	1,513,689
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	38	2,156,941	1,755,334

The annexed notes from 1 to 48 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

		Revenue	reserve	
Share capital	Capital reserve	General reserve	Unappropriated profits	Total
		(Rupees in '000)		
75,600	483	4,157,000	1,022,308	5,255,391
-	-	-	(257,040)	(257,040)
-	-	765,000	(765,000)	-
-	-	-	(385,560)	(385,560)
-	-	-	1,445,500	1,445,500
_	_	-	(7,099)	(7,099)
-	-	-	1,438,401	1,438,401
75,600	483	4,922,000	1,053,109	6,051,192
-	-	-	(340,200)	(340,200)
-	-	712,000	(712,000)	-
			(491,400)	(491,400)
_	-	-	1,442,016	1,442,016
_	-	-	986	986
			1,443,002	1,443,002
75,600	483	5,634,000	952,511	6,662,594
	capital 75,600 - - - - - - 75,600 - - - - - - - - - - - - - - - - - -	capital reserve 75,600 483 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	Share capital Capital reserve General reserve (Rupces in '000) 75,600 483 4,157,000 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	capital reserve reserve profits (Rupees in 4000) (Rupees in 4000) (Rupees in 4000) 75,600 483 4,157,000 1,022,308 - - - (257,040) - - - (257,040) - - - (257,040) - - 765,000 (765,000) - - - (385,560) - - - (7,099) - - - 1,443,500 - - - (7,099) - - - (340,200) - - 712,000 (712,000) - - - 1,442,016 - - - 1,443,002

The annexed notes from 1 to 48 form an integral part of these financial statements.

Chief Executive



FOR THE YEAR ENDED 31 DECEMBER 2016

1. LEGAL STATUS AND OPERATIONS

Bata Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at Batapur, Lahore. The principal activity of the Company is manufacturing and sale of footwear of all kinds along with sale of accessories and hosiery items. The parent company of Bata Pakistan Limited is Bafin B.V. (Nederland), whereas the ultimate parent is Compass Limited, Bermuda.

2 STATEMENT OF COMPLIANCE

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards effective in 2016

The Company has adopted the following new and amended IFRS interpretations which became effective during the year.

terests in Other Entities and Separate Financial Statements Exception (Amendment)
Interest in Joint Operation (Amendment)
itiative (Amendment)
s - Clarification of Acceptable Method of Depreciation and
Agriculture: Bearer Plants (Amendment)
eparate Financial Statements (Amendment)
l by the IASB in September 2014
Operations - Changes in methods of disposal
acts
the offsetting disclosures to condensed interim financial
issue
tion 'elsewhere in the interim financial report'

The adoption of the above amendments, interpretations and improvements did not have any material effect on the financial statements.

2.3 Standards issued but not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

FOR THE YEAR ENDED 31 DECEMBER 2016

	Standards or Interpretation	Effective date: (Periods beginning on or)
IFRS 2	Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Deferred indefinitely
IAS 7	Statement of Cashflows - Disclosure about changes in liabilities arising from financing activities (Amendments)	01 January 2017
IAS 12	Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)	01 January 2017
IFRS 4	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
IAS 40	Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	01 January 2018

The Company expects that the adoption of the above revisions and amendments of the standards will not materially affect the Company's financial statements in the period of initial application or later periods.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2017. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

	Standards	IASB effective date: (annual periods beginning on or after)
IFRS 1	First time adoption of International Financial Reporting Standards	01 January 2009
IFRS 9	Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14	Regulatory Deferral Accounts	01 January 2016
IFRS 15	Revenue from Contracts with Customers	01 January 2018
IFRS 16	Leases	01 January 2019

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application, except for IFRS 15 and IFRS 16. The management is in the process of determining the effect of application of IFRS 15 and IFRS 16.

3. BASIS OF PREPARATION

3.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that certain employee benefits are recognized on the basis mentioned in note 5.1. In these financial statements, all the transactions have been accounted for on accrual basis.

3.2 PRESENTATION CURRENCY

These financial statements are presented in Pak Rupee, which is the Company's functional currency. Figures have been rounded off to nearest thousand of Rupees, unless otherwise stated

FOR THE YEAR ENDED 31 DECEMBER 2016

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors involving a higher degree of expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if revision affects both current and future periods. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

4.1 Employee Benefits

The cost of defined benefit retirement plan (gratuity) is determined using actuarial valuations (projected unit credit method) performed by an independent actuary. The actuarial valuation involves making assumptions about amongst others, discount rates, future salary increases and mortality rates. All assumptions are reviewed at each reporting date and take into account factors such as prevailing interest rates, increments and promotions awarded by the Company in the recent past and projected for the future, health and age profile of employees.

4.2 Taxation

In making the estimate for income tax payable, the Company takes into account the applicable tax laws and the decisions by appellate authorities on certain issues in the past. The Company consults its tax advisor and takes into account factors including industry practice and recent judgments by tax authorities and/or courts of law.

4.3 Useful lives, residual values, pattern of flow of economic benefits and impairment

Estimates with respect to depreciable lives, residual values and pattern of flow of economic benefits are based on the analysis of the management of the Company based on historical pattern of use, economic utility, technological advancement, expected re-sale values and expected usual wear and tear. Further, as explained in Note 5.4, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

4.4 Provision for obsolescence of stores, spare parts and stock in trade

Provision for obsolescence of stores, spare parts and stock in trade is made on the basis of management's estimate of net realizable value and ageing analysis prepared on an item-by-item basis. Net realizable value calculations are estimated based on recently-held transactions and values expected to be recovered for sale in normal course of business less an estimate for expected selling costs.

4.5 Provision for doubtful debts

The Company reviews its trade and other receivables at each reporting date to assess whether provision should be recorded in profit and loss account for any doubtful receivables. Especially, judgment by management is required in the estimation of the amount and timing of future cash flows while determining the extent of provision required. Such estimates are based on assumption about a number of factors including credit history of counter party, pattern of recent transactions and credit ratings where available. Actual cash flows may differ resulting in subsequent changes to the provisions.

Other areas where estimates and judgments are involved have been disclosed in respective notes to the financial statements.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with prior year except as stated in note 2.2.

5.1 Employee Benefits

Defined Benefit Plan

The Company's defined benefit plan represents a defined amount of gratuity that an employee will receive on retirement, which is usually dependent on one or more factors such as age, years of service and compensation.

FOR THE YEAR ENDED 31 DECEMBER 2016

The Company operates an un-funded gratuity scheme covering all employees, excluding managerial staff. The entitlement to gratuity is determined as follows:

- a) For employees, who are members of the provident fund scheme, the provision is calculated with reference to 3 weeks' basic salary for each completed year of service.
- **b)** For employees, who are not members of the provident fund scheme, provision is based on 30 days gross highest salaries/wages drawn during the year for each completed year of service.

Actuarial valuation of defined benefit scheme is conducted annually and the most recent valuation was carried out as of 31 December 2016 using projected unit credit method.

Remeasurement adjustments are recognized in other comprehensive income when they occur. Amounts recorded in profit and loss are limited to current and past service cost, gain or losses on settlements, and net interest income (expenses). All other changes in net defined benefit liability are recognized in other comprehensive income with no subsequent recycling to profit and loss.

The defined benefit liability comprises the present value of defined benefit obligation which is disclosed in note 23.

Defined Contribution Plan

The Company operates a recognized provident fund schemes for its employees. Equal monthly contributions by the Company and employees at the rates of 8% and 10% of the basic salary are made to Employees' Provident Fund and Managerial Staff Provident Fund, respectively.

5.2 Taxation

Current

Provision of current tax is based on the taxable income, alternative corporate tax or minimum tax provisions in accordance with Income Tax Ordinance 2001. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred income tax is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference, carry-forward of unused tax credits and unused.

The carrying amount of deferred income tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the balance sheet date.

Sales tax

Revenues, expenses, assets and liabilities are recognized net of the amount of sales tax except:

- Where the sales tax incurred on purchase of assets or services is not recoverable from the taxation authority, the sales tax is recognized as part of the cost of acquisition of the asset or as part of expense as applicable.
- Receivables and payable that are stated with the amount of sales tax included.

FOR THE YEAR ENDED 31 DECEMBER 2016

5.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except land which is stated at cost.

Depreciation is charged to income applying reducing balance method at the rates prescribed in note 6.1 of these financial statements to write off the cost over the useful lives of these assets. Depreciation on additions to property, plant and equipment is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is disposed off.

Subsequent expenditure relating to an item of property, plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company as per recognition criteria. All other expenditure in the form of normal repair and maintenance is charged to profit and loss account as and when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Capital work in progress

Capital work in progress represents expenditure on property, plant and equipment in course of construction, installation and/or in transit. Transfers are made to relevant category of operating fixed assets as and when assets become available for use. Capital work in progress is stated at cost, less any identified impairment loss.

5.4 Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit and loss account in the expense category consistent with the function of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the profit and loss account when the asset is derecognized.

5.5 Impairment of non-financial assets

At each balance sheet date, the carrying amount of assets is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account as incurred. The recoverable amount is higher of an asset's fair value less cost to sell and value in use.

When conditions giving rise to impairment loss subsequently reverse, impairment loss is reversed and carrying amount of the asset is increased to the revised recoverable amount. Revised carrying amount is limited to carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss is recognized in profit and loss account.

5.6 Investments- Held to maturity

These represent investments with fixed maturity in respect of which Company has the positive intent and ability to hold till maturity. These are initially recognized at cost including transaction costs and are subsequently carried at amortized cost.

5.7 Stores and spare parts

These have been valued on the following basis subject to an estimated obsolescence reserve for net realizable value.

Purchased	-	at weighted average cost.
To the state		

In transit - at actual cost.

FOR THE YEAR ENDED 31 DECEMBER 2016

5.8 Stock in trade

These are stated at lower of cost and net realizable value. The methods used for calculation of cost are as follows:

Raw material	
Own production Purchased In transit	 at weighted average cost at weighted average cost at actual cost
Goods in process	- at production cost
Finished goods	
Own production Purchased In transit	 at production cost on first in first out (FIFO) basis. at actual cost on first in first out (FIFO) basis at actual cost

Cost is calculated as the cost of materials, direct labor and appropriate production overheads estimation based on normal capacity levels. Net realizable value is based on estimated selling price in the ordinary course of business less estimated cost to completion and estimated cost necessary to make the sale.

5.9 Provision for doubtful debts

A provision for doubtful debts / other receivables is based on management's assessment of customers' outstanding balances and credit worthiness. The amount of the provision is recognized in the statement of comprehensive income. Trade debts and other receivables are written off when considered irrecoverable.

5.10 Contingencies and commitments

Contingent liabilities are disclosed when:

- There is a possible obligation that arises from past events and whose existence 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.
- There is a present obligation that arises from past events but 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.

5.11 Foreign currency transactions and translations

Foreign currency transactions are recorded at the rate of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currency are reported in Pak rupees at the rate of exchange approximating those prevailing at the balance sheet date. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

Foreign exchange gains and losses are presented in the profit and loss account within 'other income' and 'other expenses' respectively.

5.12 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of borrowings using the effective interest method.

5.13 Provisions

Provisions are recognized when the company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is made using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

FOR THE YEAR ENDED 31 DECEMBER 2016

5.14 Revenue recognition

(i) Sale of goods - Wholesale

The Company manufactures, imports and sells a range of footwear products in the wholesale market. Sales of goods are recognized when the Company has delivered products to the wholesaler.

(ii) Sale of goods - Retail

The Company operates a chain of retail outlets for selling shoes and other products. Sales are recognized when product is sold to the customer. Sales are usually in cash or by credit card.

(iii) Loyalty Programmes

IFRIC 13 requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognized as revenue over the period that the award credits are redeemed.

(iv) Profit on investments

Profit on investments is accounted for on accrual basis using effective interest method.

(v) Profit on bank deposits

Profit on bank deposits is accounted for on accrual basis.

(vi) Operating lease arrangement

Rental income is recognized on accrual basis over the period of lease agreement.

5.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits with banks, other short term investments with original maturities of three months or less and bank overdrafts.

For the purposes of cash flow statement, cash and cash equivalents comprise of cash in hand, cash in transit, bank balances and short term investments.

5.16 Financial Instruments

Recognition and measurement

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets and liabilities are initially measured at fair value. These financial assets and liabilities are subsequently measured at fair value or amortised cost as the case may be.

Major categories of financial assets represent investments, deposits, trade debts, other receivables and cash and bank balances.

Financial liabilities are classified according to substance of the contractual arrangements entered into and mainly comprise of creditors, accrued expenses and other payables.

The Company derecognizes financial assets or a portion of financial assets when, and only when, the Company loses control of the contractual rights that comprise the financial asset or portion of financial asset. A financial liability or part of financial liability is derecognized from the balance sheet when, and only when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Any gain / (loss) on the recognition and de-recognition of the financial assets and liabilities is included in the profit and loss for the period in which they arise.

Held-to-maturity investments represent financial instruments which the Company has the positive intent and ability to hold to maturity. These are measured at amortized cost using the effective interest method, less any impairment.

FOR THE YEAR ENDED 31 DECEMBER 2016

5.17 Offsetting of financial assets and financial liabilities

A financial asset and liability is offset against each other and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the asset and settle the liability simultaneously.

5.18 Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of the impairment may include indicators that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the profit and loss account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in profit and loss account.

5.19 Dividend and appropriation to reserves

Dividend and other appropriation to reserves are recognized in the financial statements in the period in which these are approved.

5.20 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments.

Management has determined the operating segments based on the information that is presented to the chief operating decision-maker of the Company for allocation of resources and assessment of performance. Based on internal management reporting structure, the Company is organized into four operating segments:

- Retail

- Wholesale
- Export
- Others

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing performance.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

		Note	2016	2015
			(Rupees	in '000)
6.	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	6.1	1,415,822	1,454,728
	Capital work in progress	6.2	4,935	16,093
			1,420,757	1.470.821

FOR THE YEAR ENDED 31 DECEMBER 2016

				20	2016				
CO	COST			ACCUN	ACCUMULATED DEPRECIATION	CIATION		Book value	Depreciation
As at 01 Jan	Additions	Disposals	As at 31 Dec	As at 01 Jan	Charge for the year	Disposals	As at 31 Dec	As at 31 Dec	Rate %
			(Rupees	(Rupees in '000)					
2,508 35			2,508 35					2,508 35	
178.453	1.756		180.209	73.025	10.632		83.657	96.552	10
92,883	- 00 09	- -	92,883 752 516	47,456	2,271	-	49,727 276 550	43,156 276.050	νç
8,766		(F./F.(UL)	8,766	3,602	516		4,118	4,648	10
2,186 6,612	- 150	- (15)	2,171 6,762	3,609	107 312	(13)	1,214 3,921	957 2,841	10
133,783 1,568,823	10,676 116,285	(5,009) (23,330)	139,450 1,661,778	75,601 708,590	16,146 135,413	(3,907) (13,310)	87,840 830,693	51,610 831,085	25 15
21,364			21,364	14,524	1,368		15,892	5,472	20
2,730,519	177,751	(38,828)	2,869,442	1,275,791	204,835	(27,006)	1,453,620	1,415,822	
				20	2015				
CO	COST			ACCUN	ACCUMULATED DEPRECIATION	CIATION		Book value	Depreciation
As at 01 Jan	Additions	Disposals	As at 31 Dec	As at 01 Jan	Charge for the year	Disposals	As at 31 Dec	As at 31 Dec	Rate %
			(Rupces	(Rupees in '000)					
2,508 35			2,508 35				0	2,508 35	
- 155.770	0 22.683		178.453	62.429	10.596	,	73.025	105.428	10
74,543 673,654	18,340	- (0.317)	92,883 715,106	45,740 318,189	1,716 37,976	- (1001)	47,456 348.264	45,427 366.842	ν 0 <u>1</u>
8,766			8,766	3,028	574		3,602	5,164	10
6,611	254	(00) (253)	2,180 6,612	0,001 3,492	324	(49) (207)	3,609	3,003	10
119,626 1,369,175	18,524 230,155	(4,367) (30.507)	133,783 1,568,823	62,527 588,086	16,634 136,693	(3,560) (16,189)	75,601 708,590	58,182 860,233	25 15
21,364			21,364	12,814	1,710		14,524	6,840	50
2,454,298	240,/22	(44,504)	610,00,2	ccc,/kn,1	200,542	(006/77)	1,2/,2/1	1,454,/28	
				Opening Balance	Balance	2016 (Rupees in '000) Additions	lransfers	Closing Balance	
								Þ	
					- 14,514 -	- 40,787	- (9,579) (40,787)	4,935	
					1,579		(1,579)		
					16,093	40,787	(51,945)	4,935	
						2015			_
				Opening	Opening Balance	(Rupees in '000) Additions	00) Transfers	Closing Balance	_
					7,081 48,076 141	13,287 5,674 27,249	(20,368) (39,236) (27,390)	14,514 15-0	
					- 25 200	4/C'T	- (00 you	6/C,1	

Operating fixed assets

DESCRIPTION

Land Freehold Lasashold with super structure Lasashold with super structure Buildings on freehold land Factory Others Plant and machinery Boiler Gas installations Office equipment Computers Fundures Fundures Fundures Fundures

DESCRIPTION

Land Freehold Lassehold with super structure Buildings on freehold land Factory Others Plant and machinery Boiler Gas installations Office equipment Computers Furniture, fixtures and fittings Vehicles

Capital work-in-progress 6.2

Tangible Building Fumiture Machine Computer

Tangible Building Fumiture Machine Computer

16,093

(166'98)

47,789

55,298

FOR THE YEAR ENDED 31 DECEMBER 2016

Allocation of depreciation expense							Note	2016	2015
The depreciation charge for the year has been allocated	allocated	as follows:						(Ruj	(Rupees in '000)
Cost of sales Distribution cost Administrative expenses							29.1 30 31	49,271 142,872 12,692 204,835	40,205 144,149 12,988 206,342
Disposal of property, plant and equipment Description of assets	Note	Name of Buyer		Original cost	Accumulated	Written down	Sale	Gain/	Mode of
Plant and machinery					ucprectation (Rupe	(Rupees in '000)	proceeds	_	usposa
Conveyer, splitting machine, moulding machine Outing Press Window air condition	M/S Somi l Miscellane Scrapped	M/S Somi Enterprises Miscellaneous Scrapped		9,995 482 12	9,322 456 11	673 26 1	650 633 -	(23) 607 (1)	Negotiation Negotiation Scrapped
Computers				10,489	9,789	200	1,283	583	
Laptop CPUs, Printers and Scanners and Monitors Computers	Mr.Sl M/S Misco	Mr.Shuaib Ahmed (ex-employee) M/S Somi Enterprises Miscellaneous		170 4,335 433	65 3,456 328	105 879 105	111 171 113	2 (208) 9 (208) 9 (208) 9 (208)	Management decision Negotiation Negotiation
Laptop Furniture, fixtures and fittings	lene	oughbor		5,009	3,907	1,102	395	1 1	outblea
	;			-007			0/0		
Different shop tumiture Shop furniture and fittings	Mr. S Mr. N	Mr. Shahbaz Khan Mr. Murtaza & Sons		6,327 4,476	4,764 2,683	1,565 1,793	248 346	(1,315) $(1,447)$ $(1,447)$	Negotiation Negotiation
ACs, Fans and Generator	M/S.	M/S Abdul Ghafaar		3,211	2,178	1,033	324 10		Vegotiation
Shop furniture and fittings Shop furniture and fittings	M/S] M/S]	M/S Mian Khalid Waheed M/S Rohaan Scrap Dealer		217	167 167	R (R	38 IS	(14) (12)	Negotiation Negotiation
Shop furniture and fittings	Misco	ellaneous		405	331	74	88		Negotiation
Shop furniture and fittings	Scrapped	ped		8,477	3,029	5,448		1	Scrapped
				23,330	13,310	10,020	1,062	(8,958)	
Rs. (1000) - 2016				38,828	27,006	11,822	2,740	(9,082)	
Rs. ('000) - 2015				44,504	27,906	16,598	3,399	(13,199)	
SL3SSE 4385									
			COST		ACCUMU	ACCUMULATED AMORTIZATION	NOIL	BOOK VALUE	Amortization
Software Licences		As at 01 Jan	Additions /	As at 31 Dec.	As at 01 Jan	Charge for	As at 31 Dec	As at 31 Dec.	Rate %
	٦		Iransters			the year			
				(Rupees in '000)	(000, ui				
2016		30,058	140	30,198	25,798	2,321	28,119	2,079	33
2015		27,727	2,331	30,058	22,798	3,000	25,798	4,260	33

The amortization charge for the year has been allocated to administrative expenses as referred to in note 31.

7.1

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Bata 54

6.3

6.4

FOR THE YEAR ENDED 31 DECEMBER 2016

		Note	2016	2015
8.	LONG TERM INVESTMENTS		(Rupees in	(000)
0.	Held to maturity at cost			
	PLS Term Deposit Reciepts	8.1	45,000	45,000
	8.1 These deposits are earmarked against the balances due to employees held as securities and personal accounts as stated in note 22.1. These carry mark-up at the rate of 5.50% (2015: 7.33%) per annum.			
9.	LONG TERM DEPOSITS AND PREPAYMENTS			
	Security deposits	9.1	28,726	26,397
	Prepaid rent	9.2 14	35,517	48,336
	Less: Adjustable within one year	14	32,655	<u>39,619</u> 8,717
			31,588	35,114
	9.1 This includes the amounts given as securities to landlords in respect of operating leases of shops.		0-1900	
	9.2 Prepaid rent is amortized as rent expense is incurred, in accordance with the terms of rent agreements.			
10.	STORES AND SPARE PARTS			
	Stores		3,126	3,317
	Spares		<u> </u>	37,675 40,992
	Less: obsolescence reserve	10.1	43,120 43,120	40,992 40,992
	Spares in transit		248	343
			248	343
	10.1 Opening reserve Charge for the year	29.4	40,992 2,128	34,219 6,773
	Closing reserve		43,120	40,992
11.	STOCK IN TRADE			
	Raw material			
	In hand In transit	11.1	90,755 71,398	140,884 47,257
	Goods in process	11.2	162,153 40,996	188,141 25,199
	Finished goods	11.2	10,770	_),1))
	Own production		1,166,576	1,113,885
	Purchased	11.0	1,554,708	1,663,527
		11.3	2,721,284	2,777,412
	Less: Provision for slow moving and obsolete items	11.4	(22,530)	(23,553)
			2,698,754	2,753,859
			2,901,903	2,967,199
	11.1 This includes provision for raw material amounting to Rs. ('000) 7,505 (2015: Rs. ('000) 5,898).			
	11.2 This includes amounts aggregating to Rs. ('000) 9,796 (2015: Rs. ('000) 14,194) representing stock held by third parties.			
	11.3 This includes amounts aggregating to Rs. ('000) 166,666 (2015: Rs. ('000) 154,296) representing stock held by third parties.			
	11.4 Opening provision		23,553	3,592 23,553
	Charge for the year Reversals during the year		22,497 (23,520)	23,553 (3,592)
	Closing provision		22,530	23,553
	or ····			

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 (Rupees	2015 s in '000)
12. TRADE DEBTS - UNSECURED			
Considered good Due from customers Due from associated undertakings	12.1 12.2	1,333,464 2,597	782,627 5,778
Considered doubtful Due from customers Less: Provision for doubtful debts	12.3	1,336,061 30,110 (30,110)	788,405 25,359 (25,359)
		1,336,061	788,405
12.1 These customers have no recent history of default. For age analysis of these trade debts, refer to Note 40.2.3.			
12.2 Due from associated undertakings - unsecured			
Empresas Comersiales S.a (Bata Peru) Bata Shoe (Singapore) Pte Limited Bata Shoe Company (Kenya) Bata Shoe Company (Zimbabwe) Bata Shoe Company (Sri Lanka)		1,319 1,278 - -	5,313 328 137
		2,597	5,778
12.2.1 Maximum aggregate amount due from associated undertakings the end of any month in the year was Rs. ('000) 6,753 (2015: Rs. 6,395). No interest has been charged on the amounts due from associated undertakings.			
12.3 Movement in the provision - for doubtful debts is as follows:			
Balance as at 1 January Charge for the year Reversals During the year		25,359 9,353 (4,602)	19,012 9,251 (2,904)
Balance as at 31 December		30,110	25,359

12.4 Aggregate amount due from Directors, Chief Executives and Executives of the Company is Rs. Nil (2015: Rs. Nil)

		Note	2016	2015
			(Rupees	s in '000)
13.	ADVANCES - UNSECURED			
	Considered good, non-interest bearing			
	Advances to employees Advances to suppliers		6,292 18,460	8,997 33,993
	Considered doubtful, non-interest bearing		24,752	42,990
	Considered doubtrul, non-interest bearing			
	Advances to suppliers Less: Provision for doubtful debts	13.3		637 (637)
			24,752	42,990
	13.1 Aggregate amount due from Directors, Chief Executives and Executives of the Company is Rs. Nil (2015: Rs. Nil)			
	13.2 Aggregate amount due from related parties is Rs. Nil (2015: Rs. Nil)			
	13.3 Opening provision Reversals during the year		637 (637)	1,229 (592)
	Closing provision		-	637

FOR THE YEAR ENDED 31 DECEMBER 2016

				Note	2016	2015
14.	DEPOSITS AND SHORT TERM PREPAYMENTS				(Rupee	s in '000)
11,	Deposits - Considered good, unsecured					
	Custom duty and taxes Letters of guarantee - Margin Others				1,125 3,234 4,360	5,765 3,234 4,919
					8,719	13,918
	Short term prepayments Prepaid rent			9	22 655	39,619
	Prepaid sales tax Other prepaid expenses			9	32,655 3,915 6,582	7,111 8,423
					43,152	55,153
1.	OTHER RECERTARIES				51,871	69,071
15.	OTHER RECEIVABLES Considered good - unsecured					
	Export rebates				5,456	5,388
	Insurance claims				1,382	4,575
	Advance tax Others			15.1 15.2	588,598 7,533	534,932 4,944
	onicio			19.2	602,969	549,839
	Considered doubtful				,,,,,,	
	Advance rent Others				1,584 3,838	1,584 3,838
	Less: Provision for doubtful balances			15.3	5,422 (5,422)	5,422 (5,422)
	15.1 Advance tax				602,969	549,839
	Balance as at 01 January Advance tax paid during the year				534,932 734,475	504,133 602,676
	Adjustment against:				1,269,407	1,106,809
	Provision for tax of last year Prior Year				(621,832) (58,977)	(522,880) (48,997)
					(680,809)	(571,877)
	Balance as at 31 December				588,598	534,932
	15.2 Other receivables do not include any amounts Chief Executives, Executives and related partie	s receivable from es (2015: Rs. Nil).	Directors,			
	15.3 Opening provision Charge for the year				5,422	5,422
	Reversals during the year				-	
	Closing provision				5,422	5,422
16.	SHORT TERM INVESTMENT					
	Held to maturity at cost					
	This includes the following term deposit receipts:	Rate of return	Period of deposit			
	Habib Metropolitan Bank Limited	6.50%	1 month		900,000	_
	United Bank Limited Habib Bank Limited	6.35% 7.30%	1 month 1 month		700,000	550,000
	United Bank Limited	7.36%	1 month		-	300,000
	Habib Metropolitan Bank Limited Habib Metropolitan Bank Limited	7.33% 7.07%	1 month 1 month		-	200,000 150,000
	Habib Metropolitan Bank Limited	7.17%	1 month		-	100,000
	16.1 The chort term investments do not inculde an		1.1.4	D N (1)	1,600,000	1,300,000

16.1 The short term investments do not inculde any investment in related parties (2015: Rs. Nil).

FOR THE YEAR ENDED 31 DECEMBER 2016

17. TAX REFUNDS DUE FROM GOVERNMENT

This represents sales tax paid on raw materials used in zero-rated taxable footwear for which refund claims have been lodged with the Sales Tax Department.

			_	Note	2016	2015
18.	CASH AND BANK	BALANCES			(Rupees	in '000)
101	Bank balances in					
	Current account	8				
	- Foreign curre	•			15,300	14,680
	- Local currence	cy			70,100	83,030
	D 4 0			10.1	85,400	97,710
	Daily profit account Cash in transit	S		18.1	413,442 57,030	267,744 88,499
					· · · · · · · · · · · · · · · · · · ·	
	Cash in hand - Foreign curre	encv			426 643	301 1,080
	- Local currence				1,069	1,381
	- Local current	- y				
	40.4 ml . (· · .			556,941	455,334
		*	se accounts ranges from 6 to 5.75%) per annum.			
	5.707010 5.	J070 (201), 1.0J7				
19.	SHARE CAPITAL					
	19.1 Authorize	d share capital				
	2016 (Number of sha	2015				
	10,000	10,000	Ordinary shares of Rs. 10/- each		100,000	100,000
	10,000	10,000	ordinary shares of Rs. 10/ Cach		100,000	100,000
					100,000	
		bscribed and p	aid up capital			
	2016 (Number of sha	2015 res in '000)				
	1,890	1,890	Ordinary shares of Rs. 10/- each		18,900	18,900
		,	fully paid in cash			,
	300	300	Ordinary shares of Rs. 10/- each issued for consideration other than cash		3,000	3,000
	5,370	5,370	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares		53,700	53,700
	7,560	7,560	· .		75,600	75,600

19.2.1 Bafin B.V. (Nederland) (the parent company) held 5,685,866 (2015: 5,685,866) ordinary shares of Rs. 10 each fully paid up which represents 75.21% (2015: 75.21%) of total paid up capital.

20. CAPITAL RESERVE

This represents the balance of foreign shareholders' equity in Globe Commercial Enterprises Limited (an associated undertaking) gifted to the Company on its winding up, and is not available for distribution.

FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015
		(F	tupees in '000)
21.	REVENUE RESERVES		
	General Reserve		
	Balance as at 01 January	4,922,000	4,157,000
	Transfer from Unappropriated profits	712,000	765,000
		5,634,000	4,922,000
	Unappropriated profit	952,511	1,053,109
		6,586,511	5,975,109
22.	LONG TERM DEPOSITS		
	Employees' securities and personal accounts	45,000	45,000

22.1 This represent securities deposited by the employees in accordance with the terms of employment and the amounts credited on account of commission etc. to the sales staff. Interest at the rate of 5.50% (2015: 6.40%) per annum is being paid on the monthly outstanding balances.

22.2 In accordance with provisions of Section 227 of the Companies Ordinance, 1984, this amount has been invested in PLS Term Deposit Receipts and is shown separately as long term investments in Note 8.

	2016	2015
	(Rupe	es in '000)
DEFERRED LIABILITY - EMPLOYEE BENEFITS		
23.1 Provision for gratuity - un-funded defined benefit plan	72,150	68,805
23.2 Changes in present value of defined benefit obligation		
Present value of defined benefit obligation as at 1 January	68,805 8,460	53,135
Expense chargeable to profit and loss Benefits paid during the year	8,469 (3,773)	8,951 (3,570)
Remeasurement adjustments	(1,351)	10,289
Present value of defined benefit obligation as at 31 December	72,150	68,805
23.3 The amount recognized in the profit and loss account is as follows:		
Current service cost	3,773	2,641
Interest cost	4,696	6,310
Expense chargeable to profit and loss	8,469	8,951
23.4 Principal actuarial assumptions		
The principal actuarial assumptions used in the actuarial valuation of this scheme by applying projected unit credit method as on 31 December are as follows:		
Expected rate of salary increase in future years	6.25%	8.00%
Discount rate	7.25%	9.00%
Expected mortality rate (mortality table)	SLIC 2001-2005	SLIC 2001-2005

As at 31 December 2016 2015 2014 2013 2012 (Rupees in '000) Present value of defined benefit obligation 72,150 68,805 53,135 54,424 72,096 Remeasurement adjustments on plan liabilities (1,351) 10,289 (7, 480)_ Remeasurement adjustments on plan liabilities as a percentage of defined benefit obligation 2% 15% 14% 0% 0%

FOR THE YEAR ENDED 31 DECEMBER 2016

	(Rupees in '000)
23.6 Estimated expense to be charged to Profit and Loss in 2017	
Current service cost	2,832
Interest cost on define benefit obligation	5,070
Amount chargeable to profit and loss	7,902

23.7 Sensitivity Analysis

Significant assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

$\begin{array}{c c c c c c c c c c c c c c c c c c c $			Note	2016	2015
Discount rate + 50 bps (2,372) (2,499) Discount rate - 50 bps 2,540 2,678 Salary increase + 50 bps 841 1,071 Salary increase - 50 bps 841 1,071 Salary increase - 50 bps 841 1,071 Salary increase - 50 bps 89,307 99,813 Deferred tax liabilities 89,307 99,813 Accelerated tax depreciation 89,307 99,813 Deferred tax assets (19,481) (21,330) Stock in trade (11,642) (12,788) Stock in trade (11,642) (12,788) Other debts (11,642) (12,788) Other debts (14,649) (13,610) Other debts (14,649) (13,810) Other debts (48,827) (51,078) Accured liabilities 25.1 861,148 686,575 Accured liabilities 25.2 85,009 64,541 Deferred revenue 19,869 9,379 4,163 601 Due to provident fund 25.3				(Rupees	in '000)
Discount rate - 50 bps 2,540 2,678 Salary increase + 50 bps 841 1,071 Salary increase - 50 bps (816) (1,035) 24. DEFERRED TAXATION (816) (1,035) Deferred tax liabilities 89,307 99,813 Deferred tax liabilities 89,307 99,813 Deferred tax sects (19,481) (21,330) Stock in trade (8,100) (7,301) Trade debts (1,462) (2,78) Other debts (1,463) (1,780) Other debts (1,464) (1,878) Creditors 25.1 861,148 686,575 Accrued liabilities 25.1 861,148 686,575 Accrued liabilities 19,869 9,379 Advances from customers 19,869 9,379 Advances from customers 18,621 15,432 Deposits 25.2 85,009 64,541 Workers' profit participation fund 25.3 112,586 112,586 Workers' welfare fund 36,939 37,025 58,248 81,651 <td< th=""><th></th><th>23.8 Year and sesitivity analysis (± 50 bps) on defined benefit obligation</th><th></th><th></th><th></th></td<>		23.8 Year and sesitivity analysis (± 50 bps) on defined benefit obligation			
Deferred tax liabilities Accelerated tax depreciation 89,307 99,813 Deferred tax assets Deferred liability - employee benefits Stores and spare parts Stock in trade (19,481) (11,642) (21,330) (12,708) Stores and spare parts Stock in trade (11,642) (12,708) Trade debts (11,642) (12,708) Other debts (14,643) (7,301) Other debts (14,643) (18,878) Cheferred tax liability 40,480 48,735 25. TRADE AND OTHER PAYABLES (48,827) (51,078) Creditors 25,1 861,148 686,575 Deferred revenue 19,869 9,379 Advances from customers 19,869 9,379 Detored revenue 18,621 15,432 Deposits 25,2 85,009 64,541 Workers' welfare fund 25,3 36,993 37,025 Sales tax payable 88,208 88,068 88,028 81,651 Income taxes deducted at source payable to government 15,141 10,946 10,243		Discount rate - 50 bps Salary increase + 50 bps		2,540 841	2,678 1,071
Accelerated tax depreciation 89,307 99,813 Deferred itax assets (19,481) (21,330) Deferred liability - employee benefits (11,642) (12,708) Stock in trade (8,110) (7,301) Trade debts (14,643) (7,861) Other debts (48,827) (51,078) Ket deferred tax liability 40,480 48,735 Z5 TRADE AND OTHER PAYABLES (44,827) Creditors 25.1 861,148 686,575 Advances from customers 19,869 9,379 Advances from customers 4,163 601 Due to provident fund trust 18,621 15,432 Deposits 25.2 85,009 64,541 Workers' profit participation fund 25.3 112,586 112,584 Workers' welfare fund 36,993 37,025 36,993 37,025 Sales tax payable 88,0208 81,651 10,943 Income taxes deducted at source payable to government 15,141 10,946 Incame taxes deducted at source payable to government 15,141 10,946	24.	DEFERRED TAXATION			
$\begin{array}{c c c c c c c c c c c c c c c c c c c $				89,307	99,813
Net deferred tax liability 40,480 48,735 25. TRADE AND OTHER PAYABLES 25.1 861,148 686,575 Accrued liabilities 359,111 336,548 Deferred revenue 19,869 9,379 Advances from customers 4,163 601 Due to provident fund trust 18,621 15,432 Deposits 25.2 85,009 64,541 Workers' profit participation fund 25.3 112,586 112,584 Workers' welfare fund 36,993 37,025 348 stax payable 88,208 81,651 Income taxes deducted at source payable to government 15,141 10,946 15,143 23,423		Deferred liability - employee benefits Stores and spare parts Stock in trade Trade debts		(11,642) (8,110) (8,130) (1,464)	(12,708) (7,301) (7,861) (1,878)
Creditors 25.1 861,148 686,575 Accrued liabilities 359,111 336,548 Deferred revenue 19,869 9,379 Advances from customers 4,163 601 Due to provident fund trust 18,621 15,432 Deposits 25.2 85,009 64,541 Workers' profit participation fund 25.3 112,586 112,584 Workers' welfare fund 36,993 37,025 Sales tax payable 88,208 81,651 Income taxes deducted at source payable to government 15,141 10,946 10,946 Unclaimed dividend 31,183 23,423 23,423		Net deferred tax liability			
Accrued liabilities 336,548 Deferred revenue 19,869 9,379 Advances from customers 4,163 601 Due to provident fund trust 18,621 15,432 Deposits 25.2 85,009 64,541 Workers' profit participation fund 25.3 112,586 112,584 Workers' welfare fund 36,993 37,025 Sales tax payable 88,208 81,651 Income taxes deducted at source payable to government 15,141 10,946 10,946 Unclaimed dividend 31,183 23,423 23,423	25.	TRADE AND OTHER PAYABLES			
Other liabilities 25.4 24,028 24,997		Accrued liabilities Deferred revenue Advances from customers Due to provident fund trust Deposits Workers' profit participation fund Workers' welfare fund Sales tax payable Income taxes deducted at source payable to government	25.2	359,111 19,869 4,163 18,621 85,009 112,586 36,993 88,208 15,141	336,548 9,379 601 15,432 64,541 112,584 37,025 81,651 10,946
1,656,060 1,403,702		Other liabilities	25.4	24,028	24,997

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	(R	tupees in '000)
25.1 This includes amounts due to the following related parties:		
Bata Brands (Switzerland)	78,396	73,442
Bata Shoe Singapore Pte Limited	20	14,649
Global Footwear Services (Singapore)	8,365	10,408
Bata Shoes Malaysia	-	629
	86,781	99,128

25.1.1 No interest has been paid / accrued on the amounts due to associated undertakings as they are in normal course of business.

25.2 These represent the security money received from the registered wholesale dealers, agency holders and other customers in accordance with the terms of the contract with them. Deposits from agency holders carry interest at the rate of 5.50% (2015: 6.40%) per annum. These are repayable on termination / completion of the contract The Company has a right to utilize these deposits in accordance with the terms of the agreements entered with agency holders.

	Note	2016	2015
		(Rupees	in '000)
25.3 Workers' profit participation fund			
Balance as at 01 January		112,584	100,946
Allocation for the year	32	112,586	112,584
Interest on funds utilized in Company's business	34	1,495	798
		226,665	214,328
Less: Amount adjusted / paid to fund's trustees		114,079	101,744
Balance as at 31 December		112,586	112,584
25.4 Other liabilities			
Money on way		15,449	13,791
Group insurance claims		3,700	2,900
Personal account ex-employees		1,280	2,764
Bata mosque		1,255	1,491
Others		2,345	4,051
		24,029	24,997

26. SHORT TERM BORROWINGS

The credit facilities available to the Company from various commercial banks aggregate to Rs.700 million (2015: Rs. 669 million). These include cash finance facilities of Rs 665 million (2015: Rs 634 million) and export finance facility of Rs 35 million (2015: Rs. 35 million).

Mark up on cash finance ranges from 3 months KIBOR plus 0.50% to 1.0% (2015: 3 months KIBOR plus 0.50% to 1.0%) as per agreements with banks. Mark up on export finance is charged at 4.00% (2015: 7.00%) per annum.

In addition, non funded facilities of letters of guarantee and letters of credit amounting to Rs. 495 million (2015: Rs. 472 million) were also provided by these banks. The un-utilized facility for letter of credits and guarantees at year end amounts to Rs. 338 million (2015: Rs. 400 million).

These finances are secured against hypothecation of stock in trade, store and spares and receivables of the Company amounting to Rs. 1,194 million (2015: Rs. 1,194 million).

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015
		(Rupees	in '000)
27. CONTINGENCIES AND COMMITMENTS			
27.1 The Company is contingently liable for:			
Counter Guarantees given to banks		16,068	13,396
Indemnity Bonds given to Custom Authorities		46,209	35,674
Claims not acknowledged as debts - under appeal		13,053	13,687
Order by sales tax department	27.1.1	138,851	138,851
Order by sales tax department-under appeal	27.1.2	201,252	201,252
Order by sales tax department-under appeal	27.1.3	237,370	237,370
Order by sales tax department-under appeal	27.1.4	25,820	25,820
Order by income tax department-under appeal	27.1.5	954,859	954,859
Order by income tax department-under appeal	27.1.6	1,027,460	1,027,460
Order by sales tax department-under appeal	27.1.7	80,000	80,000
Order by sales tax department-under appeal	27.1.8	52,100	52,100
Order by sales tax department-under appeal	27.1.9	8,225	8,225
Show cause notice by sales tax department	27.1.10	85,000	85,000
Order by income tax department	27.1.11	363,683	_
Order by sales tax department-under appeal	27.1.12	60,732	_
		3,310,682	2,873,694

- 27.1.1 The Tax Department issued an order dated 24 November 2008 raising tax demand amounting to Rs. 138.8 million in respect of tax periods from July 2005 to June 2007 on account of certain issues which majorly included sales tax on disposal of fixed assets, input tax on electricity bills, input tax on zero rated supplies and un reconciled output tax. Being aggrieved, the Company preferred an appeal before the Commissioner (Appeals) which was decided against the Company vide appellet order dated 31 January 2009. Thereafter, the Company preferred an appeal before the Appellate Tribunal Inland Revenue whereby the appeal was decided in favor of the Company. However, the Tax Department filed reference before the honorable Lahore High Court (LHC) LHC vide its order dated 16 May 2012, passed the set aside order and directed the tax department to reverify the records. Remand back proceedings were initiated on 08 July 2013, whereby the Company was required to furnish the documentary evidence / record, in response of which, the Company has duly responded. No further queries were raised by the tax department till date. Based on legal advisor's opinion, the Company expects a favorable outcome of the matter.
- 27.1.2 The Tax department issued an order in 2011 raising tax demand amounting to Rs. 201 million in respect of tax period from July 2007 to December 2008 on account of non-payment of retail tax on sales made through retail outlets and inadmissible input tax adjustment claimed against zero-rated retail supplies. Being aggrieved, the Company preferred an appeal before the Commissioner (Appeals) whereby the appeal was decided against the Company. The Company also filed a complaint before the Federal Tax Ombudsman (FTO) who decided the case in favor of Company and ordered the CIR, Zone-I, LTU Lahore to vacate the above order. The Company filed an appeal before Commissioner (Appeals) to dispose of the order in which above demand was raised. Commissioner Appeal ordered that since the Learned FTO decided the case in favor of the Company there remains no cause of further action. Thereafter, the Company preferred an appeal before the (ATIR) for cancellation of impugned order, which is pending adjudication. Moreover on 25 June 2012, Company received an additional order from Deputy Commissioner Inland Revenue (DCIR) amounting to Rs. 64 million pertaining to period from July 2007 to December 2008 of the sales tax previously refunded to the Company. The case has been referred to concerned ACIR/DCIR enforcement against the order. Company has filed an appeal with CIR(Appeals) which is pending adjudication. Based on legal advisor's opinion, the Company expects a favorable outcome of the matter.
- 27.1.3 The Company received 22 separate orders dated 17 October 2012 and 14 November 2012 in which sales tax refunds for the periods from November 2008 to December 2010 amounting to Rs. 237.37 million have been rejected on the grounds that input sales tax relating to retail turnover is not admissible. Company filed separate appeals against these orders with Commissioner (Appeals). The Commissioner (Appeals) decided 19 appeals against while 3 appeals in favor of the Company. The Company filed 19 separate appeals while tax department filed 3 separate appeals with Appellate Tribunal Inland Revenue (ATIR). The ATIR decided all 22 appeals in favor of the Company on 15 May 2014. The sales tax department has filed a reference application with Lahore High Court which is pending for adjudication. Based on legal advisor's opinion, the Company expects a favorable outcome of the matter.
- 27.1.4 The Company received an order dated 18 October 2012 from Sales tax department demanding Rs. 25.820 million on the basis that Company has wrongly adjusted input sales tax against output sales tax for the month of April 2011. Company filed an appeal with Commissioner (Appeals) who decided the appeal in favor of the Company. However the Department filed appeal with Appellate Tribunal Inland Revenue (ATIR) who on 19 May 2014 rejected the department's appeal. However at the period end, the Company is not aware if any leave for appeal has been made by the Sales Tax Department; if such an appeal is filed, the Company based on the onion of the tax advisor, expects a favorable outcome.
- 27.1.5 On 21 August 2013, Company received an assessment order from Deputy Commissioner Inland Revenue (DCIR) for the tax year 2011, adding back different provisions and liabilities and also assessing that Company has suppressed turnover to the tune of Rs. 1.427 billion. Based on these add backs the DCIR created a demand of PKR. 954.859 million. The Company filed an appeal with Commissioner (Appeals), who deleted almost all the add backs and there is no liability against the Company against this order. However Department filed an appeal against the order of Commissioner with ATIR which is pending for adjudication. The Company, based on the opinion of the tax advisor, expects a favorable outcome.

FOR THE YEAR ENDED 31 DECEMBER 2016

- 27.1.6 On 31 October 2014, Company received an assessment order from income tax authorities for the tax year 2012. In the order, the assessing officer added back different provisions and liabilities and also assessed that Company has suppressed turnover to the tune of Rs. 1.77 billion. Based on these add backs, he created the demand of Rs. 1.027 billion. The Company filed an appeal with Commissioner (Appeals). On 14 January 2015, Commissioner (Appeals) deleted almost all the add-backs and there is no liability against the Company against this order. The Tax Department filed an appeal against the order of Commissioner with ATIR which is pending for adjudication. Based on legal advisor's opinion, the Company expects a favorable outcome of the matter.
- 27.1.7 The Tax Department issued two separate orders dated 25 June 2014 and 30 September 2014 raising a tax demand amounting to Rs. 46.7 million and Rs. 33.3 million for the tax periods from January 2012 to June 2013 and from October 2013 to March 2014 alleging that the Company adjusted 100% input tax in violation of section 8b of Sales Tax Act. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue Appeals (CIR) whereby the appeal was decided against the Company vide order dated 9 September 2014 and 10 December 2014. The Company preferred an appeal before the Appellate Tribunal Inland Revenue (ATIR) which was decided in favor of the Company vide order dated 13 January 2014. Department filed a reference application Lahore High Court, which is pending adjudication, No further date of hearing has been communicated. Based on Tax advisor's opinion the case will be decided in favor of the Company.
- 27.1.8 The Tax Department issued two separate orders dated 6 December 2014 each raising a tax demand amounting to Rs.43.8 million and Rs. 8.3 million on account of further sales tax of 1% on unregistered customers. Being aggrieved, the Company preferred an appeals with Commissioner Inland Revenue (CIR) who remanded back both the cases to adjudicating officer for fresh decision after allowing the appellant to produce relevant record. However the Commissioner also filed an appeal in the ATIR against the said order. Thereafter, no further queries were raised by the tax department till date. The Company based on the advice of its tax advisor is confident that the matter will be decided in the favor of Company.
- 27.1.9 The Company received a demand notice of Rs. 8.225 million stating that the input tax claimed by the Company did not match with sales tax return of suppliers. The demand notice was however subsequently suspended by the decision of the Lahore High Court through writ petition No. 15721/2103. The Company based on the advice of its tax advisor is confident that the matter will be decided in the favor of the Company.
- 27.1.10 The Company received a show cause notice from Sales Tax Department, stating that input sales tax of Rs. 85 million on Trade Mark License (TML) fee and Management Service Fee claimed by the Company should be recovered from it. The Company filed a writ petition with Lahore High Court (LHC) against show cause notice and LHC granted stay against the notice. The Company based on the advice of its tax advisor is confident that the case will be decided in favor of the Company.
- 27.1.11 The Tax Department issued an order dated 27 June 2016 raising a tax demand amounting to Rs 363.6 million on account of certain issues which majorly included allocation of expenses between export and local sale, Interest on WPPF and Provident fund, donation, wrong classification of WWF and WPPF. Being aggrieved the Company preferred an appeal before the Commissioner Appeals and also filed rectification application of the said order whereby the Commissioner Appeal vide his order dated 16 September 2016 deleted entire add backs and remanded back the order with the direction to give consideration to the rectification application filed by the Company. Thereafter, the department preferred an appeal before the ATIR which is pending for adjudication. The Company based on the advice of its tax advisor is confident that the case will be decided in the favor of the Company.
- 27.1.12 Assistant Commissioner of Sindh Revenue Board issued a show cause notice dated 19 April 2016 on non-payment of sales tax on trademark license fee and management services fee. In reply of show cause notice, the Company apprised the Commissioner that trademark fees and management services were not exclusively consumed in the province of Sindh and the Company has already made payment of sales tax/FED on these amounts to Federal Government. However, the Commissioner raised a demand of Rs. 60.7 million without taking into account the reply of Company. The Company filed an appeal before Commissioner Appeals SRB, which is pending adjudication. The Company expects a favorable outcome in this case, hence no provision has been recorded in the financial statements.

27.2 Commitments

27.2.2

27.2.1 The Company has entered into rent agreements for retail shops. There are no restrictions placed upon the Company by entering into these agreements. Future minimum lease payable under these agreements as at 31 December are as follows:

		2016	2015
		(Rupee	s in '000)
	Within one year After one year but not more than five years More than five years	1,078,092 3,546,688 2,223,580 6,848,360	878,347 2,945,509 1,420,389 5,244,245
2	Commitments in respect of: Capital expenditure Letters of credit and bank contracts	3,183 383,604 386,787	8,569 350,268 358,837

FOR THE YEAR ENDED 31 DECEMBER 2016

		Note	2016	2015
28.	SALES		(Rupee	s in '000)
20.	Shoes and accessories Local		17,696,035	17,324,029
	Export		86,175	104,108
	Sundry articles and scrap material		17,782,210 115,621	17,428,137 40,030
			17,897,831	17,468,167
	Less: Sales tax Discounts to dealers and distributors Commission to agents / business associates		1,255,953 1,306,856 252,851	1,216,412 1,220,990 249,245
			2,815,660	2,686,647
			15,082,171	14,781,520
29.	COST OF SALES Cost of goods manufactured Finished goods purchased Add: Opening stock of finished goods	29.1	4,089,115 4,744,025 2,753,859	4,184,510 4,806,165 2,539,507
	Less: Closing stock of finished goods	29.2	11,586,999 2,698,754	11,530,182 2,753,859
			8,888,245	8,776,323
	29.1 Cost of goods manufactured			
	Raw material consumed Opening stock Add: Purchases		188,141 3,380,316 3,568,457	175,421 3,529,460 3,704,881
	Less: Closing stock		162,153	188,141
	Store and spares consumed Fuel and power Salaries, wages and benefits Repairs and maintenance Insurance Depreciation	29.3 29.4 6.3	3,406,304 13,486 104,844 475,594 43,610 11,803 49,271	3,516,740 13,702 118,091 437,112 48,011 12,069 49,205
	Add Opposing goods in process		4,104,912	4,194,930
	Add: Opening goods in process		25,199 4,130,111	4,209,709
	Less: Closing goods in process		4,150,111 40,996	4,209,709 25,199
			4,089,115	4,184,510

29.2 This includes (reversal) / provision for slow moving and obsolete stock of Rs. ('000) 1,023 (2015: ('000) 19,961).

29.3 These include Rs. ('000) 14,029 (2015: Rs. ('000) 12,783) and Rs. ('000) 4,048 (2015: Rs. ('000) 4,873) in respect of contribution to provident fund trust and provision for gratuity respectively.

29.4 This includes provision for obsolescence of stores and spares amounting to Rs. ('000) 2,128 (2015: Rs. ('000) 6,773).

FOR THE YEAR ENDED 31 DECEMBER 2016

		Note	2016	2015
			(Rupee	s in '000)
30.	DISTRIBUTION COST			
	Salaries and benefits	30.1	786,781	752,371
	Freight		221,530	224,062
	Advertising and sales promotion		124,750	158,086
	Rent		1,078,490	956,558
	Insurance		20,141	20,542
	Trade mark license fee	30.2	379,687	328,143
	Fuel and power		197,926	206,788
	Repairs and maintenance		40,483	41,490
	Entertainment		11,397	10,814
	Business and property taxes		2,338	3,211
	Discount on recovery		19,724	-
	Depreciation	6.3	142,872	144,149
	Provision for trade and other debts		4,114	5,755
	Miscellaneous		496	486
			3,030,729	2,852,455

30.1 These include Rs. ('000) 28,024 (2015: Rs. ('000) 26,854) and Rs. ('000) 3,568 (2015: Rs. ('000) 3,033) in respect of contribution to provident fund trust and provision for gratuity respectively.

30.2 This represents trade mark license fee of Bata Brands S.A.R.L. (Switzerland), a related party.

	Note	2016	2015
31. ADMINISTRATIVE EXPENSES		(Rupees i	n '000)
Salaries and benefits	31.1	544,192	517,228
Management service fee	31.2	153,886	152,056
Employee welfare		28,403	32,469
Fuel and power		18,780	15,990
Telephone and postage		17,700	20,500
Insurance		5,075	6,292
Travelling		94,621	86,324
Repairs and maintenance		17,540	22,573
Printing and stationery		17,709	17,559
Donations and subscription	31.3	1,939	1,871
Legal and professional charges		8,460	8,102
Business and property taxes		3,509	3,094
Depreciation	6.3	12,692	12,988
Amortization	7.1	2,321	3,000
Miscellaneous		33,148	36,583
		959,975	936,629

31.1 These include Rs. ('000) 17,170 (2015: Rs. ('000) 13,315) and Rs. ('000) 853 (2015: Rs. ('000) 1,045) in respect of contribution to provident fund trust and provision for gratuity respectively.

- 31.2 This represents the fee paid / payable to Global Footwear Services Pte Limited and Bata Brands S.A.R.L (Switzerland), related parties, in respect of management and information technology services, respectively.
- **31.3** None of the directors of the Company or any of their spouses have any interest in the funds of donees.

		Note	2016	2015
			(Rupees	in '000)
32.	OTHER EXPENSES			
	Workers' profit participation fund	25.3	112,586	112,584
	Workers' welfare fund		36,993	37,025
	Auditors' remuneration	32.1	7,335	7,835
	Exchange loss		4,107	5,034
	Loss on disposal of property, plant and equipment	6.4	9,082	13,199
			170,103	175,677

FOR THE YEAR ENDED 31 DECEMBER 2016

		Note	2016	2015
			(Rupees i	n '000)
	32.1 Auditors' remuneration			
	Statutory audit		3,345	3,345
	Review of six monthly accounts		1,115	1,115
	Audit of US GAAP reporting package Other reviews and certifications		1,115 960	1,115 960
	Out of pocket expenses		800	1,300
			7,335	7,835
33.	OTHER INCOME			
	Income from financial assets			
	Profit on long term investments		2,782	2,713
	Profit on short term investment		57,591	41,536
	Profit on bank deposits		19,490	15,958
			79,863	60,207
	Income from non - financial assets Rental Income		8,306	8,410
	Income from financial liability		0,300	0,410
	Income from discounting of supplier invoices		19,292	22,731
			107,461	91,348
34.	FINANCE COSTS		,	
	Interest / mark-up on:			
	Workers' profit participation fund	25.3	1,495	798
	Employees / agents' securities and personal accounts	34.1	4,149 5,644	4,285 5,083
	Bank charges and commission		28,581	25,421
	Early payment discount		5,710	
			39,935	30,504
	2/1 There do not include any angle of the field of the (2015 D	(000) N:1)		
	34.1 These do not include any amounts on account of related parties (2015: Rs	5. (000) NII)		
35.	TAXATION			
	Current tax			
	Current year		608,272	621,832
	Prior years		58,977	48,997
	Deferred		667,249	670,829
	Relating to originating and reversal of temporary differences		(7,048)	(10,990)
	Income resulting from change of rate of tax		(1,572)	(4,059)
			658,629	655,780
	Relationship between tax expenses and accounting profit		2100 (/=	2 101 200
	Accounting profit before taxation		2,100,645	2,101,280
	Tax at applicable tax rate of 31% (2015: 32%)		651,200	672,410
	Tax effect of expenses not allowed for tax Effect of tax on export sales, imported finished goods and rental income		246	288
	under Final Tax Regime		(51,794)	(65,915)
	Effect of prior years tax		58,977	48,997
	Tax expense for the year		658,629	655,780
	1			

36. SEGMENT REPORTING

	M	Retail	Wh	Wholesale	Ex	Export	Oth	Others	To	Total
Segment result and profit reconciliation	2016	2015	2016	2015	2016 2 (Rupces in '000)	2015 n '000)	2016	2015	2016	2015
Net to be	10116152	9 640 596	4 767 308	5 000 578	86.175	104 107	112536	36 230	15 082 171	14 781 520
		0///010//	0000%/00/ft	0100000	(1 1 600	() + (+) +		10-100		
Cost of sales	5,283,373	5,163,413	3,456,898	3,515,605	64,194	79,392	83,780	17,913	8,888,245	8,776,323
Gross profit	4,832,779	4,477,183	1,310,410	1,484,973	21,981	24,715	28,756	18,326	6,193,926	6,005,197
Distribution cost Administrative expenses	2,501,363 36,651	2,342,157 44,971	259,416 19,637	269,229 24,523	8,089 1,239	9,985 1,522	1 1	1 1	2,768,868 57,527	2,621,371 71,016
	2,538,014	2,387,128	279,053	293,752	9,328	11,507	I	I	2,826,395	2,692,387
Segment results	2,294,765	2,090,055	1,031,357	1,191,221	12,653	13,208	28,756	18,326	3,367,531	3,312,810
Unallocated operating expenses Other operating expenses Other operating income									$1,164,309 \\ 170,103 \\ 107,461$	$\begin{array}{c} 1,096,697\\ 175,677\\ 91,348\end{array}$
Operating profit Finance cost									2,140,580 39,935	2,131,784 30,504
Profit before taxation Taxation									2,100,645 658,629	2,101,280 655,780
Profit after taxation									1,442,016	1,445,500
Other disclosures										
Segment assets Unallocated assets	2,992,231	2,856,135	2,049,961	1,775,236	8,340	6,268	1	I	5,050,532 4,034,024	4,637,639 3,601,627
									9,084,556	8,239,266
Segment liabilities Unallocated liabilities	98,078	85,456	24,977	25,081	3,699	206	I	I	126,754 2,295,208	110,743 2,077,331
									2,421,962	2,188,074
Capital expenditures Unallocated	112,409	244,402	8,991	14,343	I	I	I	I	121,400 56,351	258,745 81,980
									177,751	340,725
Depreciation Unallocated	134,724	137,665	8,148	6,484	I	I	I	I	$142,872 \\ 61,963$	144,149 62,193
									204,835	206,342
Amortization of intangible assets Unallocated	I	I	I	I	I	I	I	I	2,321	3,000
									2,321	3,000 1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

FOR THE YEAR ENDED 31 DECEMBER 2016

		Note	2016	2015
			(Rupe	es in '000)
37.	EARNINGS PER SHARE - BASIC AND DILUTED			
	Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the basic and diluted earnings per share computations:			
	Profit after taxation - (Rupees in '000)		1,442,016	1,445,500
	Weighted average number of ordinary shares (in thousands)	19.2	7,560	7,560
	Earnings per share - basic and diluted (Rupees per share)		190.74	191.20
	There is no dilutive effect on the basic earnings per share of the Company.			
38.	CASH AND CASH EQUIVALENTS			
	For the purpose of the cash flow statement, cash and cash equivalents comprise the following:			
	Short term investment		1,600,000	1,300,000
	Bank balances in			
	Current accounts		85,400	97,710
	Daily profit accounts		413,442	267,744
	Cash in transit		57,030	88,499
	Cash in hand		1,069	1,381
			2,156,941	1,755,334

39. REMUNERATION OF DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for the year in respect of remuneration, including all benefits to Chief Executive, Directors and Executives of the Company are as follows:

	Cl	Chief Executive		Directors		Executives	
	2016	2015	2016	2015	2016	2015	
			(Rupees	in '000)			
Managerial remuneration	16,306	16,349	15,457	16,225	49,621	47,296	
Provident fund contribution	-	_	-	_	5,427	5,602	
Performance Bonus	7,030	11,100	3,130	4,942	9,224	12,954	
Perquisites and allowances							
Housing	-	-	-	-	13,397	13,381	
Leave passage	970	729	1,399	2,000	-		
Conveyance	-	-	-	-	4,084	4,260	
Medical expenses	143	241	278	288	590	2,417	
Utilities	-	-	-	-	1,830	4,260	
Others	4,580	3,581	9,293	9,293	18,743	17,324	
	29,029	32,000	29,557	32,748	102,916	107,494	
Number of persons	1	1	1	1	27	26	

39.1 In addition to the above, 6 (2015: 6) non executive directors were paid aggregated fee of Rs. ('000) 1,724 (2015: Rs. ('000) 1,425) for attending meetings.

39.2 The Chief Executive and one of the directors of the Company are provided with company-maintained cars and housing facilities in Bata premises.

FOR THE YEAR ENDED 31 DECEMBER 2016

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise long term deposits and trade and other payables. The main purpose of these financial liabilities is to raise finances for the Company's operations. The Company's financial assets mainly comprise long term investments, security deposits, trade and other receivables, and cash and cash equivalent that arrive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's Board of Directors (the Board) reviews and agrees policies for the management of these risks. The Board has the overall responsibility for the establishment of a financial risk governance frame work. They provide assurance that the financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk management policies.

40.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of three types of risks: interest rate risk, currency risk and other price risk such as equity risk. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

40.1.1 Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations, which are borrowed at floating interest rates. The Company's policy is to keep its short term running finances at the lowest level by effectively utilizing positive cash and bank balances. Further, the Company also minimizes the interest rate risk by investing in fixed rate investments like term deposit-receipts. The Company's exposure to interest rate risk on its financial assets and liabilities is summarized below:

	Fixed or	2016	2015	2016	2015
	variable	Ef	fective rates	Rupe	ees in ('000)
Financial Assets					
Long term investments	Fixed	5.50%	7.33%	45,000	45,000
Short term investments	Fixed	5.90 to 7.36%	7.17 to 7.30%	1,600,000	1,300,000
Bank balance-daily profit account	Variable	3.90 to 5.50%	4.03 to 7.50%	413,442	267,744
				2,058,442	1,612,744
Financial Liabilities					
Long term deposits - employees' securities	Fixed	5.50%	6.40%	45,000	45,000
Deposits - agents	Fixed	5.50%	6.40%	85,009	64,541
				130,009	109,541

Sensitivity analysis for variable rate instruments

The Company has only one investment in variable rate instrument and the following table demonstrate the sensitivity to a reasonably possible change interest rate, with all other variables held constant, on the Company's profit before tax

	2016	2015
	0	Rupees in '000)
Increase in basis points by 100 Decrease in basis points by 100	4,134 (4,134)	2,677 (2,677)

40.1.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. The management has assessed that hedging its foreign currency payables will be more expensive than self assuming the risk. The foreign exchange risk management policy is reviewed each year on the basis of market conditions. The Company is mainly exposed to fluctuations in US Dollar, Euro and Singapore Dollar against Pak Rupee. The assets / liabilities subject to currency risk are detailed below:

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015	
	(Ru	(Rupees in '000)	
Financial assets			
Trade debts - Export customers			
US Dollar	2,577	5,778	
Euro	-	4,670	
GBP	882	-	
Cash in hand			
US Dollar	294	301	
Euro	132	-	
Cash in bank			
US Dollar	15,300	14,680	
	19,185	25,429	
Financial liabilities			
Trade and other Payables - Foreign suppliers			
US Dollar	31,123	15,278	
Euro	3,433	-	
Singapore Dollar	8,365	10,408	
	42,921	25,686	

Foreign Currency Sensitivity analysis

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in exchange rates of the major currencies involved in transactions with the foreign parties, keeping all other variables constant. Range of variation has been taken after considering the variation in year 2016 in the currencies involved.

	2016	2015	2016	2015
	Percentage	Percentage Change in Exchange Rate	(Rupees in '000)	
	Change in Exchange Rate		Effect on Profit Before Tax	Effect on Profit Before Tax
			+ / -	+ / -
Variation in USD to PKR	(0.20%)	4%	(57)	380
Variation in EURO to PKR	4%	(7%)	137	(327)
Variation in Singapore Dollar to PKR	2%	(3%)	167	(312)
Variation in GBP	(17%)	0%	(150)	-

40.1.3 Equity price risk

Equity price risk is the risk of loss due to susceptibility of equity instruments towards market price risk arising from uncertainties about future values of the investment securities. The Company is not exposed to any equity price risk as the Company does not have any investment in equity shares at the balance sheet date.

40.2 Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date, if counter parties fail to perform their contractual obligations. The Company's maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Investments are allowed only in liquid securities and only with banks. Given their high credit ratings, management does not expect any counter party to fail to meet its obligation.

The management has a credit policy in place and exposure to credit risk is monitored on a continuous basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Company does not require collateral in respect of financial assets. The Company, however, mitigates any possible exposure to credit risk by taking security deposits from its dealers and distributors as well as by executing formal agreements with them. Out of total financial assets of Rs.('000) 3,591,608 (2015: Rs. ('000) 2,646,254) following are subject to credit risk:

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	(Ru	upees in '000)
Financial assets		
Long term investments	45,000	45,000
Long term deposits	28,726	26,397
Trade debts - unsecured	1,336,061	788,405
Deposits	7,594	8,153
Other receivables	14,371	14,907
Interest accrued	1,790	2,293
Short term investment	1,600,000	1,300,000
Cash at bank	498,842	365,454
	3,532,384	2,550,609

40.2.1 Long term investments

Financial institution		Ratings		Carrying	Values
	Agency	Long Term	Short term	2016	2015
				(Rupees	in '000)
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	45,000	45,000
				45,000	45,000

Out of the total trade receivables, 27.79% is concentrated in ten customers (2015: 35.56% in ten customers) 40.2.2

40.2.3 Trade debts - other than related parties

2016 2015 Reither past due nor impaired 851,461 578,477 Past due but not impaired - - 1-30 days - - 31-60 days - - Over 60 days 210,123 32,287 146,815 105,865 125,065 65,998 482,003 204,150 204,150 Past due and impaired - - 1-30 days - - 31-60 days - - Over 60 days -			Carrying Values	
Neither past due nor impaired 851,461 578,477 Past due but not impaired 1-30 days 210,123 32,287 31-60 days 210,123 32,287 Over 60 days 146,815 105,865 482,003 204,150 Past due and impaired - - 1-30 days - - 31-60 days - - 0ver 60 days - - 30,110 25,359 - 40.24 Trade debts - receivable from related parties - Neither past due nor impaired 2 - 1-30 days - - 31-60 days - - Over 60 days - - - - - - - - - - - -			2016	2015
Past due but not impaired - - 1-30 days 210,123 32,287 Over 60 days 146,815 105,865 125,065 65,998 482,003 204,150 Past due and impaired - 1-30 days - 31-60 days - Over 60 days - 0 days - 31-60 days - 0 ver 60 days - 0 ver 60 days - 30,110 25,359 30,110 25,359 40.2.4 Trade debts - receivable from related parties Neither past due nor impaired - 1-30 days - 31-60 days - Over 60 days - 1-30 days - 31-60 days - 0 days - 1-30 days - 31-60 days - 0 ver 60 days - 0 ver 60 days - 140 days - 140 days - 140 days -			(Ruped	es in '000)
1-30 days - - - $31-60 days$ 210,123 32,287 Over 60 days 146,815 105,865 125,065 65,998 482,003 204,150 Past due and impaired 1-30 days - 31-60 days - Over 60 days - A0.2.4 Trade debts - receivable from related parties - Neither past due nor impaired - - 1-30 days - - 31-60 days - - Over 60 days - - Over 60 days - - - - - - - - - - - - - - - - - - - - - - - - - - <tr< th=""><th></th><th>Neither past due nor impaired</th><th>851,461</th><th>578,477</th></tr<>		Neither past due nor impaired	851,461	578,477
$\begin{array}{cccccccccccccccccccccccccccccccccccc$				
Over 60 days $146,815$ $105,865$ $125,065$ $65,998$ $482,003$ $204,150$ Past due and impaired $ 1-30$ days $ 31-60$ days $-$ Over 60 days $ 0ver 60$ da			210 122	22 297
Herein the transformation of				
Past due and impaired Image: mathematical structure index ind				
$\begin{array}{ccccccc} 1-30 \ days \\ 31-60 \ days \\ Over 60 \ days \\ \hline \\ 0ver 60 \ days \\ \hline \\ 1-30 \ days \\ \hline \\ 30,110 \\ \hline \\ 25,359 \\ \hline \\ \hline \\ 30,110 \\ \hline \\ 25,359 \\ \hline \\ \hline \\ \\ 30,110 \\ \hline \\ 25,359 \\ \hline \\ \hline \\ \\ 30,110 \\ \hline \\ \\ 25,359 \\ \hline \\ \hline \\ \\ 30,110 \\ \hline \\ \\ 25,359 \\ \hline \\ \hline \\ \\ 30,110 \\ \hline \\ \\ 25,359 \\ \hline \\ \hline \\ \\ 30,110 \\ \hline \\ \\ 25,359 \\ \hline \\ \hline \\ \\ 30,110 \\ \hline \\ \\ 25,359 \\ \hline \\ \hline \\ \\ \\ 30,110 \\ \hline \\ \\ 25,359 \\ \hline \\ \hline \\ \\ \\ \\ \\ 30,110 \\ \hline \\ \\ 25,359 \\ \hline \\ \\ \hline \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ $			482,003	204,150
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		Past due and impaired		
Over 60 days $30,110$ $25,359$ 40.2.4 Trade debts - receivable from related parties 2,597 1,568 Neither past due nor impaired 2 - - 1-30 days - - - 31-60 days - 41,29 - Over 60 days - 81			-	-
40.2.4Trade debts - receivable from related parties30,11025,35940.2.4Trade debts - receivable from related parties2,5971,568Past due nor impaired2,5971,568Past due but not impaired1-30 days31-60 days-4,129Over 60 days-81				-
40.2.4Trade debts - receivable from related partiesNeither past due nor impaired2,597Past due but not impaired-1-30 days-31-60 days-Over 60 days-81		Over 60 days		
Neither past due nor impaired2,5971,568Past due but not impaired1-30 days31-60 days-4,129Over 60 days-81			30,110	25,359
Past due but not impaired - - 1-30 days - - 31-60 days - 4,129 Over 60 days - 81	40.2.4	Trade debts - receivable from related parties		
1-30 days - - 31-60 days - 4,129 Over 60 days - 81		Neither past due nor impaired	2,597	1,568
31-60 days - 4,129 Over 60 days - 81			-	
Over 60 days – 81			-	_
- 4,210		Over bu days	_	
			-	4,210

FOR THE YEAR ENDED 31 DECEMBER 2016

40.2.5 Short term investments

			Ratings		2016	2015
	Financial institution	Agency	Long Term	Short term	(Rupee	es in '000)
	Habib Metropolitan Bank Limited	PACRA	AA+	A1+	900,000	450,000
	United Bank Limited	JCR-VIS	AA+	A-1+	700,000	300,000
	Habib Bank Limited	JCR-VIS	AAA	A-1+	,	550,000
					1,600,000	1,300,000
).2.6	Cash at bank		Ratings		2016	2015
	Financial institution	Agency	Long Term	Short term	(Rupee	es in '000)
	Habib Bank Limited	JCR-VIS	AAA	A-1+	372,329	195,178
	MCB Bank Limited	PACRA	AA+	A1+	25,622	22,923
	Habib Metropolitan Bank Limited	PACRA	AA+	A1+	6,161	4,989
	Bank Al-Habib Limited	PACRA	AA+	A1+	43,528	70,011
	National Bank of Pakistan	JCR-VIS	AAA	A-1+	787	900
	United Bank Limited	JCR-VIS	AA+	A-1+	50,415	71,453
					498,842	365,454

40.3 Liquidity risk

40.

Liquidity risk reflects an enterprise's inability in raising funds to meet its commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions. The Company follows a cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. The Company had un-utilized short term borrowing facilities available from various commercial banks aggregating to Rs. 700 million at 31 December 2016 (2015: Rs. 669 million).

The following table shows the maturity profile of the Company's financial liabilities:

		2016			
		(Rupees in '000)			
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Long term deposits	45,000	-	_	_	45,000
Trade and other payables	-	1,360,479	-	-	1,360,479
			2015		
		(.	Rupees in '000)		
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Long term deposits	45,000	-	_	-	45,000
Trade and other payables	-	1,136,084	-	-	1,136,084

40.4 Fair value of the financial instruments

Fair value is measured on the basis of objective evidence at each reporting date. The carrying value of all the financial instruments reflected in the financial statements approximates their fair value and accordingly, detailed disclosures of fair value are not being presented in these financial statements.

41. Capital risk management

The Company's policy is to safeguard the company's ability to remain as a going concern and ensure a strong capital base in order to maintain investors', creditors' and market's confidence and to sustain future development of the business. The Board of Directors monitors the returns on capital, which the Company defines as net operating income divided by total shareholders' equity.

The Company's objectives when managing risks are

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

FOR THE YEAR ENDED 31 DECEMBER 2016

b) to provide an adequate return to shareholders by pricing products

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with the industry norms, the Company monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the balance sheet less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt (as defined above).

The debt - to- equity ratio as to 31 December is as follows:

	2016	2015
	(Rupe	es in '000)
Net debt Total equity Capital gearing ratio	6,662,594 -	6,051,192

The Company is not subject to any externally imposed capital requirements.

42. TRANSACTIONS WITH RELATED PARTIES

42.1 The related parties and associated undertakings comprise parent company, related group companies, provident fund trust, directors and key management personnel. Remuneration of Chief Executive and directors is also shown in Note 39. Transactions with related parties during the year are as follows;

		2016	2015
		(Ru	pees in '000)
Relationship with the Company	Nature of transactions		
Common Control Companies	Purchase of goods and services	897,445	919,278
	Sale of goods and services	5,180	15,077
	Trade mark license fee	379,687	328,143
	Management service fee & IT charges	153,886	152,056
Holding company	Dividend paid	625,445	483,298
Staff Retirement Benefits	Contribution to provident fund trusts	59,222	52,952
Staff Retirement Benefits	Gratuity Paid to outgoing employees	3,773	3,570
Key Management Personnel	Remuneration	99,055	116,591

42.2 The Company in normal course of business conducts transactions with its related parties. Balances of related parties at the reporting date have been shown under payables and receivables. The Company continues to have a policy, whereby, all transactions with related parties and common control companies are conducted at arm's length price on the same terms and conditions as third party transactions using comparable uncontrolled price method.

43. CAPACITY AND ACTUAL PRODUCTION

		No. of shifts worked		capacity n actual worked		tual uction
			Pairs	in '000	Pairs	in '000
	2016	2015	2016	2015	2016	2015
Footwear in pairs						
Cemented	1 to 3	1 to 3	2,868	2,691	2,700	2,568
Polyurethane	1 to 3	1 to 3	4,880	5,578	4,349	4,349
Thongs	1 to 3	1 to 3	4,446	4,200	3,270	2,696
Directly injected plastic	3	3	4,125	3,445	3,823	4,003
Sandak	3	3	3,120	3,027	2,403	2,507
			19,439	18,941	16,545	16,123

FOR THE YEAR ENDED 31 DECEMBER 2016

43.1 The deviation in actual production from installed capacity is due to rapidly growing trends as the Company has to change major shoe lines in accordance with the market trends. This involves change in manufacturing operations and product mix which causes variances not only between the installed capacity and actual production but also between the actual production of any two years.

		2016	2015
		0	Rupees in '000)
44.	NUMBER OF PERSONS EMPLOYED		
	Number of persons employed as at year end Average number of persons employed during the year	2,492 2,527	2,544 2,543
45.	PROVIDENT FUND		
	Size of the fund (total equity) Percentage of investments made Fair value of investments Cost of investments made	1,615,522 93% 1,496,330 1,496,330	1,649,215 94% 1,545,370 1,545,370

45.1 Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	20	16	20	015
		(Rupees i	n '000)	
	Investments (Rs. 000)	Investments as a % of size of the fund	Investments (Rs. 000)	Investments as a % of size of the fund
Pakistan Investment Bond Term deposit receipts	20,000 1,476,330	1.2% 91.4%	20,000 1,525,370	1% 92.5%
	1,496,330		1,545,370	_

- **45.2** Investments out of provident fund have been made in accordance with the provision of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.
- 45.3 The above information is based on audited financial statements of the provident fund.

46. POST BALANCE SHEET EVENTS

The Board of Directors at its meeting held on 22 February 2017 has approved a final dividend @ Rs. 60 per share for the year ended 31 December 2016 (2015: Rs. 45 per share) amounting to Rs. ('000) 453,600 (2015: Rs. ('000) 340,200) and transfer to general reserve amounting to Rs. ('000) 498,000 (2015: Rs. ('000) 712,000) for approval of the members at the Annual General Meeting to be held on 24 April 2017. The financial statements do not reflect the effect of the above events.

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on 22 February 2017.

48. GENERAL

Corresponding figures have been re-arranged, wherever necessary, for better presentation. However no significant reclassifications have been made during the year except as given below:

Description	From	То	2015
			Rupees in '000)
Other Receivables	Deposits and short term prepayments	Other Receivables	549,839

The above reclassification does not have any material effect on information presented in the balance sheet and cash flow statement. Therefore, third balance sheet has not been presented.

Pattern of Shareholding

PATTERN OF SHAREHOLDING

AS AT 31 DECEMBER 2016

No. of	Share	cholding	Total
Shareholders	From	То	Shares held
			22/26
578	1	100	22,426
344	101	500	85,193
72	501	1,000	53,351
51	1,001	5,000	90,620
3	5,001	10,000	21,990
2	10,001	15,000	22,552
1	20,001	25,000	21,000
2	25,001	30,000	57,318
1	95,001	100,000	99,674
1	305,001	310,000	309,776
1	1,090,001	1,095,000	1,090,234
1	5,685,001	5,690,000	5,685,866
1,057			7,560,000

CATEGORIES OF SHAREHOLDERS

	Number of Shareholders	Total Shares held	Percentage
OREIGN SHAREHOLDERS			
Bafin (Nederland) B.V.	1	5,685,866	75.21
Afc Umbrella Fund (CDC)	1	1,400	0.02
Credit Agricole (Suisse) S.A. (759-5) (CDC)	1	800	0.01
Tundra Pakistan Fund (CDC)	1	29,242	0.39
Grandeur Peak Emg Mkts Opprtunities Fund (CDC)	1	11,160	0.15
OCAL SHAREHOLDERS			
Individuals	975	216,787	2.87
National Investment Trust	2	49,076	0.65
Trustee National Investment (Unit) Trust	1	1,090,234	14.42
National Bank of Pakistan	1	611	0.01
Industrial Development Bank of Pakistan	1	125	0.01
Pension Fund	15	111,135	4.34
Insurance Companies	5	327,768	0.09
Joint Stock Companies	11	2,432	1.47
Modarabas and Mutual Funds	4	6,927	0.03
Other Companies	37	26,437	0.35
	1,057	7,560,000	100.00

PATTERN OF SHAREHOLDING

AS AT 31 DECEMBER 2016

ateg	ories of Shareholders	Number o shares hel
	Directors, Chief Executive Officer, their spouses and minor children	
	Chief Executive Directors Mr. Ijaz Ahnad Chaudhry	
	Mr. Muhammad Ali Malik (CDC) Directors' spouses and their minor children	-
	Associated companies, undertakings and related parties Bafin (Nederland) B.V.	5,685,860
	NIT and ICP IDBP (ICP UNIT)	12
	CDC - Trustee National Investment (Unit) Trust (CDC) National Investment Trust Limited (CDC) National Investment Trust Limited Administration Fund (CDC)	1,090,234 28,070 21,000
	Banks, DFTs and NBTS Stational Bank of Pakistan (CDC)	61:
	Insurance companies EFU General Insurance Limited. (CDC)	309,77
	Habib Insurance Co. Limited. (CDC) Habib Insurance Company Limited. (CDC)	4,50 1,50
	State Life Insurance Corp. of Pakistan. (CDC) Dawood Family Takaful Limited (CDC)	11,39 60
	Foreign Companies AFC University Fund (CDC) Credit Agricole (SUISSE) S.A. (759-5) (CDC)	1,40
	Credit AgnCole (SUISE) S.A. (795-5) (CDC.) Tundra Pakistan Fund (CDC) Grandeur Peak Emg Mkts Opprunities Fund (CDC)	80 29,24 11,16
	Modarbas and Mutual Funds (TDC_Trustee AKD Index Tracker Fund (CDC)	37
	CDC Trustee Nit Islamic Equity Fund (CDC) CDC - Trustee Nit-Equity Market Opptunity (CDC) CDC - Trustee Pakistan Capital Market Fund (CDC)	4,28 1,72
	Pension Fund	55
	Trustee National Bank of Pakistan Employee Pension Fund (CDC) Pfizer Pakistan DC Pension Fund (CDC)	99,67 98
	Unilever Pakistan Dc Pension Fund (SUB Fund A) (CDC) Unilever Pakistan Dc Pension Fund (SUB Fund B) (CDC) Unilever Pension Plan (CDC)	1,20 92 17
	Wyeth Pakistan DC Pension Fund (CDC) Trustee - IBM Italia S.P.A. Pakisatn Employees Pension Fund (CDC)	40 17 17 22 40
	Trustee Pak Tobacco Co Ltd Staff DEF Contri PEN FD (CDC) Trustees Engro Corp Ltd MPT Employees DEF Contr Pension Fund (CDC) Trustees Index Marco Comment Defined Employees Defined Funda (CDC)	1,50
	Unitever Pension Plan (CDC) Wyeth Pakistan D: Pension Fund (CDC) Trustee - IBM Italia S.P.A. Pakisatn Employees Pension Fund (CDC) Trustee Pak Tobacco Co Lol Sati DET Contri PEN FD (CDC) Trustees Engro Corp Ltd MPT Employees DEF Contr Pension Fund (CDC) Trustees Indus Motor Company Limited Employees Pension Fund (CDC) Trustees Shell Pakistan DC Pension Fund (CDC) Trustee-Shell Pakistan Management Staff Pension Fund (CDC) Trustee-Shell Pakistan Staff Pension Fund (CDC) Trustee-Shell Pakistan Staff Pension Fund (CDC) Trustee-Shell Pakistan Staff Pension Fund (CDC)	94 1,09 2,10
		55
	CDC-Trustee Pakistan Islamic Pension Fund - Equity Sub Fund (CDC) Joint Stock Companies	1,34
	Fatch Industries Limited Nacem's Securities (Prt) Ltd. Service Sales (Com. (Prt) Ltd.	16
	Service Sales Corp. (Pvf) Itd. Moosani Securities (Pvf) Itd. (CDC) IGI Fines Securities Itmitted (CDC)	70
	Irfan Mazhar Securities (Pvt) Ltd. (CDC) Maple Leaf Capital Limited (CDC)	54
	Nff Securities (Pot.) Limited. (CDC) Saoc Capital (Pvt) Limited (CDC) Safraz Mahmood Securities (Pvt.) Ld. (CDC)	13
	Haral Sons (Smc-Pvt) Limited. (CDC)	70
	Other companies Trustees Habib Girls School Trust (CDC) ENI Pakistan Provident Fund (CDC)	26 50
	ENT FAISSEAF FOUNDER FUND (CDC) Trustees of Magnus Investment Advisors Ltd. EMPL. Prov. Fund (CDC) Pfizer Pakistan Provident Fund (CDC) The Union Pakistan Provident Fund (CDC) Liedenze Delicitors Liedent Advisors MC Control Fund (CDC)	3,4 1,3
	The Union Pakistan Provident Fund (CDC) Unilever Pakistan Limited Non-Management Staff Gratuity Fund (CDC)	1,44 8
	Trustees Infinited Non-Management Staff Gratuity Fund (CDC) Trustees Lotte Chemical Pakistan Non Mgn Staff G. Fund (CDC) Trustee - IBM Italia S.P.A. Pakistan Employees Gratuity Fund (CDC) Trustee International Indust. Ltd Employees Gratuity Fund (CDC)	2
	Trustee-karnan best roots Limited imployees (oratility rund (CDC) Trsutee Engro Corp Ltd Mpt Employees Def Cont Gratuity Fund (CDC)	1,00 2 2,30 56
	Trsutee Engro Corporation Ltd Grafuity Fund (CDC) Trustees Glaxo Smitheline Pak Ltd. Employees Gratuity Fund (CDC)	2,20
	Trustee International Steels Ltd Employees Gratuity Fund (CDC) Trustees Lotte Chemical Pakistan Mngt Staff Gratuity Fund (CDC) Trustee-Shell Pakistan Labour & Clarical Staff Gratuity Fund (CDC) Trustee-Shell Pakistan Management Staff Gratuity Fund (CDC)	16 31 18
	Trustee-Shell Pakistan Management Staff Gratuity Fund (CDC) Trustee-Sanofi Aventis Pakistan-Employees Gratuity Fund (CDC) Trustees of Pakistan Refinery Ltd Manag. Staff Gratuity Fund (CDC)	440
	I rustees of Paixstan Kefnery Ltd Manag, Start Orafutty Fund (CDC) Trustee Pak Tobacco Co Ltd Employees Gratius Fund (CDC) Trustee - IBM Semea Employees Provident Fund (CDC) Trustee international Indust. Ltd Employees Provident Fund (CDC)	10 40 88
	Trustee Pak Tobacco Co Ltd Employees Provident Fund (CDC)	88 72 82
	Trustee Pak Tobacco Co Ltd Mañagement Prov Fund (CDC) Trustee-Rafhan Best Foods Limited Employees Provident Fund (CDC) Trustee-Rafhan Best Foods Limited Employees Provident Fund (CDC)	1,38 33 54
	Trustees Glaxo Laboratories Pakistan Ltd. Provident Fund (CDC)	25 1,64
	Trustees Indus Motor Company Ltd Employees Provident Fund (CDC) Trustees International Steels Ltd Employees Provident Fund (CDC) Trustees Lotte Chemical Pakistan MNG Staff Provident Fund (CDC	24 53
	Trustees of Pakistan Refinery Ltd Provident Fund (CDC) Trustees Smith Kline & French of Pak Ltd. Provident Fund (CDC Trustee-Shell Pakistan Labour Provident Fund (CDC)	1,00 1,10 18
	Trustee-Shell Pakistan Management Staff Provident Fund (CDC) Trustee-Sanofi Aventis Pakistan-Employees Provident Fund (CDC)	92 55
	Trustees Lotte Chemical Pakistan MGT. Staff DEF. Cont. S. Fund (CDC) General public	45 216,78
	Executives, their spouses and minor children	.,
		7,560,00
ehold	lers holding more than 10 % voting interest in the company Batin (Nederland) B.V. National Investment Trust	5,685,86
	Autonal investment 1 rust CDC - Trustee National Investment (Unit) Trust (CDC) National Investment Trust Limited (CDC)	1,090,23 28,07
	National Investment Trust Limited Administration Fund (CDC) National Bank of Pakistan (CDC	21,00
		1,139,92 6,825,78

During the financial year the trading in shares of the Company by the Directors, CEO, CFO, Company Secretary and their Spouses and minor children is NIL.



FORM OF PROXY

65th ANNUAL GENERAL MEETING

					The Secretary Bata Pakistan Limited P.O. Batapur,
I/W					Lahore.
of					
beir	ng a member of Bata Pakist	an Limited and holder of			
(No	. of Shares)			Ordinary	Shares as per Share Register Folio
No.			and / or CDC Participant I.D. No.		
			hereby appoint		
of					
or fa	ailing him		of		
adjo	purnment thereof.	day of	t the 65 th Annual General Meeting of th		•
WIT	TNESSES:				
1.	Signature Name				
					Signature on Rs. 5/- Revenue stamp
2.	Signature Name				
	Address				ould agree with the specimen (stered with the Company)
	NIC or Passport No				
NI-					

Note:

- 1. A member entitled to be present and vote at the Meeting may appoint a proxy to attend, speak and vote for him/her. A proxy need not be a member of the Company.
- 2. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
- 3. CDC Shareholders and their Proxies must each attach an attested photocopy of their National Identity Card or passport with this proxy form.



جناب تمپنی سیکرٹری صاحب باٹا پا کستان کمیٹڈ باٹا پورلا ہور

پراکسی فارم 65 وال سالانه اجلاسِ عام با ٹا پاکستان *لمیٹڈ*

نوٹ:

ى/متىما ة	عام حصص کاما لک مشمح	كستان كميٹڑ	_ بحثيت ممبر باڻا پا		لن
یااس کی عدم دستیابی کی صورت میر	ۇى ىى اكاۇنى <i>شىنبر</i>	کوجسکا فولیوسی			لن
عام اجلاس جو که مورخه 24 اپریل 2017 ءکومنع	ہماری طرف سے مینی کے65واں سالانہ	یِ) ہماری جگہاور میری/	رتے ہیں تا کہ وہ میر ز	ر کرتا ہو ں ا کرتی ہوں ا ^ک	بطور پراکسی مقر
	<u> </u>	رے،بات کرےاوروو	ہ اجلاس میں شرکت ک	اوراس کے کسی ملتو می شدہ	بإب_اس ميں
	2047			* Z	
	¢2017			معطبتان	ے <i>ا</i> مارےد
یا پنج رو پید کےریو نیوسٹامپ پر			ى تى ڈى يى اكاؤنٹ <i>نمبر</i>		فوليونمبر
پ ک پی یہ پ پ			اكاؤنث نمبر	پارٹیسپنٹ I.D	
د ستخط رجٹر ڈنمونے سے مطابقت رکھتے ہونے چاہیے					
<i>سے مطابقت رکھے ہوتے چاہیے</i>					
					هان: مار
	(2) نام:				ا نام:
	پتر: شاختی کارڈنمبر :				پیتہ: ذراختی <i>ک</i> ار طرفمہ
	سنا في قارد جنز			·/	سنا می قارد ب دستخط:
	دستخط:				

1- اجلاس میں شرکت کرنے، دوٹ دینے کے اہل رکن کسی دوسر ے رکن کواپنا اپنی پراکسی مقرر کر سکتا ہے جس کوشر کت کرنے، بو لنے اور دوٹ دینے کا حق حاصل ہوگا۔ پراکسی کے لئے کمپنی کا ممبر ہونالاز می نہیں ہے۔
 2- بیکمل پڑ کر دہ اور دستخط شدہ پراکسی فارم کمپنی کے ہیڈ آفس میں اجلاس کے انعقاد سے 48 گھنٹے پہلے جمع کروانا چا ہے۔
 2- میکمل پڑ کر دہ اور دستخط شدہ پراکسی فارم کمپنی کے ہیڈ آفس میں اجلاس کے انعقاد سے 48 گھنٹے پہلے جمع کروانا چا ہے۔
 3- میں ڈی کا کا زمن رکھنے والوں / کار پوریٹ اور اور کی کے ہیڈ آفس میں اجلاس کے انعقاد سے 48 گھنٹے پہلے جمع کروانا چا ہے۔
 3- میں ڈی کا کا وزنٹ رکھنے والوں / کار پوریٹ اور وں کے لیے۔
 4- مستفید ہ لکان اور پراکسی کا کمپیوٹر انز ڈتو می شاختی کا رڈیا پا سپورٹ کی تھند ایں پراکسی فارم کے ساتھ مہما ہوگا ہے۔
 4- مستفید مالکان اور پراکسی کا کمپیوٹر انز ڈتو می شاختی کا رڈیا پا سپورٹ کی تھی ہوں پراکسی فارم کے ساتھ مہما ہوگا ہوں ہے۔



8 COMFORTABLE WITH IT



. FORTABLE WITH IT

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