

***Bata***<sup>®</sup>

# QUARTERLY REPORT



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# CORPORATE INFORMATION

## Board of Directors

Mr. Roberto Longo	Chairman	Non - Executive Director
Mr. Muhammad Imran Malik	Director/Chief Executive	Executive Director
Mr. Amjad Farooq	Director/Chief Financial Officer	Executive Director
Mr. Syed Asad Ali Zaidi	Director	Executive Director
Mr. Toh Guan Kiat	Director	Non - Executive Director
Mr. Aamir Amin	Director	Non - Executive Director
Mr. Kamal Monnoo	Director	Independent Director
Mr. Muhammad Maqbool	Director	Independent Director
Ms. Fatima Asad Khan	Director	Independent Director

## Audit Committee

Mr. Muhammad Maqbool	Chairman
Mr. Roberto Longo	Member
Mr. Aamir Amin	Member
Mr. Toh Guan Kiat	Member

## Human Resource and Remuneration Committee

Ms. Fatima Asad Khan	Chairperson
Mr. Muhammad Imran Malik	Member
Mr. Toh Guan Kiat	Member

## Chief Financial Officer (CFO)

Mr. Amjad Farooq

## Company Secretary

Ms. Mahnoor Ather

## Auditors

A.F. Ferguson & Co.  
(a member firm of PwC Network)  
23-C, Aziz Avenue, Canal Bank,  
Gulberg V, Lahore.

## Legal Advisor

Surrige & Beecheno  
60, Shahrah-e-Quaid-e-Azam,  
Ghulam Rasool Building,  
Lahore.

## Stock Exchange Listing

Bata Pakistan Limited is listed on Pakistan Stock Exchange under "Leather and Tanneries sector.

## Web Presence

<https://www.bata.com.pk/>

## Bankers

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

## Registered Office

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

## Share Registrar

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

## Factories

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

## Maraka,

26 - Km, Multan Road, Lahore.

## Liaison Office Karachi

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

## DIRECTORS' REVIEW

It is my pleasure to present the un-audited Condensed Interim Financial Information and brief review of the Company's operations for the three month period ended 31 March 2022.

Net turnover in the period under review was Rs. 3,218 billion as compared to Rs. 2,643 billion for the corresponding period of last year showing a healthy growth of 22%. Profit before Tax during the current period was Rs. 121.5 million as compared to Profit before Tax in last year of Rs. 45.9 million. Profit after tax was Rs. 80,984 million against Profit after tax of Rs. 33,464 million. Earnings per share was Rs. 10.71 against Earning per share of Rs. 4.43 in last year.

Both retail and non-retail divisions remained under pressure due to inflation but showed remarkable results against corresponding period of last year. High inflation, devaluation of Pak Rupee and political instability resulted in upsurge in fuel and utility prices adversely impacted the business. Nevertheless, turnovers of Retail division increased by 29% against the corresponding period of last year.

Our production facilities at Batapur and Maraka were remained operational to meet the demand of our popular items. We are continually making investment in new moulds, the majority of which are proved very successful in the marketplace.

Our precedence remains to satisfy the demand of our valued customers and provide them with services exclusively and efficiently. In spite of bleak economic environment and competitive market conditions, we are preparing ourselves to grasp all opportunities that come our way this year. Our priority right now is to hit our target sales and stay connected with our customers through social media platforms and online campaigns.

The Company continued its Corporate Social Responsibilities (CSR) activities during the period under review. A Water Filtration Plant was built at Ghurki Teaching Hospital Lahore in order to provide clean & safe drinking water for the patients and their attendants. Company donated 628 pairs of shoes to the underprivileged children studying in different schools. In order to support education of shining youth, adopted one student of National University of Sciences & Technology (NUST) for undergraduate degree by contributing his educational expenses for one year. To impart our role for better environment, Plant for Life campaign was launched with the participation of our employees and their children; and planted more than 2,000 trees / saplings in Batapur & Maraka along with nearby communities. Arranged Health Awareness & Medical Camp in school where 190 students and teachers were examined and provided with free medicines. Moreover, 120 tests of blood sugar, cholesterol, uric acid and hepatitis B & C were conducted with free consultation.

We are anticipating challenges but we are very much confident that with passion of our staff and unconditional support from our all stakeholders, we will not only achieve our goals for the year but also maintain a cohesion on national level by fulfilling our corporate responsibility to the society.

**On behalf of the Board**



**MUHAMMAD IMRAN MALIK**  
**Chief Executive**

**Batapur:**  
**Lahore: 25 April 2022**

## ڈائریکٹر زکا جائزہ

31 مارچ 2022 کو ختم ہونے والی سہ ماہی مدت کے لیے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی معلومات اور کمپنی کے آپریشنز کا مختصر جائزہ پیش کرنا میرے لیے باعث خوشی ہے۔

زیر جائزہ مدت میں نیٹ ٹرن اور 3,218 ارب روپے تھا جو گزشتہ سال کی اسی مدت میں 2,643 ملین روپے تھا۔ یہ اشارے 22 فیصد ترقی کو ظاہر کرتے ہیں۔ موجودہ مدت کے دوران ٹیکس سے پہلے منافع گزشتہ سال کے 45.9 ملین روپے کے مقابلے میں 121.5 ملین روپے تھا۔ گزشتہ 33,464 ملین کے مقابلے میں ٹیکس کے بعد منافع 80,984 ملین روپے تھا۔ فی شیئر آمدن گزشتہ 4.43 کے مقابلے میں اس مدت میں 10.71 روپے تھی۔

ریشیل اور نان ریشیل دونوں ڈویژن افراط زر کی وجہ سے دباؤ میں رہے لیکن گزشتہ سال کی اسی مدت کے مقابلے میں نمایاں نتائج دکھائے۔ بلند افراط زر، پاکستانی روپے کی قدر میں کمی اور سیاسی عدم استحکام کے نتیجے میں فیول اور یوٹیلیٹی کی قیمتوں میں اضافے نے کاروبار کو بری طرح متاثر کیا۔ اس کے باوجود، ریشیل ڈویژن کے کاروبار میں گزشتہ سال کی اسی مدت کے مقابلے میں 29 فیصد اضافہ ہوا۔

باناپورا اور مراکاش میں ہماری پیداواری سہولیات ہماری مقبول اشیاء کی مانگ کو پورا کرنے کے لیے کام کرتی رہیں۔ ہم مسلسل نئے سانچوں میں سرمایہ کاری کر رہے ہیں، جن میں سے زیادہ تر مارکیٹ میں بہت کامیاب ثابت ہوئے ہیں۔

ہماری ترجیح اپنے قابل قدر صارفین کی مانگ کو پورا کرنے اور انہیں خصوصی طور پر اور موثر طریقے سے خدمات فراہم کرنا ہے۔ مشکل اقتصادی ماحول اور مسابقتی مارکیٹ کے حالات کے باوجود، ہم اس سال ہمارے سامنے آنے والے تمام مواقع کو سمجھنے کے لیے خود کو تیار کر رہے ہیں۔ اس وقت ہماری ترجیح اپنی فروخت کے ہدف کو حاصل کرنا اور سوشل میڈیا پلیٹ فارمز اور آن لائن ایڈورٹائزنگ کے ذریعے اپنے صارفین سے جڑے رہنا ہے۔

کمپنی نے زیر جائزہ مدت کے دوران اپنی کارپوریٹ سماجی ذمہ داریوں (CSR) کی سرگرمیوں کو جاری رکھا۔ گھر کی، بچپنگ، ہسپتال لاہور میں مریضوں اور ان کے ساتھ آئے لوگوں کو پینے کے صاف پانی کی فراہمی کے لیے واٹر فلٹریشن پلانٹ لگوا یا۔ کمپنی نے مختلف اسکولوں میں زیر تعلیم غریب بچوں کو جوتوں کے 628 جوڑے عطیہ کئے۔ ہونہار نوجوانوں کی تعلیم میں مدد کے لیے ہیشٹل یونیورسٹی آف سائنسز اینڈ ٹیکنالوجی (NUST) کے ایک طالب علم کے ایک سال کے لیے اپنے تعلیمی اخراجات میں حصہ ڈال کر انڈرگریجویٹ ڈگری کے حصول میں اہم کردار ادا کیا۔ بہتر ماحول کے لیے اپنا کردار ادا کرنے کے لیے، پلانٹ فار لائف مہم میں ہمارے ملازمین اور ان کے بچوں کی شرکت سے شروع کی گئی۔ اور مقامی افراد کے ساتھ مل کر باناپورا اور مراکاش میں 2,000 سے زیادہ درخت/پودے لگائے۔ اسکول میں، ہیلتھ آگاہی اور میڈیکل کمپ کا اہتمام کیا گیا جس میں 190 طلباء اور اساتذہ کا معائنہ کیا گیا اور انہیں مفت ادویات فراہم کی گئیں۔ مزید برآں مفت مشاورت سے بلڈ شوگر، کولیسٹرول، پورک ایسڈ اور پاپائٹس بی اوریسی کے 120 ٹیسٹ کئے گئے۔

ہمیں مختلف چیلنجز کا سامنا ہو گا لیکن یہ کامل یقین ہے کہ اپنے عملے کے جذبے اور اپنے تمام اسٹیک ہولڈرز کی غیر مشروط حمایت کے ساتھ، ہم نہ صرف سال کے لیے اپنے اہداف حاصل کریں گے بلکہ معاشرے کے لیے اپنی کارپوریٹ ذمہ داریوں کو پورا کرتے ہوئے قومی سطح پر ہم آہنگی بھی برقرار رکھیں گے۔

مختار بورڈ



محمد عمران ملک

چیف ایگزیکٹو

باناپورا، لاہور۔

25 اپریل 2022

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - UNAUDITED

AS AT 31 MARCH 2022

	Note	(UN - AUDITED) 31 March 2022	(AUDITED) 31 December 2021
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,914,678	1,935,392
Right of use assets		3,375,323	3,427,313
Intangible assets		205,403	214,307
Long term investments	7	45,032	45,031
Long term deposits and prepayments		43,544	41,077
Deferred taxation		448,087	434,129
		6,032,067	6,097,249
<b>CURRENT ASSETS</b>			
Stores and spare parts		—	—
Stock in trade	8	5,935,068	3,978,771
Trade debts - unsecured		962,408	973,880
Advances - unsecured		328,978	283,015
Trade deposits and short term prepayments		587,658	293,418
Other receivables		277,268	411,658
Interest accrued		4,933	5,781
Short term investments		—	1,100,000
Tax refunds due from Government	9	350,161	350,161
Cash and bank balances	10	979,133	2,108,570
		9,425,607	9,505,254
<b>TOTAL ASSETS</b>		15,457,674	15,602,503
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital		100,000	100,000
Issued, subscribed and paid up capital		75,600	75,600
Reserves			
Capital reserve		483	483
Revenue reserves		6,164,322	6,083,338
		6,164,805	6,083,821
		6,240,405	6,159,421
<b>NON-CURRENT LIABILITIES</b>			
Lease liability		3,459,917	3,500,649
Long term deposits		34,213	26,353
Long term borrowing	11	45,648	47,222
Deferred liability - employee benefits	12	60,549	61,992
		3,600,327	3,636,216
<b>CURRENT LIABILITIES</b>			
Current portion of lease liability		909,923	911,572
Current portion of long term borrowing		6,296	6,296
Trade and other payables		4,587,808	4,073,404
Unclaimed dividend		58,429	60,293
Unpaid dividend		—	568,587
Short term borrowings	13	—	—
Provision for taxation		54,486	186,714
		5,616,942	5,806,866
<b>CONTINGENCIES AND COMMITMENTS</b>	14		
<b>TOTAL EQUITY AND LIABILITIES</b>		15,457,674	15,602,503

The annexed notes from 1 to 25 form an integral part of this interim financial information.



Chief Executive



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	Note	Three month period ended	
		Jan - Mar 2022	Jan - Mar 2021
		(Rupees in '000)	
NET SALES	15	3,218,320	2,643,151
COST OF SALES	16	1,576,060	1,349,082
GROSS PROFIT		1,642,260	1,294,069
DISTRIBUTION COST		1,059,043	872,997
ADMINISTRATIVE EXPENSES		307,994	267,800
OTHER EXPENSES		21,851	6,966
OTHER INCOME		1,388,888	1,147,763
OPERATING PROFIT		36,215	70,367
FINANCE COST	17	289,587	216,673
PROFIT BEFORE TAXATION		168,074	170,768
PROVISION FOR TAXATION		121,513	45,905
Current		54,486	39,647
Deferred		(13,957)	(27,206)
PROFIT AFTER TAXATION		40,529	12,441
Other comprehensive income		80,984	33,464
TOTAL COMPREHENSIVE INCOME		—	—
EARNING PER SHARE - BASIC AND DILUTED	20	80,984	33,464
		Rs.10.71	Rs.4.43

The annexed notes from 1 to 25 form an integral part of this interim financial information.



Chief Executive



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED

## FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	Share capital	Capital reserve	General reserve	Unappropriated profit	Total
	(Rupees in '000')				
<b>Balance as at 01 January 2021</b>	75,600	483	6,957,000	(660,484)	6,372,599
Total comprehensive loss for the three month period ended 31 March 2021	–	–	–	33,464	33,464
<b>Balance as at 31 March 2021</b>	75,600	483	6,957,000	(627,020)	6,406,063
<b>Balance as at 01 January 2022</b>	75,600	483	6,957,000	(873,662)	6,159,421
Transfer from general reserve for 2022	–	–	(900,000)	900,000	–
Total comprehensive profit for the three month period ended 31 March 2022	–	–	–	80,984	80,984
<b>Balance as at 31 March 2022</b>	75,600	483	6,057,000	107,322	6,240,405

The annexed notes from 1 to 25 form an integral part of this interim financial information.



Chief Executive



Chief Financial Officer



Director



# CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

		Three month period ended	
		Jan - Mar	Jan - Mar
	Note	2022	2021
		(Rupees in '000)	
<b>CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		121,513	45,905
Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows			
Depreciation for property, plant & equipment		67,792	64,610
Depreciation of right of use assets		276,492	276,638
Amortization of intangible assets		12,046	3,666
Provision for gratuity		3,087	2,254
Loss on disposal of property, plant and equipment		2,306	815
Income from short term investments		(23,595)	(38,255)
Income from long term investments		(723)	(644)
Exchange (gain) / loss		6,601	—
Finance cost		155,767	170,768
Income from discounting of supplier invoices		(8,133)	—
Net (reversal) / Provision for trade debts and advances		8,832	(18)
Net provision for slow moving and obsolete stock		(22,431)	4,549
Provision for obsolescence of raw material- (net)		(2,473)	4,488
Reversal of provision for obsolescence stores & spare parts		(279)	(28)
		475,289	488,843
<b>Operating profit before working capital changes</b>		596,802	534,748
<b>(Increase) / decrease in current assets:</b>			
Stores & spare parts		—	—
Stock in trade		(1,933,866)	(1,332,004)
Trade debts - unsecured		2,640	(133,831)
Advances - unsecured		(45,963)	(40,148)
Deposits and short term prepayments		(294,240)	(258,467)
Other receivables		16,578	(7,353)
		(2,254,851)	(1,771,803)
<b>Increase in current liabilities:</b>			
Trade and other payables		507,802	1,017,037
<b>Cash used in operations</b>		(1,150,247)	(220,018)
Finance costs paid		(155,767)	(170,768)
Tax paid		(68,902)	(42,503)
Gratuity paid		(4,530)	(5,609)
Interest income received		33,299	23,639
		(195,900)	(195,241)
(Increase) / Decrease in long term prepayments		(10,327)	1,295
<b>Net cash used in operating activities</b>	A	(1,356,474)	(413,964)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(3,949)	(35,670)
Decrease in capital work in process		(16,367)	(49,339)
Purchase of intangible assets		—	(3,441)
Proceeds from sale of property, plant and equipment		595	791
Increase in long term investments		(1)	(3)
<b>Net cash used in investing activities</b>	B	(19,722)	(87,662)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayments)/ proceeds from long term borrowings		(1,574)	—
Payment of lease liabilities		(142,837)	(214,346)
Dividend paid		—	(1)
<b>Net cash used in financing activities</b>	C	(144,411)	(214,347)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	A+B+C	(1,520,607)	(715,973)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		2,499,740	2,499,740
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	18	979,133	1,783,767

The annexed notes from 1 to 25 form an integral part of this interim financial information.

Chief Executive

Chief Financial Officer

Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

### 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. Furthermore, the Company has the following production facilities:

Sr. No	Business Units	Geographical Location
1	Batapur	G.T. Road, P.O. Batapur, Lahore
2	Maraka	26 - km, Multan Road, Lahore

The Company operates through retail outlets spread across the country with 10 outlets situated in Azad Kashmir, 6 in Balochistan, 14 in Islamabad Capital Territory, 46 in Khyber Pakhtun Khwa, 300 in Punjab and 68 outlets in Sindh.

### 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of (IAS) 34, the provisions and directives issued under the Companies Act, 2017 have been followed.

### 3 BASIS OF PRESENTATION AND MEASUREMENT

This condensed interim financial information is un-audited but subject to limited scope review. The condensed interim financial information does not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2021.

The financial information has been prepared under the historic cost convention. The financial information is prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

### 4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING STANDARDS

#### 4.1 Standards, amendments and interpretations to published standards effective in current period

Certain standards, amendments and interpretations to approved accounting standards are effective for the annual period beginning on or after January 01, 2022 but are considered not to be relevant or to have any significant effect on the Company operations and are, therefore, not detailed in these condensed interim financial statements.

#### 4.2 Standards, amendments and interpretations to existing standards not yet effective and not applicable/ relevant to the Company

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

### 5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2021.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

### FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

Furthermore, the basis of significant estimates are same as those that were applied to the financial statements for the year ended December 31, 2021.

Income tax expense is recognised based on management's best estimate of the weighted average income tax rate for the full financial year.

		(UN - AUDITED)	(AUDITED)
		31 March 2022	31 December 2021
		(Rupees in '000)	
<b>6</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Property, plant and equipment	6.1	1,874,949	1,911,223
Capital work in progress	6.2	39,729	24,169
		<u>1,914,678</u>	<u>1,935,392</u>
<b>6.1</b>	Opening net book value (NBV)	1,911,223	1,904,351
	Add: Additions / transfers during the period / year	34,420	309,746
		<u>1,945,643</u>	<u>2,214,097</u>
	Less: Disposals during the period (at NBV)	(2,902)	(24,059)
	Depreciation charged during the period/year	(67,792)	(278,815)
		<u>(70,694)</u>	<u>(302,874)</u>
		<u>1,874,949</u>	<u>1,911,223</u>

	(UN-AUDITED)		(AUDITED)	
	31 March 2022	31 March 2021	31 December 2022	31 December 2021
	Additions	Disposal (NBV)	Additions	Disposal (NBV)
6.1.1	(Rupees in '000)			
Buildings				
- Factory	2,298	–	6,415	–
- Others	–	–	750	–
Plant & machinery	178	–	10,526	101
Gas installations	–	–	26	–
Office equipment	–	–	–	
Furniture, fixture and fittings	23,094	2,600	159,315	13,858
Computers	8,850	302	132,714	10,100
Vehicles	–	–	–	–
	34,420	2,902	309,746	24,059

		(UN - AUDITED)	(AUDITED)
		31 March 2022	31 December 2021
		(Rupees in '000)	
<b>6.2</b>	Opening balance	24,169	45,516
	Add: additions during the period	16,367	174,190
		<u>40,536</u>	<u>219,706</u>
	Less: transfers during the period	(807)	(195,537)
		<u>39,729</u>	<u>24,169</u>

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

		(UN - AUDITED)	(AUDITED)
		31 March 2022	31 December 2021
<b>7 LONG TERM INVESTMENTS</b>		<b>(Rupees in '000)</b>	
At Fair value through amortised cost			
PLS Term Deposit Receipts	7.1	45,032	45,031

**7.1** These deposits are earmarked against the balances due to employees held as securities and personal accounts maintained with commercial banks undertaking conventional banking services. These carry mark-up at the rate of 7.40% (2021: 6.50%) per annum. These have been invested in accordance with the provisions of Section 217 of the Companies Act, 2017.

### 8 STOCK IN TRADE

This represents net amount after adjustment for provision against slow moving and obsolete stock amounting to Rs. 100.190 million (2021: Rs. 111.964 million)

		(UN - AUDITED)	(AUDITED)
		31 March 2022	31 December 2021
<b>9 TAX REFUNDS DUE FROM GOVERNMENT</b>		<b>(Rupees in '000)</b>	
Tax refunds due from Government		350,161	350,161

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

		(UN - AUDITED)	(AUDITED)
		31 March 2022	31 December 2021
<b>10 CASH AND BANK BALANCES</b>		<b>(Rupees in '000)</b>	
Bank balances in			
Current accounts			
- Foreign currency		27,103	26,787
- Local currency		39,321	51,704
		66,424	78,491
Daily profit accounts	10.1	731,554	1,961,799
	10.2	797,978	2,040,290
Cash in transit		177,500	65,398
Cash in hand			
- Foreign currency		2,860	1,871
- Local currency		795	1,011
		3,655	2,882
		979,133	2,108,570

**10.1** The rate of mark-up on these accounts ranges from 4.50% to 8.75% (2021: 5.50% to 7.1%) per annum.

**10.2** These balances are maintained with commercial banks undertaking conventional and islamic banking services.

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

		(UN - AUDITED)	(AUDITED)
	Note	31 March 2022	31 December 2021
		(Rupees in '000)	
<b>11 LONG TERM BORROWING</b>			
Long term borrowing	11.1	51,944	47,222

**11.1** The long term borrowing has been obtained from Habib Bank Limited for import and installation of solar power machinery. Under the arrangement, principal amount up to Rs. 80 million was repayable in 39 equal quarterly instalments beginning six months after the initial drawdown date. Interest was payable quarterly in arrears at the rate of 3 months SBP rate plus 1.5 percent per annum. Effective rate of interest ranged from 3.5% per annum during the period.

	(UN - AUDITED)	(AUDITED)
	31 March 2022	31 December 2021
	(Rupees in '000)	
<b>12 DEFERRED LIABILITY- EMPLOYEE BENEFITS</b>		
Opening liability	61,992	68,592
Amount recognized during the period/year	3,087	10,277
Payment made by the Company during the period/year	(4,530)	(21,479)
Experience adjustment	–	4,602
Closing liability	60,549	61,992

The latest actuarial valuation was carried out as at December 31, 2020.

### 13 SHORT TERM BORROWINGS

The credit facilities available to the Company from various commercial banks aggregate to Rs. 2,235 million (2021: Rs. 2,235 million). These include:

- Non funded facilities of letters of guarantee and letters of credit amounting to Rs. 455 million (2021: Rs. 455 million); and
- Cash finance facilities of Rs. 1,780 million ( 2021: Rs. 1,780 million).

Moreover, the Company can avail further cash finance facilities out of un-utilized unfunded facilities of Rs. 365,000 million (2021: Rs. 365,000 million) which also includes Rs. 35,000 million (2021: Rs. 35,000 million) of export finance facilities.

The un-utilized facility for letter of credits and guarantees at year end amounts to Rs. 2,098.164 million (2021: Rs. 1,879.458 million).

Mark -up on cash finance ranges from 3 months KIBOR plus 0.50% to 1.0% (2021: 3 months KIBOR plus 0.50% to 1.0% ) as per agreements with banks. While mark up on export finance is charged at SBP rate plus 1.00% (2021: 1.00%) per annum.

These finances are secured against hypothecation of stock in trade, stores and spares and receivables of the Company amounting to Rs. 2,687 million ( 2021: Rs. 2,687 million).

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

### 14 CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies since the date of preceding published annual financial statements for the year ended December 31, 2021.

#### 14.1 Other contingent liabilities:

The Company is contingently liable for:

- Counter guarantees given to banks
- Indemnity Bonds given to custom authorities
- Claims not acknowledged as debts

#### 14.2 Commitments in respect of:

- Capital expenditure
- Letters of credit and bank contracts

	(UN - AUDITED)	(AUDITED)
	31 March 2022	31 December 2021
	(Rupees in '000)	
	2,615	2,171
	21,532	11,712
	770	770
	24,917	14,653
	206,608	3,465
	102,462	410,595
	309,070	414,060
	(UN - AUDITED)	
	Three month period ended	
	31 March 2022	31 December 2021
	(Rupees in '000)	
	3,864,525	3,305,652
	8,411	18,099
	3,872,936	3,323,751
	11,523	19,744
	3,884,459	3,343,495
	524,320	415,768
	46,165	208,448
	95,654	76,128
	666,139	700,344
	3,218,320	2,643,151

### 15 SALES - NET

Shoes and accessories

Local

Export

Sundry articles and scrap material

Less: Sales tax

Discount to dealers and distributors

Commission to agents/business associates

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	(UN - AUDITED)	
	Three month period ended	
	31 March 2022	31 December 2021
	(Rupees in '000)	
<b>16 COST OF SALES</b>		
Raw material consumed	1,404,872	961,244
Stores and spares consumed	3,225	2,838
Fuel and power	57,074	42,189
Salaries, wages and benefits	199,062	177,685
Repairs and maintenance	19,134	24,088
Insurance	5,790	5,373
Depreciation	15,181	16,389
	1,704,338	1,229,806
Add: Opening goods in process	35,192	40,541
	1,739,530	1,270,347
Less: Closing goods in process	85,464	83,166
Cost of goods manufactured	1,654,066	1,187,181
Add: Opening stock of finished goods	3,573,627	2,521,326
Finished goods purchased	1,517,105	1,265,115
	6,744,798	4,973,622
Less: Closing stock of finished goods	5,168,738	3,624,540
	1,576,060	1,349,082
<b>17 FINANCE COST</b>		
Interest / mark-up on:		
Employees / agents' securities and personal accounts	–	645
Long term borrowing	455	620
Lease liability	155,767	160,721
	156,222	161,986
Bank charges and commission	11,852	8,782
	168,074	170,768
<b>18 CASH AND CASH EQUIVALENTS</b>		
Bank balances in		
- Current accounts	66,424	98,485
- Daily profit accounts	731,554	8,428
Short term investment	–	1,600,000
Cash in transit	177,500	73,981
Cash in hand	3,655	2,873
	979,133	1,783,767

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

### 19 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of parent company, related group companies, provident fund trusts, directors and key management personnel. Transactions with related parties during the period are as follows:

		(UN - AUDITED)	
		Three month period ended	
Relationship with the Company	Nature of transactions	31 March 2022	31 March 2021
		(Rupees in '000)	
Common control companies	Purchase of goods and services	93,934	54,702
	Sale of goods and services	–	2,241
	Trade mark license fee	160,585	136,837
	Management service fee	61,584	55,748
Staff Retirement Benefits	Contribution to provident fund trusts	16,026	16,173
Staff Retirement Benefits	Gratuity paid	4,530	5,609
Key management personnel	Remuneration	34,140	35,811

All transactions with related parties have been carried out on mutually agreed terms and conditions.

	(UN - AUDITED)	(AUDITED)
	31 March 2022	31 December 2021
Period end balances	(Rupees in '000)	
Receivable from related party	1,348	–
Payable to related party	1,287,537	1,672,637

### 20 EARNINGS PER SHARE - BASIC AND DILUTED

	(UN - AUDITED)	
	Three month period ended	
	31 March 2022	31 March 2021
Profit after taxation attributable to ordinary share holders (Rupees in '000)	80,984	33,464
Weighted average number of ordinary shares - Number (in '000)	7,560	7,560
Earnings per share - Basic (Rs.)	10.71	4.43

**20.1** No figure for diluted earnings / (loss) per share has been disclosed as the Company has not issued any instrument which would have a dilutive impact on earnings per share, when exercised.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	(UN - AUDITED) Three month period ended							
	Retail		Wholesale		Export		Others	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees in '000)							
Net sales	2,882,772	2,226,636	316,887	369,608	8,411	18,099	10,270	18,808
Inter - segment sales	-	-	-	-	-	-	-	-
Total Sales	2,882,772	2,226,636	316,887	369,608	8,411	18,099	10,270	18,808
Segment result before unallocated expenses	613,069	388,183	16,587	40,047	1,565	2,651	7,049	4,453
Unallocated operating expenses								
Other expenses								
Other income								
Operating profit / (loss)								
Finance cost								
Profit / (loss) before taxation								
Taxation								
Profit / (loss) after taxation								

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	Segment assets	Segment assets	Segment liabilities	Segment liabilities
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
<b>22 SEGMENT ASSETS AND LIABILITIES</b>	<b>(Rupees in '000)</b>			
Retail	9,223,318	8,189,888	4,444,966	4,619,735
Wholesale	1,790,921	1,232,098	48,240	65,538
Export	16,927	14,432	–	–
Unallocated	4,426,508	6,166,085	4,724,063	4,757,809
	<u>15,457,674</u>	<u>15,602,503</u>	<u>9,217,269</u>	<u>9,443,082</u>

### 23 EVENTS AFTER THE REPORTING DATE

No material events have occurred subsequent to the period ended March 31, 2022

### 24 DATE OF AUTHORIZATION

This interim financial information was authorized for issue by the Board of Directors on April 25, 2022.

### 25 CORRESPONDING FIGURES

"In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income, and condensed interim cashflow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.



Chief Executive



Chief Financial Officer



Director

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**PAKISTAN LIMITED**

P.O.BATAPUR, LAHORE  
PAKISTAN

UAN: +92-42-111-044-055  
FAX: +92-42-36581176  
website: [www.bata.com.pk](http://www.bata.com.pk)  
E-mail: [pk.bata@bata.com](mailto:pk.bata@bata.com)