

JAN - MAR

2023

QUARTERLY

REPORT





NEW

Spring
SUMMER

200+ NEW DESIGNS

Surprisingly
Bata

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

Auditors

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

Legal Advisor

SurrIDGE & Beecheno
60, Shahrāh-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

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

Share Registrar

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

Factories

Batapūr,
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 our 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 2023.

Net turnover in the period under review was Rs. 4.117 billion as compared to Rs. 3.218 billion for the corresponding period of last year showing a healthy growth of 28%. Profit before Tax during the current period was Rs. 166.5 million as compared to Rs. 121.5 million of last year. Profit after tax was Rs. 124.9 million as compared to Rs. 80.9 million of last year. Earnings per share was Rs. 16.52 against last year of Rs. 10.71.

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 that adversely impacted the business along with restriction on business hours. Nevertheless, turnover of Retail division increased by 25% and non-retail division increased by 50% 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. Company with collaboration of Bata Children Program (BCP) assisted in reconstruction of school infrastructure for sustainable educational process. We renovated 6 schools in South Punjab which were damaged by the recent floods and the educational process was suspended over there. In order to promote healthy culture, organized annual sports function for the students of an underprivileged children. 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 2,500 trees / saplings in Batapur & Maraka along with nearby communities.

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

ڈائریکٹرز کا جائزہ

31 مارچ 2023ء کو ختم ہونے والی تین ماہ کی مدت کے لیے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی معلومات اور کمپنی کے آپریٹنگ کا مختصر جائزہ پیش کرنا ہمارے لیے باعث مسرت ہے۔

گزشتہ سال کی اسی مدت کے لیے 3.218 ارب روپے کے مقابلے میں زیر جائزہ مدت میں خالص کاروبار 117.4 ارب روپے ہے جو کہ 28 فیصد کی پائیدار ترقی کو ظاہر کرتا ہے۔ گزشتہ سال کے ٹیکس سے پہلے منافع 121.5 ملین روپے کے مقابلے میں موجودہ مدت کے دوران اس سال ٹیکس سے پہلے منافع 166.5 ملین روپے ہے۔ گزشتہ سال کے ٹیکس کے بعد منافع 80.9 ملین روپے کے مقابلے میں اس سال ٹیکس کے بعد منافع 124.9 ملین روپے ہے۔ گزشتہ سال فی شیئر آمدنی 10.71 روپے کے مقابلے میں اس سال فی شیئر آمدنی 16.52 روپے ہے۔

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۔

افراط زر میں اضافے، پاکستانی روپے کی قدر میں کمی اور سیاسی عدم استحکام کے نتیجے میں فیول اور ٹیلیٹی کی قیمتوں میں اضافہ ہوا جس نے کاروباری اوقات پر پابندی کی وجہ سے کاروبار پر منفی اثر ڈالا۔ اس کے باوجود ریشیل ڈویژن کے کاروبار میں گزشتہ سال کی اسی مدت کے مقابلے میں 25 فیصد اور نان ریشیل ڈویژن میں 50 فیصد اضافہ ہوا۔

بانٹا پورا مارا کا میں ہماری پیداواری سہولیات ہماری مقبول پروڈکٹس 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 ہمارے قابل قدر صارفین کی مانگ کو پورا کرنے اور انہیں خصوصی طور پر اور موثر طریقے سے خدمات فراہم کرنا ہے۔ سخت اقتصادی ماحول اور مارکیٹ کے مسابقتی حالات کے باوجود اس سال ہمیں ملنے والے تمام مواقع کو سمجھنے کے لیے خود کو تیار کر رہے ہیں۔ اس وقت ہماری ترجیح اپنے اہداف کو حاصل کرنا اور سوشل میڈیا پلیٹ فارمز اور آن لائن سرگرمیوں 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۔ کمپنی نے بانٹا چلڈرن پروگرام کے تعاون سے پائیدار تعلیمی عمل کے لیے اسکولوں کے بنیادی ڈھانچے کی تعمیر نو میں مدد کی۔ ہم نے جنوبی پنجاب میں 16 اسکولوں کی تزئین و آرائش کی جو حالیہ سیلاب سے تباہ ہو گئے تھے اور وہاں پر تعلیمی عمل معطل ہو گیا تھا۔ صحت مند ثقافت کو فروغ دینے کے لیے ایک پسماندہ اسکول کے طلبہ کے لیے سالانہ کھیلوں کی تقریب کا انعقاد کیا گیا۔ بہتر ماحول کے لیے اپنا کردار ادا کرنے کے لیے، پلانٹ فار لائف ہم ہمارے ملازمین اور ان کے بچوں کی شرکت سے شروع کی گئی۔ اور قریبی کمیونٹی کے ساتھ مل کر بانٹا پورا مارا کا میں 2,500 سے زیادہ پودے لگائے۔

ہمیں پمپلنجز کی توقع ہے ہیں لیکن پورا یقین ہے کہ ہمارے 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 داری کو پورا کرتے ہوئے قومی سطح پر ہم آہنگی بھی برقرار رکھیں گے۔

منجانب بورڈ



محمد عمران ملک

چیف ایگزیکٹو

بانٹا پورا، لاہور۔

19 اپریل، 2023

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - UNAUDITED

AS AT 31 MARCH 2023

	Note	(UN - AUDITED) 31 March 2023	(AUDITED) 31 December 2022
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,300,345	2,293,261
Right of use assets		3,522,551	3,374,702
Intangible assets		186,156	183,856
Long term investments	7	47,494	45,062
Long term deposits and prepayments		57,088	62,593
Deferred taxation		370,034	350,693
		6,483,668	6,310,167
CURRENT ASSETS			
Stores and spare parts		–	–
Stock in trade	8	7,399,856	5,111,998
Trade debts - unsecured		770,680	827,409
Advances - unsecured		228,491	561,050
Trade deposits and short term prepayments		766,182	191,075
Other receivables		141,030	397,451
Interest accrued		8,826	7,306
Short term investments		–	500,000
Tax refunds due from Government	9	350,161	350,161
Cash and bank balances	10	1,563,558	2,085,946
		11,228,784	10,032,396
TOTAL ASSETS		17,712,452	16,342,563
SHARE CAPITAL AND RESERVES			
Authorized share capital		100,000	100,000
Issued, subscribed and paid up capital		75,600	75,600
Reserves			
Capital reserve		483	483
Revenue reserves		5,722,464	5,597,574
		5,722,947	5,598,057
		5,798,547	5,673,657
NON-CURRENT LIABILITIES			
Lease liability		3,515,682	3,451,948
Long term deposits		25,116	26,461
Deferred liability - employee benefits	11	53,024	56,587
Long term borrowing	12	39,351	111,010
		3,633,173	3,646,006
CURRENT LIABILITIES			
Current portion of lease liability		1,080,915	980,254
Current portion of long term borrowing		6,296	14,083
Trade and other payables		6,123,989	4,636,881
Short term borrowings	13	–	–
Provision for taxation		60,952	381,702
Unpaid dividend	14	921,110	921,110
Unclaimed dividend		87,470	88,870
		8,280,732	7,022,900
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		17,712,452	16,342,563

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

1st QUARTER REPORT - JANUARY - MARCH 2023



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 2023

	Note	Three month period ended	
		Jan - Mar 2023	Jan - Mar 2022
		(Rupees in '000)	
NET SALES	16	4,117,303	3,218,320
COST OF SALES	17	1,966,672	1,576,060
GROSS PROFIT		2,150,631	1,642,260
DISTRIBUTION COST		1,285,699	1,059,043
ADMINISTRATIVE EXPENSES		427,947	307,994
OTHER EXPENSES		127,383	21,851
		1,841,029	1,388,888
OTHER INCOME		53,983	36,215
OPERATING PROFIT		363,585	289,587
FINANCE COST	18	197,079	168,074
PROFIT BEFORE TAXATION		166,506	121,513
PROVISION FOR TAXATION			
Current		60,952	54,486
Deferred		(19,339)	(13,957)
		41,613	40,529
PROFIT AFTER TAXATION		124,893	80,984
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		124,893	80,984
EARNING PER SHARE - BASIC AND DILUTED	22	Rs.16.52	Rs.10.71

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 2023

	Share capital	Capital reserve	Revenue reserves		Total
			General reserve	Unappropriated profits / losses	
			(Rupees in '000')		
Balance as at 01 January 2022	75,600	483	6,957,000	(873,662)	6,159,421
Transfer from general reserve for 2022			(900,000)	900,000	
Total comprehensive loss for the three month period ended 31 March 2022	-	-	-	80,984	80,984
Balance as at 31 March 2022	75,600	483	6,057,000	107,322	6,240,405
Balance as at 01 January 2023	75,600	483	4,557,000	1,040,574	5,673,657
Total comprehensive profit for the three month period ended 31 March 2023	-	-	-	124,893	124,893
Balance as at 31 March 2023	75,600	483	4,557,000	1,165,467	5,798,550

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 2023

	Note	Three month period ended	
		31 March	31 March
		2023	2022
		(Rupees in '000)	
CASH GENERATED FROM OPERATIONS			
Profit before taxation		166,506	121,513
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation for property, plant & equipment		73,903	67,792
Depreciation of right of use assets		282,716	276,492
Amortization of intangible assets		12,832	12,046
Provision for gratuity		2,191	3,087
Loss on disposal of property, plant and equipment		252	2,306
Income from short term investments		(48,268)	(23,595)
Income from long term investments		(1,266)	(723)
Exchange loss		113,054	6,601
Finance cost		176,810	155,767
Income from discounting of supplier invoices		-	(8,133)
Net (reversal) / Provision for trade debts and advances		(398)	8,832
Net provision for slow moving and obsolete stock		16,976	(22,431)
Provision for obsolescence of raw material- (net)		20,923	(2,473)
Reversal of provision for obsolescence stores & spare parts		1,448	(279)
		651,173	475,289
Operating profit before working capital changes (Increase) / decrease in current assets:		817,679	596,802
Stores & spare parts		-	-
Stock in trade		(2,327,205)	(1,933,866)
Trade debts - unsecured		57,127	2,640
Advances - unsecured		332,559	(45,963)
Deposits and short term prepayments		(575,107)	(294,240)
Other receivables		7,873	16,578
		(2,504,753)	(2,254,851)
Increase in current liabilities:			
Trade and other payables		1,374,053	507,802
Cash used in operations		(313,021)	(1,150,247)
Finance costs paid		(197,079)	(155,767)
Tax paid		(222,381)	(68,902)
Gratuity paid		(5,754)	(4,530)
Interest income received		48,014	33,299
		(377,200)	(195,900)
Decrease / (Increase) in long term prepayments		5,505	(10,327)
Net cash used in operating activities	A	(684,716)	(1,356,474)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(82,309)	(3,949)
Decrease in capital work in process		(18,731)	(16,367)
Purchase of intangible assets		(6,696)	-
Proceeds from sale of property, plant and equipment		1,268	595
Increase in long term investments		(2,432)	(1)
Net cash used in investing activities	B	(108,900)	(19,722)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayments) of long term borrowings		(79,446)	(1,574)
Payment of lease liabilities		(147,926)	(142,837)
Dividend paid		(1,400)	-
Net cash used in financing activities	C	(228,772)	(144,411)
NET DECREASE IN CASH AND CASH EQUIVALENTS	A+B+C	(1,022,388)	(1,520,607)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		2,585,946	2,499,740
CASH AND CASH EQUIVALENTS AT END OF PERIOD	19	1,563,558	979,133

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 2023

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 Factory	G.T. Road, P.O. Batapur, Lahore
2	Maraka Factory	26 - km, Multan Road, Lahore

The Company operates through retail outlets spread across the country with 8 outlets situated in Azad Kashmir, 8 in Balochistan, 14 in Islamabad Capital Territory, 2 in Gilgit Baltistan, 46 in Khyber Pakhtunkhwa, 295 in Punjab and 67 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, 2022.

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, 2023 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, 2022 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

5 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements is in conformity with the approved accounting and reporting standards as applicable in Pakistan. Interim reporting requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

Accounting policies, judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to the audited financial statements as at and for the year ended December 31, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended December 31, 2022.

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

	Note	(UN - AUDITED)	(AUDITED)
		31 March 2023	31 December 2022
(Rupees in '000)			
6 PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment	6.1	2,065,671	2,075,617
Capital work in progress	6.2	234,674	217,644
		<u>2,300,345</u>	<u>2,293,261</u>
6.1 Opening net book value (NBV)		2,075,617	1,911,223
Add: Additions / transfers during the period / year	6.1.1	65,476	485,375
		2,141,093	2,396,598
Less: Disposals during the period (at NBV)	6.1.1	(1,519)	(17,353)
Depreciation charged during the period/year		(73,903)	(303,628)
		(75,422)	(320,981)
		<u>2,065,671</u>	<u>2,075,617</u>

	(UN - AUDITED)		(AUDITED)	
	31 March 2023	31 March 2022	31 December 2023	31 December 2022
	Additions	Disposal (NBV)	Additions	Disposal (NBV)
(Rupees in '000)				
6.1.1				
Buildings				
- Factory	224	-	21,085	-
- Others	-	-	5,538	-
Plant & machinery	312	11	74,950	695
Office equipment	-	1	470	3
Furniture, fixture and fittings	57,491	1,495	57,988	15,895
Computers	7,449	12	325,344	760
	<u>65,476</u>	<u>1,519</u>	<u>485,375</u>	<u>17,353</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

10.1 The rate of mark-up on these accounts ranges from 9.53% to 15.51% (2022: 2.75% to 7.25%) per annum.

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

	Note	(UN - AUDITED)	(AUDITED)
		31 March 2023	31 December 2022
(Rupees in '000)			
11 DEFERRED LIABILITY- EMPLOYEE BENEFITS			
Opening liability		56,587	61,992
Amount recognized during the period/year		2,191	9,123
Payment made by the Company during the period/year		(5,754)	(13,411)
Experience adjustment		-	(1,117)
Closing liability		<u>53,024</u>	<u>56,587</u>
The latest actuarial valuation was carried out as at December 31, 2022.			
12 LONG TERM BORROWING			
Long term borrowing	11.1	45,647	125,093
Less: current portion shown under current liabilities		(6,296)	(14,083)
		<u>39,351</u>	<u>111,010</u>

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.

13 SHORT TERM BORROWINGS

The credit facilities available to the Company from various commercial banks aggregate to Rs. 2,235 million (2022: Rs. 2,235 million). These include:

- Non funded facilities of letters of guarantee and letters of credit amounting to Rs. 455 million (2022: Rs. 455 million); and
- Cash finance facilities of Rs. 1,780 million (2022: Rs. 1,780 million).

Moreover, the Company can avail further cash finance facilities out of un-utilized unfunded facilities of Rs. 365.000 million (2022: Rs. 365.000 million) which also includes Rs. 35.000 million (2022: Rs. 35.000 million) of export finance facilities.

The un-utilized facility for letter of credits and guarantees at year end amounts to Rs. 2,174.077 million (2022: Rs. 1,883.674 million).

Mark -up on cash finance ranges from 3 months KIBOR plus 0.50% to 1.0% (2022: 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% (2022: 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 (2022: Rs. 2,687 million).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

14 UNPAID DIVIDEND

This represents dividend payable to Bafin B.V. (Nederland), which is pending approval from State Bank of Pakistan as at March 31, 2023.

15 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, 2022.

	(UN - AUDITED)	(AUDITED)
	31 March 2023	31 December 2022
	(Rupees in '000)	
15.1 Other contingent liabilities:		
The Company is contingently liable for:		
- Counter guarantees given to banks	2,171	2,171
- Claims not acknowledged as debts	22,265	22,265
	24,436	24,436
15.2 Commitments in respect of:		
- Capital expenditure	256,662	42,423
- Letters of credit and bank contracts	29,660	343,962
	286,322	386,385
	(UN - AUDITED)	
	Three month period ended	
	31 March 2023	31 March 2022
	(Rupees in '000)	
16 SALES - NET		
Shoes and accessories		
Local	4,964,795	3,864,525
Export	14,571	8,411
	4,979,366	3,872,936
Sundry articles and scrap material	14,335	11,523
	4,993,701	3,884,459
Less: Sales tax	641,925	524,320
Discount to dealers and distributors	123,287	46,165
Commission to agents/business associates	111,186	95,654
	876,398	666,139
	4,117,303	3,218,320

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

	(UN - AUDITED)	
	Three month period ended	
	31 March 2023	31 March 2022
	(Rupees in '000)	
17 COST OF SALES		
Raw material consumed	1,880,943	1,404,872
Stores and spares consumed	7,415	3,225
Fuel and power	73,080	57,074
Salaries, wages and benefits	196,572	199,062
Repairs and maintenance	16,756	19,134
Insurance	5,173	5,790
Depreciation	15,963	15,181
	<u>2,195,902</u>	<u>1,704,338</u>
Add: Opening goods in process	101,020	35,192
	<u>2,296,922</u>	<u>1,739,530</u>
Less: Closing goods in process	114,518	85,464
	<u>2,182,404</u>	<u>1,654,066</u>
Cost of goods manufactured	4,480,321	3,573,627
Add: Opening stock of finished goods	1,840,057	1,517,105
Finished goods purchased	8,502,782	6,744,798
	<u>6,536,110</u>	<u>5,168,738</u>
Less: Closing stock of finished goods	1,966,672	1,576,060
	<u><u>1,966,672</u></u>	<u><u>1,576,060</u></u>
18 FINANCE COST		
Interest / mark-up on:		
Workers' profit participation fund	8,583	-
Long term borrowing	1,594	455
Lease liability	166,633	155,767
	<u>176,810</u>	<u>156,222</u>
Bank charges and commission	20,269	11,852
	<u>197,079</u>	<u>168,074</u>
19 CASH AND CASH EQUIVALENTS		
Bank balances in		
- Current accounts	204,959	66,424
- Daily profit accounts	1,135,391	731,554
Short term investment	-	-
Cash in transit	216,020	177,500
Cash in hand	7,188	3,655
	<u>1,563,558</u>	<u>979,133</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

20 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:

Relationship with the Company	Nature of transactions	(UN - AUDITED)	
		Three month period ended	
		31 March 2023	31 March 2022
		(Rupees in '000)	
Common control companies	Purchase of goods and services	2,128	93,934
	Sale of goods and services	7,370	–
	Trade mark license fee	205,621	160,585
	Management service fee	94,245	61,584
Staff Retirement Benefits	Contribution to provident fund trusts	22,407	16,026
Staff Retirement Benefits	Gratuity paid	5,754	4,530
Key management personnel	Remuneration	43,931	34,140

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

Period end balances	(UN - AUDITED)	(AUDITED)
	31 March 2023	31 December 2022
	(Rupees in '000)	
Receivable from related party	7,370	1,016
Payable to related party	2,392,604	2,052,985

	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	Segment assets		Segment liabilities	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
(Rupees in '000)				
Retail	10,796,513	9,024,477	4,683,103	4,520,557
Wholesale	1,745,810	1,246,596	33,126	36,542
Export	14,352	13,061	–	–
Unallocated	5,135,887	6,058,429	7,177,786	6,111,807
	<u>17,692,562</u>	<u>16,342,563</u>	<u>11,894,015</u>	<u>10,668,906</u>

21 SEGMENT ASSETS AND LIABILITIES

21.1 SEGMENT REPORTING

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

		(UN - AUDITED) Three month period ended							
		(Rupees in '000)							
	Retail	Wholesale		Export		Others		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2022	31 March 2023	31 March 2022	31 March 2022	
Net sales	3,611,775	2,882,772	477,811	316,867	14,571	13,146	10,270	4,117,303	3,218,320
Inter - segment sales	-	-	-	-	-	-	-	-	-
Total Sales	3,611,775	2,882,772	477,811	316,867	14,571	13,146	10,270	4,117,303	3,218,320
Segment result before unallocated expenses	810,305	613,069	67,942	16,587	5,290	10,638	7,099	924,175	638,270
Unallocated operating expenses									
Other expenses								487,190	363,047
Other income								127,383	21,851
Operating profit								53,983	36,215
Finance cost								363,585	289,587
Profit/(Loss) before taxation								197,079	168,074
Taxation								166,506	121,513
Profit/(Loss) after taxation								41,613	40,529
								124,893	80,984

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

	(UN - AUDITED)	
	Three month period ended	
	31 March 2023	31 March 2022
22 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation attributable to ordinary share holders (Rupees in '000)	124,893	80,984
Weighted average number of ordinary shares - Number (in '000)	7,560	7,560
Earnings per share - Basic (Rs.)	16.52	10.71

22.1 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.

23 EVENTS AFTER THE REPORTING DATE

No material events have occurred subsequent to the period ended March 31, 2023.

24 DATE OF AUTHORIZATION

This interim financial information was authorized for issue by the Board of Directors on April 19, 2023.

25 CORRESPONDING FIGURES

The corresponding figures have been re-arranged and reclassified, wherever considered necessary. However, no significant re-classifications have been made.



Chief Executive



Chief Financial Officer



Director

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