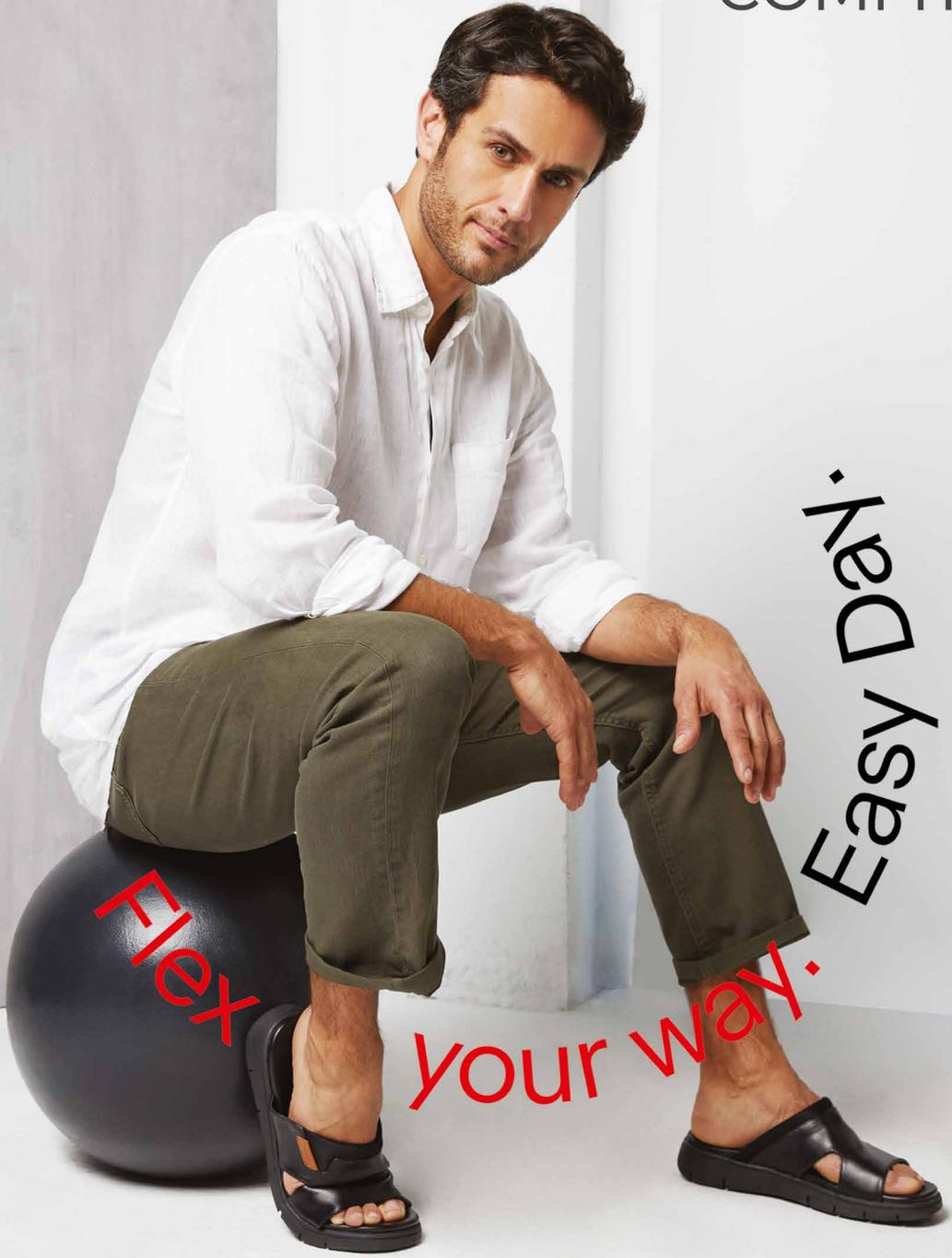




Bata
QUARTERLY
REPORT
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FLEXIFIT
COLLECTION

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Easy Day.

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CORPORATE INFORMATION

Board of Directors

Mr. Roberto Longo	Chairman	Director
Mr. Muhammad Imran Malik	Chief Executive	Director
Mr. Amjad Farooq	Chief Financial Officer	Director
Mr. Reamgwut Chuenchomsakun		Director
Mr. Muhammad Maqbool		Director
Mr. Aamir Amin		Director
Mr. Kamal Monnoo		Independent Director
Mr. Rashid Rahman Mir		Independent Director
Ms. Fatima Asad Khan		Female / Independent Director

Audit Committee

Mr. Rashid Rahman Mir	Chairman
Mr. Roberto Longo	Member
Mr. Aamir Amin	Member
Mr. Reamgwut Chuenchomsakun	Member

Human Resource and

Remuneration Committee

Ms. Fatima Asad Khan	Chairperson
Mr. Muhammad Imran Malik	Member
Mr. Muhammad Maqbool	Member

Chief Financial Officer (CFO)

Mr. Amjad Farooq

Company Secretary

Mr. Haroon Shoukat

Auditors

A.F. Ferguson & Co.
(a member firm of PwC Network)
308-Upper Mall, Shahrah-e-Quaid-e-Azam
P.O Box-39, 54000, 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
Bank Alfalah Limited
Standard Chartered Bank (Pakistan) Limited

Registered Office

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

Share Registrar

Corplink (Pvt.) Ltd.
1-K Commercial, Wings Arcade,
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 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 2024.

Net turnover in the period under review was Rs. 4.503 billion as compared to Rs. 4.117 billion for the corresponding period of last year showing a growth of 9%. Profit before Tax during the current period was Rs. 366.501 million as compared to Rs. 166.506 million of last year. Profit after tax was Rs. 214.456 million as compared to Rs. 124.893 million of last year. Earnings per share was Rs. 28.37 against last year of Rs. 16.52.

Both retail and non-retail divisions remained under pressure due to consistent inflation for the last many months which has badly impacted the purchasing power of the consumers. Nevertheless, turnover of Retail division increased by 10% against the corresponding period of last year mainly due to shifting of Eid business. Markdowns on winter stock in the first two months of the year impacted the margins but from March, both turnover and margins started to improve.

Our production facilities at Batapur and Maraka 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 challenging economic environment and competitive market conditions, we are continuously making investments on retail side in the shape of opening of new stores and renovation of existing stores. 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. In order to promote physical fitness of the students, constructed a badminton court in a local government school. Built a Water Filtration Plant in school to provide clean & safe drinking water to the students and nearby community. In order to promote healthy culture, annual sports were arranged for the students of underprivileged schools. Donated 932 pairs of shoes to the underprivileged children studying in different schools and cities. To commemorate women's accomplishments, raised awareness about gender discrimination and promote global support for women, we celebrated International Women's Day by arranging activities in office, factories and SOS Village Lahore.

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 2024 کو ختم ہونے والی سہ ماہی مدت کے لیے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی معلومات اور کمپنی کے آپریشنز کا مختصر جائزہ پیش کرتے ہوئے ہمیں خوشی ہے۔

زیر جائزہ مدت میں نیٹ ٹرن اوور 4.503 ارب روپے رہا جو کہ گزشتہ سال کی اسی مدت کے دوران 4.117 بلین روپے تھا، یہ 9 فیصد گروتھ کو ظاہر کرتا ہے۔ موجودہ مدت کے دوران قبل از ٹیکس منافع 366.501 بلین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران 166.506 بلین روپے تھا۔ بعد از ٹیکس منافع 214.456 بلین روپے رہا جو کہ گزشتہ سال 124.893 بلین روپے تھا۔ فی حصص آمدن 28.37 روپے رہی جس کے مقابلے میں گزشتہ برس فی حصص آمدن 16.52 روپے تھی۔

گزشتہ کئی مہینوں سے مسلسل مہنگائی کی وجہ سے ریٹیل اور نان ریٹیل دونوں ڈویژنز دباؤ میں ہیں جس نے صارفین کی قوت خرید کو بری طرح متاثر کیا ہے۔ اس کے باوجود ریٹیل ڈویژن کے کاروبار میں گزشتہ سال کے اسی عرصے کے مقابلے میں 10 فیصد اضافہ ہوا جس کی بنیادی وجہ عید کے حوالے سے کاروباری سرگرمیوں میں اضافہ ہے۔ سال کے پہلے دو مہینوں میں سرمائی اسٹاک پر مارک ڈاؤن نے مارجن کو متاثر کیا لیکن مارچ سے کاروبار اور مارجن دونوں میں بہتری آنا شروع ہوئی۔

بانٹا پورا اور مراکہ 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 ہمارے قابل قدر صارفین کی مانگ کو پورا کرنے اور انہیں خصوصی طور پر اور موثر طریقے سے خدمات فراہم کرنا ہے۔ پیچیدہ معاشی صورتحال اور مسابقتی مارکیٹ کے حالات کے باوجود ہم نئے سنسورز کھولنے اور موجودہ سنسورز کی تزئین و آرائش کی شکل میں ریٹیل سائٹڈ پر مسلسل سرمایہ کاری کر رہے ہیں۔ اس وقت ہماری ترجیح اپنی ٹارگٹ سٹیز کو پورا کرنا اور سوشل میڈیا پلیٹ فارمز اور آن لائن کیچینز 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۔ طلباء کی جسمانی فٹنس کو فروغ دینے کے لیے مقامی سرکاری سکول میں بیٹیشن کورٹ تعمیر کیا۔ طلباء اور قریبی کمیونٹی کو پینے کا صاف اور محفوظ پانی فراہم کرنے کے لیے اسکول میں واٹر فلٹریشن پلانٹ بنایا۔ صحت مند ثقافت کے فروغ کے لیے ہمساندہ سکولوں کے طلبہ کے لیے سالانہ کھیلوں کا اہتمام کیا گیا۔ مختلف سکولوں اور شہروں میں زیر تعلیم غریب بچوں کو 932 جوڑے جوتے عطیہ کئے۔ خواتین کے کارناموں کو یاد کرنے، صنفی امتیاز کے بارے میں شعور اجاگر کرنے اور خواتین کے لیے عالمی حمایت کو فروغ دینے کے سہم نے خواتین کا عالمی دن دفتر، ٹیکسٹریوں اور SOS ویلج لاہور میں اس حوالے سے سرگرمیوں کا اہتمام کر کے منایا۔

ہمیں مزید چیلنجز اور معاشی مشکلات کا سامنا کرنا پڑ سکتا ہے لیکن ہمیں اپنے اسٹاف کے جذبے اور اپنے تمام اسٹیک ہولڈرز کی غیر مشروط حمایت کی بدولت یقین ہے کہ 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 پور:-

لاہور: 24 اپریل 2024

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - UNAUDITED

AS AT 31 MARCH 2024

	Note	(UN - AUDITED) 31 March 2024	(AUDITED) 31 December 2023
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,622,448	2,674,127
Right of use assets		3,148,506	2,984,862
Intangible assets		227,104	243,899
Long term deposits and prepayments		59,592	59,190
Deferred taxation		495,945	486,719
		6,553,595	6,448,797
CURRENT ASSETS			
Stores and spare parts		—	—
Stock in trade	7	7,589,319	5,391,880
Trade debts - unsecured		1,015,023	848,554
Advances - unsecured		61,604	197,091
Trade deposits and short term prepayments		685,876	223,835
Other receivables		127,852	85,116
Income tax receivable		131,830	467,169
Interest accrued		14,521	21,240
Short term investments		845,051	945,011
Tax refunds due from Government	8	350,161	350,161
Cash and bank balances	9	1,610,686	1,570,298
		12,431,923	10,100,355
TOTAL ASSETS		18,985,518	16,549,152
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		5,820,397	5,605,941
		5,820,880	5,606,424
		5,896,480	5,682,024
NON-CURRENT LIABILITIES			
Lease liability		2,781,541	2,824,598
Long term deposits		21,994	23,991
Deferred liability - employee benefits	10	41,369	44,535
Long term finances from financial institutions - secured	11	33,055	34,630
		2,877,959	2,927,754
CURRENT LIABILITIES			
Current portion of lease liabilities		1,068,100	851,483
Current portion of long term finances		6,296	6,296
Trade and other payables		8,290,465	5,900,155
Short term borrowings from financial institutions - secured	12	—	—
Provision for taxation		161,271	427,478
Unpaid dividend		662,814	682,304
Unclaimed dividend		22,133	71,658
		10,211,079	7,939,374
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		18,985,518	16,549,152

The annexed notes from 1 to 24 form an integral part of this interim financial information.

1st QUARTER REPORT JANUARY - MARCH 2024



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 2024

	Note	Three month period ended	
		Jan - Mar 2024	Jan - Mar 2023
(Rupees in '000)			
NET SALES	14	4,503,164	4,117,303
COST OF SALES	15	2,261,169	1,966,672
GROSS PROFIT		2,241,995	2,150,631
DISTRIBUTION COST		1,293,922	1,285,699
ADMINISTRATIVE EXPENSES		507,425	427,947
OTHER EXPENSES		27,875	127,383
		1,829,222	1,841,029
OTHER INCOME		104,072	53,983
OPERATING PROFIT		516,845	363,585
FINANCE COST	16	150,344	197,079
PROFIT BEFORE TAXATION		366,501	166,506
PROVISION FOR TAXATION			
Current		161,271	60,952
Deferred		(9,226)	(19,339)
		152,045	41,613
PROFIT AFTER TAXATION		214,456	124,893
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		214,456	124,893
EARNING PER SHARE - BASIC AND DILUTED	21	Rs.28.37	Rs.16.52

The annexed notes from 1 to 24 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 2024

	Note	Three month period ended	
		31 March	31 March
		2024	2023
		(Rupees in '000)	
CASH GENERATED FROM OPERATIONS			
Profit before taxation		366,501	166,506
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation for property, plant & equipment		94,287	73,903
Depreciation of right of use assets		265,351	282,716
Amortization of intangible assets		19,253	12,832
Provision for gratuity		1,084	2,191
(Gain)/Loss on disposal of property, plant and equipment		(1,058)	252
Gain on lease modification		(3,226)	(1,705)
Income from short term investments		(76,847)	(48,268)
Income from long term investments		(1,913)	(1,266)
Exchange (gain)/loss		(18,191)	113,054
Finance cost		150,344	176,810
Net (reversal) / Provision for trade debts and advances		8,867	(398)
Net provision for slow moving and obsolete stock		(7,508)	16,976
Provision for obsolescence of raw material- (net)		16,270	20,923
Reversal of provision for obsolescence stores & spare parts		797	1,448
		447,510	649,468
Operating profit before working capital changes		814,011	815,974
Effect on cash flow due to working capital changes			
Stores & spare parts		-	-
Increase in Stock in trade		(2,206,998)	(2,327,205)
(Increase) / decrease in trade debts - unsecured		(175,336)	57,127
Decrease in Advances - unsecured		135,487	332,559
Increase in deposits and short term prepayments		(462,041)	(575,107)
(Increase) / decrease in other receivables		(42,736)	7,873
Increase in trade and other payables		2,458,501	1,371,673
		(293,123)	(1,133,080)
Cash generated / (used) in operations		520,888	(317,106)
Finance costs paid		(150,344)	(197,079)
Tax paid		(222,381)	(222,381)
Gratuity paid		(4,250)	(5,754)
		(376,975)	(425,214)
Decrease / (Increase) in long term prepayments		(402)	5,505
Net cash inflow / (outflow) from operating activities	A	143,511	(736,815)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(99,701)	(82,309)
Decrease in capital work in process		(2,250)	(18,731)
Purchase of intangible assets		(2,458)	(6,696)
Proceeds from sale of property, plant and equipment		3,000	1,268
Increase in long term investments		(40)	(2,432)
Interest income received		85,479	48,014
Net cash outflow from investing activities	B	(15,970)	(60,886)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finances		(1,575)	(79,446)
Payment of lease liabilities		(160,791)	(147,926)
Dividend paid		(69,015)	(1,400)
Net cash outflow from financing activities	C	(231,381)	(228,772)
NET DECREASE IN CASH AND CASH EQUIVALENTS	A+B+C	(103,840)	(1,026,473)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		2,515,309	2,585,946
Effects of exchange rate changes on cash and cash equivalents		(783)	4,085
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	17	2,410,686	1,563,558

The annexed notes from 1 to 24 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 2024

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, 279 in Punjab and 65 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, 2023.

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, 2024 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, 2023 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 condensed interim financial statements apart from those which have been disclosed in the annual audited financial statements of the Company for the year ended December 31, 2023.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

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, 2023.

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, 2023.

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 2024	31 December 2023
(Rupees in '000)			
6 PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment	6.1	2,596,777	2,623,235
Capital work in progress	6.2	25,671	50,892
		<u>2,622,448</u>	<u>2,674,127</u>
6.1 Opening net book value (NBV)		2,623,235	2,075,618
Add: Additions / transfers during the period / year	6.1.1	69,772	914,738
		<u>2,693,007</u>	<u>2,990,356</u>
Less: Disposals during the period (at NBV)	6.1.1	(1,943)	(20,964)
Depreciation charged during the period/year		(94,287)	(346,157)
		<u>(96,230)</u>	<u>(367,121)</u>
		<u>2,596,777</u>	<u>2,623,235</u>

	(UN - AUDITED)		(AUDITED)	
	31 March 2024	31 March 2023	31 December 2024	31 December 2023
6.1.1	Additions	Disposal (NBV)	Additions	Disposal (NBV)
(Rupees in '000)				
Buildings				
- Factory	-	-	22,916	-
- Others	880	-	15,586	-
Plant & machinery	2,299	-	236,681	1,940
Office equipment	-	-	2,148	-
Furniture, fixture and fittings	59,597	1,337	482,672	17,204
Computers	2,973	606	154,735	1,067
Vehicles	4,023	-	-	753
	<u>69,772</u>	<u>1,943</u>	<u>914,738</u>	<u>20,964</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	(UN - AUDITED)	(AUDITED)
	31 March 2024	31 December 2023
	(Rupees in '000)	
6.2 Opening balance	50,892	217,644
Add: additions during the period	2,250	157,207
	53,142	374,851
Less: transfers during the period	(27,471)	(323,959)
	25,671	50,892

7 STOCK IN TRADE

This represents net amount after adjustment for provision against slow moving and obsolete stock amounting to Rs. 168.570 million (2023: Rs. 113.982 million)

	(UN - AUDITED)	(AUDITED)
	31 March 2024	31 December 2023
	(Rupees in '000)	
8 TAX REFUNDS DUE FROM GOVERNMENT		
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)
	Note	31 March 2024	31 December 2023
		(Rupees in '000)	
9 CASH AND BANK BALANCES			
Bank balances in			
Current accounts			
- Foreign currency		41,866	42,422
- Local currency		401,609	477,151
		443,475	519,573
Daily profit accounts	9.1	838,045	916,260
	9.2	1,281,520	1,435,833
Cash in transit		322,667	127,000
Cash in hand			
- Foreign currency		4,521	6,374
- Local currency		1,978	1,091
		6,499	7,465
		1,610,686	1,570,298

9.1 The rate of mark-up on these accounts ranges from 19.53% to 20.85% (2023: 7.51% to 20.75%) per annum.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	(UN - AUDITED)	(AUDITED)
	31 March 2024	31 December 2023
	(Rupees in '000)	
10 DEFERRED LIABILITY- EMPLOYEE BENEFITS		
Opening liability	44,535	56,587
Amount recognized during the period/year	1,084	10,902
Payment made by the Company during the period/year	(4,250)	(24,132)
Experience adjustment	–	1,178
Closing liability	<u>41,369</u>	<u>44,535</u>

The latest actuarial valuation was carried out as at December 31, 2023.

		(UN - AUDITED)	(AUDITED)
	Note	31 March 2024	31 December 2023
		(Rupees in '000)	
11 LONG TERM BORROWING			
Long term borrowing	11.1	39,351	40,926
Less: current portion shown under current liabilities		(6,296)	(6,296)
		<u>33,055</u>	<u>34,630</u>

11.1 The long term finance was obtained from Habib Bank Limited for import and installation of solar power machinery. Under the arrangement, principal amount upto 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 State Bank of Pakistan (SBP) rate plus 1.5 percent per annum. The loan is secured by first hypothecation charge of Rs. 106.67 million on all present and future moveable fixed assets of the Company and a joint pari-passu charge on present and future moveable assets and contingent debts of the Company to the extent of Rs. 447 million.

12 SHORT TERM BORROWINGS

The credit facilities available to the Company from various commercial banks aggregate to Rs. 2,235 million (2023: Rs. 2,235 million). These include:

- Non funded facilities of letters of guarantee and letters of credit amounting to Rs. 455 million (2023: Rs. 455 million); and
- Cash finance facilities of Rs. 1,780 million (2023: Rs. 1,780 million).

Moreover, the Company can avail further cash finance facilities out of un-utilized unfunded facilities of Rs. 439.628 million (2023: Rs. 458.568 million) which also includes Rs. 35.000 million (2023: Rs. 35.000 million) of export finance facilities.

The un-utilized facility for letter of credits and guarantees at year end amounts to Rs. 1,795.372 million (2023: Rs. 1,776.432 million).

Mark-up on cash finance ranges from 3 months KIBOR plus 0.40% to 1.0% (2023: 3 months KIBOR plus 0.40% to 1.0%) as per agreements with banks. While mark up on export finance is charged at SBP rate plus 1.00% (2023: 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. 2,580.333 million (2023: Rs. 2,580.333 million).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

13 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, 2023.

	Note	(UN - AUDITED)	(AUDITED)
		31 March 2024	31 December 2023
(Rupees in '000)			
13.1 Other contingent liabilities:			
The Company is contingently liable for:			
- Counter guarantees given to banks		2,042	2,042
- Claims not acknowledged as debts		22,265	22,265
		<u>24,307</u>	<u>24,307</u>
13.2 Commitments in respect of:			
- Capital expenditure		266,337	66,414
- Letters of credit and bank contracts		400,277	356,192
		<u>666,614</u>	<u>422,606</u>
(UN - AUDITED)			
Three month period ended			
		31 March 2024	31 March 2023
(Rupees in '000)			
14 SALES - NET			
Shoes and accessories			
Local		5,496,305	4,964,795
Export		35,113	14,571
		<u>5,531,418</u>	<u>4,979,366</u>
Sundry articles and scrap material		13,528	14,335
		<u>5,544,946</u>	<u>4,993,701</u>
Less: Sales tax		793,766	641,925
Discount to dealers and distributors		162,437	123,287
Commission to agents/business associates		85,579	111,186
		<u>1,041,782</u>	<u>876,398</u>
		<u>4,503,164</u>	<u>4,117,303</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	(UN - AUDITED)	
	Three month period ended	
	31 March 2024	31 March 2023
	(Rupees in '000)	
15 COST OF SALES		
Raw material consumed	1,516,169	1,880,943
Stores and spares consumed	6,843	7,415
Fuel and power	61,844	73,080
Salaries, wages and benefits	210,563	196,572
Repairs and maintenance	18,752	16,756
Insurance	8,999	5,173
Depreciation	20,551	15,963
	1,843,721	2,195,902
Add: Opening goods in process	72,532	101,020
	1,916,253	2,296,922
Less: Closing goods in process	99,766	114,518
Cost of goods manufactured	1,816,487	2,182,404
Add: Opening stock of finished goods	4,824,477	4,480,321
Finished goods purchased	2,441,247	1,840,057
	9,082,211	8,502,782
Less: Closing stock of finished goods	6,821,042	6,536,110
	2,261,169	1,966,672
16 FINANCE COST		
Interest / mark-up on:		
Workers' profit participation fund	-	8,583
Long term borrowing	350	1,594
Lease liability	146,779	166,633
	147,129	176,810
Bank charges and commission	3,215	20,269
	150,344	197,079
17 CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,610,686	1,563,558
Short term investments	800,000	-
	2,410,686	1,563,558

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

18 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	
		31 March 2024	31 March 2023
Relationship with the Company	Nature of transactions	(Rupees in '000)	
Common control companies	Purchase of goods and services	–	2,128
	Sale of goods and services	27,323	7,370
	Reimbursement of expenses	1,511	–
	Trade mark license fee	223,792	205,621
	Management service fee	97,141	94,245
Staff Retirement Benefits	Contribution to provident fund trusts	22,305	22,407
Staff Retirement Benefits	Gratuity paid	4,250	4,250
Key management personnel	Remuneration	40,508	43,931

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

	(UN - AUDITED)	(AUDITED)
	31 March 2024	31 December 2023
	(Rupees in '000)	
Period end balances		
Receivable from related party	31,345	7,981
Payable to related party	3,567,685	3,296,913

	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	Segment assets		Segment liabilities	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	(Rupees in '000)			
19 SEGMENT ASSETS AND LIABILITIES				
Retail	11,235,066	8,920,809	3,942,366	3,766,329
Wholesale	1,911,602	1,696,028	57,418	29,457
Export	34,637	32,895	–	–
Unallocated	5,804,213	5,899,420	9,089,254	7,071,342
	<u>18,985,518</u>	<u>16,549,152</u>	<u>13,089,038</u>	<u>10,867,128</u>

20 SEGMENT REPORTING

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

		(UN - AUDITED) Three month period ended									
		Retail		Wholesale		Export		Others		Total	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
(Rupees in '000)											
Net sales		3,977,988	3,611,775	477,686	477,811	35,113	14,571	12,377	13,146	4,503,164	4,117,303
Inter - segment sales		-	-	-	-	-	-	-	-	-	-
Total Sales		3,977,988	3,611,775	477,686	477,811	35,113	14,571	12,377	13,146	4,503,164	4,117,303
Segment result before unallocated expenses		956,761	840,305	65,422	67,942	2,094	5,290	5,886	10,698	1,028,163	924,175
Unallocated operating expenses											
Other expenses										587,515	487,190
Other income										27,875	127,283
Operating profit										104,072	55,983
Finance cost										516,845	363,585
Profit/(Loss) before taxation										150,344	197,079
Taxation										366,501	166,506
Profit/(Loss) after taxation										152,045	41,613
										214,456	124,893

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	(UN - AUDITED)	
	Three month period ended	
	31 March 2024	31 March 2023
21 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation attributable to ordinary share holders (Rupees in '000)	214,456	124,893
Weighted average number of ordinary shares - Number (in '000)	7,560	7,560
Earnings per share - Basic (Rs.)	28.37	16.52

21.1 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.

22 EVENTS AFTER THE REPORTING DATE

No material events have occurred subsequent to the period ended March 31, 2024.

23 DATE OF AUTHORIZATION

This interim financial information was authorized for issue by the Board of Directors on April 24, 2024.

24 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

Bata
RED LABEL
NEW COLLECTION



BORN TO ITALY
WORN MY WAY

Surprisingly
Bata

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