

**Bata**<sup>®</sup>

**2015**  
HALF YEARLY REPORT



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## **HALF YEAR REPORT**

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015



# CORPORATE INFORMATION

## Board of Directors

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

## Audit Committee

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

## Human Resource and Remuneration Committee

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

## Chief Financial Officer (CFO)

Mr. Cesar Panduro

## Company Secretary

Mr. S. M. Ismail

## Auditors

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants  
Mall View Building, 4 - Bank Square  
P.O. Box No. 104,  
Lahore.

## Legal Advisor

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

## Stock Exchange Listing

Bata Pakistan Limited is listed on Karachi  
and Lahore Stock Exchanges.

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

## Bankers

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

## Registered Office

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

## Share Registrar

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

## Factories

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

## Maraka,

26 - Km, Multan Road,  
Lahore.

## Liaison Office

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

## 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 half year ended 30 June 2015.

The Company continues to sustain growth trend in turnover that it carried previously. Net turnover in the period under review was Rs. 6.868 billion as compared to Rs. 6.305 billion for the corresponding period of last year showing a growth of 9%. The gross profit was 38.09% slightly less than that of corresponding period of last year 38.63% mainly due to increase in sales tax on imported shoes. Profit after tax decreased from Rs. 608.442 million to Rs. 508.841 million as in 2014 there was a gain on sale of fixed assets and for that reason earnings per share decreased from Rs. 80.48 to Rs. 67.31.

Retail division showed growth with current set up above of economic indicator in line with Company's overall trend. Our focus as a part of our strategy will remain on expansion in new format stores and closing low turnover and non-profitable stores which are under our minimum bench mark.

Our non-retail division also showed significant progress despite competitive market conditions. They are striving hard to develop new products and customer base to maintain its growth in spite of some tax changes that effected large number of our customers in the market.

During the period, manufacturing units at Batapur and Maraka were loaded to meet the demand of our best sellers' items. We are continuously investing in new moulds for our local production, the majority of which are very successful in the market.

The Company under Bata Children Program (BCP) continued its Corporate Social Responsibilities (CSR) activities during the period under review. To impart our role for better environment, planted more than 800 trees in both factories. The Company is also investing on human resource and training of employees local and abroad, as the Company has always considered these as an investment for the future with the objective to provide them with safe and healthy work place.

We remain confident as regards to our prospects for the remaining year, despite the highly competitive marketing environment. We look forward to continued support from all our stakeholders to achieve the objectives for the year 2015 which are a challenge but achievable.

**On behalf of the Board**

**Batapur:**  
**Lahore: 25 August 2015**

**(MUHAMMAD QAYYUM)**  
**Chief Executive**

# AUDITORS REPORT TO MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

## Introduction

We have reviewed the accompanying condensed interim balance sheet of Bata Pakistan Limited as at 30 June 2015 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-month period then ended (here-in-after referred to as the 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in the accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**ERNST & YOUNG FORD RHODES SIDAT HYDER**

**Chartered Accountants**

**Engagement Partner: Farooq Hameed**

**Lahore: 25 August 2015**

# CONDENSED INTERIM BALANCE SHEET - UNAUDITED

AS AT 30 JUNE 2015

	Note	(UN - AUDITED) 30 June 2015	(AUDITED) 31 December 2014
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,435,924	1,392,241
Intangible assets		3,223	4,929
Long term investments		38,000	38,000
Long term deposits and prepayments		44,502	46,487
		1,521,649	1,481,657
<b>CURRENT ASSETS</b>			
Stores and spare parts		1,701	77
Stock in trade	6	3,916,987	2,729,707
Trade debts		1,281,336	503,726
Advances - unsecured		48,534	60,596
Trade Deposits, short term prepayments and other receivables		429,151	589,113
Interest accrued		126	3,927
Tax refunds due from Government	7	508,597	508,597
Short term investments		100,000	1,130,000
Cash and bank balances		442,612	383,689
		6,729,044	5,909,432
<b>TOTAL ASSETS</b>		<b>8,250,693</b>	<b>7,391,089</b>
<b>EQUITY AND LIABILITIES</b>			
Authorized share capital 10,000,000 ordinary shares of Rs. 10 each		100,000	100,000
Issued, subscribed and paid up capital		75,600	75,600
Reserves			
Capital reserve		483	483
Revenue reserve		5,431,109	5,179,308
		5,431,592	5,179,791
<b>TOTAL EQUITY</b>		<b>5,507,192</b>	<b>5,255,391</b>
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		38,000	38,000
Deferred liability-employee benefits	8	55,850	53,135
Deferred taxation		61,964	66,976
		155,814	158,111
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,359,541	1,454,707
Short term borrowings		-	-
Provision for taxation		228,146	522,880
		2,587,687	1,977,587
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,250,693</b>	<b>7,391,089</b>

The annexed notes from 1 to 17 form an integral part of this interim financial information.

Chief Executive Officer

Director



# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

	Note	Six month period ended		Three month period ended	
		30, June 2015	30, June 2014	30, June 2015	30, June 2014
(Rupees in '000)					
NET SALES	10	6,868,112	6,304,882	3,591,318	3,320,789
COST OF SALES	11	4,252,218	3,869,247	2,197,358	2,016,717
GROSS PROFIT		2,615,894	2,435,635	1,393,960	1,304,072
Distribution Cost		1,343,087	1,171,160	689,340	625,883
Administrative Expenses		461,603	450,545	229,475	218,658
Other expenses		67,505	60,447	39,441	31,077
OTHER INCOME		1,872,195	1,682,152	958,256	875,618
		52,934	101,169	22,113	21,766
OPERATING PROFIT		796,633	854,652	457,817	450,220
FINANCE COST		16,106	15,850	8,327	8,389
PROFIT BEFORE TAXATION		780,527	838,802	449,490	441,831
PROVISION FOR TAXATION					
Current		276,699	224,434	172,011	109,625
Deferred		(5,013)	5,926	(1,559)	4,658
PROFIT AFTER TAXATION		271,686	230,360	170,452	114,283
		508,841	608,442	279,038	327,548
Other comprehensive income		—	—	—	—
TOTAL COMPREHENSIVE INCOME		508,841	608,442	279,038	327,548
EARNINGS PER SHARE					
- BASIC AND DILUTED	15	Rs.67.31	Rs.80.48	Rs.36.91	Rs.43.33

The annexed notes from 1 to 17 form an integral part of this interim financial information.

Chief Executive Officer

Director

# CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

	Note	Six month period ended	
		30, June 2015	30, June 2014
		(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		780,527	838,802
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation for property, plant & equipment		96,596	73,977
Amortization of intangible assets		1,706	1,543
Provision for gratuity		4,326	3,499
Loss / (Gain) on disposal of property, plant and equipment		8,463	(42,820)
Income from Financial assets		(48,749)	(53,788)
Provision for doubtful debts		277	2,807
Provision for slow moving and obsolete stock		62,689	72,464
Finance cost		16,106	15,850
		141,414	73,532
Operating cash flows before working capital changes		921,941	912,334
Net changes in working capital	12	(1,280,189)	(952,597)
Finance cost paid		(10,397)	(11,265)
Tax paid		(250,622)	(260,173)
Gratuity paid		(1,611)	(589)
Interest income received		52,550	61,403
Net cash used in operating activities		(568,328)	(250,887)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(190,154)	(223,450)
Decrease / (Increase) in capital work in progress		38,562	(6,688)
Proceeds from sale of property, plant and equipment		2,851	43,592
Increase in long term investments		—	(761)
Net cash used in investing activities		(148,741)	(187,307)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(254,008)	(262,957)
Net cash used in financing activities		(254,008)	(262,957)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(971,077)	(701,151)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		1,513,689	1,407,939
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	13	542,612	706,788

The annexed notes from 1 to 17 form an integral part of this interim financial information.

Chief Executive Officer

Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

	Share capital	Capital reserve	General reserve	Unappropriated profits	Total
	(Rupees in '000)				
<b>Balance as at 01 January 2014</b>	75,600	483	3,667,000	757,564	4,500,647
Final dividend for 2013 at the rate of Rs. 35 per share	-	-	-	(264,600)	(264,600)
Transfer to general reserve for 2013	-	-	490,000	(490,000)	-
Total comprehensive income for the six month period ended 30 June 2014	-	-	-	608,442	608,442
Balance as at 30 June 2014	75,600	483	4,157,000	611,406	4,844,489
Balance as at 01 January 2015	75,600	483	4,157,000	1,022,308	5,255,391
Final dividend for 2014 at the rate of Rs. 34 per share	-	-	-	(257,040)	(257,040)
Transfer to general reserve for 2014	-	-	765,000	(765,000)	-
Total comprehensive income for the six month period ended 30 June 2015	-	-	-	508,841	508,841
<b>Balance as at 30 June 2015</b>	75,600	483	4,922,000	509,109	5,507,192

The annexed notes from 1 to 17 form an integral part of this interim financial information.

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Chief Executive Officer

\_\_\_\_\_  
Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

## 1 LEGAL STATUS AND OPERATIONS

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

## 2 STATEMENT OF COMPLIANCE

This condensed interim financial statements of the Company for the six month period ended 30 June 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 -Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 have been followed.

## 3 BASIS OF PRESENTATION AND MEASUREMENT

This condensed interim financial report of the Company for the six month period ended 30 June 2015 are unaudited but subject to limited scope review by the independent auditors of the Company. These should be read in conjunction with the financial statements of the Company for the year ended 31 December 2014.

The figures of the condensed interim profit and loss account for the three month ended 30 June 2015 and 2014 and the respective notes forming part thereof have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the six month period ended 30 June 2015 and 2014.

The financial statements have been prepared under the historic cost convention. The financial statements are 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 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 31 December 2014 except as describe below:

### **New and amended standards and interpretations**

The Company has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the period:

IAS 19	-	Employee Benefits - (Amendment) Defined Benefit Plans: Employee Contributions
IAS 32	-	Financial Instruments: Presentation - (Amendment) offsetting Financial Assets and Financial Liabilities
IAS 36	-	Impairment of Assets - (Amendment) Recoverable Amount Disclosures for Non-Financial Assets
IAS 39	-	Financial Instruments: Recognition and Measurements - (Amendment) Novation of Derivatives and continuation of Hedge Accounting.
IFRIC 21	-	Levies

The adoption of the above revision, amendments interpretation of the standards did not have any material effect on the condensed financial information.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after 01 January 2016 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

### 5 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	(UN - AUDITED)			
	Additions	Disposal (cost)	Additions	Disposal (cost)
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	(Rupees in '000)			
Buildings				
- Factory	14,708	-	65,414	-
- Others	3,698	-	-	432
Plant & Machinery	18,964	6,094	56,734	1,770
Gas installation	-	60	-	-
Office Equipment	126	253	82	-
Furniture, Fixture and Fittings	142,238	16,761	81,876	1,803
Computers	10,420	4,304	18,744	2,664
	190,154	27,472	222,850	6,669

### 6 STOCK IN TRADE

This represents net amount after adjustment for provision against slow moving and obsolete stock amounting to Rs. ('000) 66,281 (2014: Rs. ('000) 3,952)

### 7 TAX REFUNDS DUE FROM GOVERNMENT

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

	(UN - AUDITED)	(AUDITED)
	30 June 2015	31 December 2014
	(Rupees in '000)	
8 DEFERRED LIABILITY- EMPLOYEE BENEFITS		
Opening liability	53,135	54,424
Amount recognized during the period/year	4,326	9,347
Benefits paid during the year	(1,611)	(3,156)
Experience adjustments	-	(7,480)
Closing liability	55,850	53,135

The latest actuarial valuation was carried out as at 31 December 2014.

### 9 CONTINGENCIES AND COMMITMENTS

9.1 Counter Guarantees given to banks		6,607	5,847
Indemnity Bonds given to Custom Authorities		26,920	17,373
Claims not acknowledged as debts - under appeal		9,583	9,583
Order by sales tax department		138,851	138,851
Order by sales tax department - under appeal		201,252	201,252
Order by sales tax department - under appeal	9.1.1	237,370	237,370
Order by sales tax department - under appeal		25,820	25,820
Order by income tax department - under appeal		954,859	954,859
Order by income tax department - under appeal	9.1.2	1,027,460	1,027,460
Order by sales tax department - under appeal		80,000	80,000
Order by sales tax department - under appeal	9.1.3	52,100	52,100
Order by sales tax department - under appeal		8,225	8,225
		2,769,047	2,758,740

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

There is no significant change in contingencies since the date of preceeding published annual financial statements except the following:

- 9.1.1** The sales tax department filed a reference application with Lahore High Court which is pending for adjudication. Based on legal advisor's opinion, the Company expects a favourable outcome of the matter.
- 9.1.2** The Tax Department filed an appeal against the order of Commissioner with ATIR which is pending for adjudication. Based on legal advisor's opinion, the Company expects a favourable outcome of the matter.
- 9.1.3** The Company filed appeals with Commissioner Inland Revenue (CIR) (Appeals) who remanded back both the cases to adjudicating officer for fresh decision after allowing the appellant to produce relevant record. The Company based on the advice of its tax advisor is confident that the case will be decided in the favour of the Company.

## 9.2 Commitments

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

	(UN - AUDITED)	(AUDITED)
	30 June 2015	31 December 2014
	(Rupees in '000)	
With in one year	869,810	792,183
After one year but not more than five years	2,834,106	2,940,827
More than five years	1,629,830	1,089,687
	5,333,746	4,822,697
	89,608	62,485
- Letters of credit and bank contracts	438,736	410,302
	528,344	472,787

### 9.2.2 Commitments in respect of:

- Capital expenditure
- Letters of credit and bank contracts

	(UN - AUDITED)			
	Six month period ended		Three month period ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	(Rupees in '000)			
Shoes and accessories				
Local	8,103,514	7,287,983	4,237,022	3,840,676
Export	66,863	90,085	39,130	52,746
	8,170,377	7,378,068	4,276,152	3,893,422
Sundry articles and scrap materia	10,617	11,899	5,925	5,860
	8,180,994	7,389,967	4,282,077	3,899,282
Less: Sales tax	554,304	429,365	288,185	226,935
Discount to dealers and distributors	645,380	548,832	343,565	294,060
Commission to agents/business associates	113,198	106,888	59,009	57,498
	1,312,882	1,085,085	690,759	578,493
	6,868,112	6,304,882	3,591,318	3,320,789

## 10 NET SALES

Shoes and accessories

Local

Export

Sundry articles and scrap materia

Less: Sales tax

Discount to dealers and distributors

Commission to agents/business associates

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

	(UN - AUDITED)			
	Six month period ended		Three month period ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	(Rupees in '000)			
<b>11 COST OF SALES</b>				
Raw material consumed	1,948,227	1,970,105	1,031,843	1,020,368
Salaries, wages and benefits	218,465	191,352	114,318	100,511
Fuel and power	68,317	96,564	35,760	49,260
Stores and spares consumed	8,631	5,186	4,376	2,862
Repairs and maintenance	37,507	34,183	20,169	18,227
Insurance	4,269	5,646	1,359	2,726
Depreciation	23,474	16,617	11,955	8,835
	2,308,890	2,319,653	1,219,780	1,202,789
Add: Opening goods in process	14,779	73,510	38,586	71,789
	2,323,669	2,393,163	1,258,366	1,274,578
Less: Closing goods in process	12,701	47,465	12,701	47,465
Cost of goods manufactured	2,310,968	2,345,698	1,245,665	1,227,113
Add: Opening stock of finished goods	2,539,507	2,113,219	2,985,381	2,776,154
Finished goods purchased	3,091,558	2,856,254	1,656,127	1,459,374
	7,942,033	7,315,171	5,887,173	5,462,641
Less: Closing stock of finished goods	3,689,815	3,445,924	3,689,815	3,445,924
	4,252,218	3,869,247	2,197,358	2,016,717

	(UN - AUDITED)	
	Six month period ended	
	30 June 2015	30 June 2014
	(Rupees in '000)	
<b>12 NET CHANGES IN WORKING CAPITAL</b>		
(Increase)/decrease in assets		
Stores and spares	(1,624)	–
Stock in trade	(1,249,969)	(1,403,150)
Trade debts	(776,080)	(349,830)
Advances - unsecured	12,062	(4,695)
Deposits, short term prepayments and other receivables	(163,481)	(113,283)
Long term deposits and prepayments	1,985	(18,271)
Increase / (decrease) in liabilities		
Trade and other payables	896,918	935,871
Long term deposits	–	761
	(1,280,189)	(952,597)
<b>13 CASH AND CASH EQUIVALENTS</b>		
Short term investment	100,000	278,000
Cash and bank balances	442,612	428,788
	542,612	706,788

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

## 14 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)			
		Six month period ended		Three month period ended	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
Relationship with the Company	Nature of transactions	(Rupees in '000)			
Associated Companies	Purchase of goods and services	518,816	760,953	254,951	446,779
	Sale of goods and services	5,435	3,657	4,583	2,421
	Dividend paid	193,319	199,005	193,319	199,005
	Brand royalty	152,504	148,258	79,705	78,072
	Management service fee and IT charges	82,581	90,743	35,591	36,830
Staff Retirement Benefits	Contribution to provident fund trusts	24,409	23,586	11,843	12,851
Staff Retirement Benefits	Gratuity paid	1,611	3,156	577	2,786
Key management personnel	Remuneration	54,129	48,015	29,844	24,411

The Company continues to have a policy whereby all transactions with related parties and associated undertakings are entered into at arm's length price on the same terms and conditions as third party transactions using comparable uncontrolled price methods.

		(UN - AUDITED)			
		Six month period ended		Three month period ended	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
		(Rupees in '000)			
<b>15 EARNINGS PER SHARE - BASIC AND DILUTED</b>					
	Profit after taxation attributable to ordinary share holders (Rupees in '000)	508,841	608,442	279,038	327,548
	Weighted average number of ordinary shares - Number (in '000)	7,560	7,560	7,560	7,560
	Earnings per share - Basic (Rs.)	67.31	80.48	36.91	43.33

15.1 No figure for diluted earnings 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 SIX MONTH PERIOD ENDED 30 JUNE 2015

16 SEGMENT REPORTING

(IN - AUDITED)

	Retail						Wholesale						Export						Others						Total														
	Three month period ended		Six month period ended		Three month period ended		Six month period ended		Three month period ended		Six month period ended		Three month period ended		Six month period ended		Three month period ended		Six month period ended		Three month period ended		Six month period ended		Three month period ended		Six month period ended												
	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015												
	Rupees in ('000)																																						
Shoes and accessories	4,95,105	4,22,935	2,49,324	2,53,194	3,51,012	3,06,539	1,89,848	1,58,484	6,684	9,085	39,130	52,747	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,172,096	7,57,807	4,27,772	3,893,425							
Sturdy articles and scrap material	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,688	11,899	5,925	5,688			
	4,95,105	4,22,935	2,49,324	2,53,194	3,51,012	3,06,539	1,89,848	1,58,484	6,684	9,085	39,130	52,747	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,182,713	7,389,969	4,283,397	3,899,283				
Less:																																							
- Sales tax	39,222	23,684	179,841	127,289	214,073	191,097	98,857	98,857	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	790	429,566	289,994	230,726	
- Discounts to dealers and distributors	-	-	-	-	(645,380)	548,852	294,060	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	645,380	548,852	343,566	294,060
- Commission to agents / business associates	113,198	106,689	-	57,498	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	113,198	106,689	57,498	
	453,450	343,753	238,850	184,787	859,453	739,529	392,917	392,917	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,314,601	1,085,087	692,479	578,494
Net sales	4,141,675	3,87,842	2,191,474	2,068,407	2,650,674	2,325,861	1,355,789	1,194,567	6,684	9,085	39,130	52,747	8,899	10,094	4,925	5,068	6,868,112	6,394,882	3,591,318	3,320,789																			
Cost of sales	2,398,821	2,080,884	1,197,628	1,109,841	1,890,825	1,716,033	968,006	862,682	52,572	72,330	31,724	44,194	-	-	-	-	4,232,218	3,869,247	2,197,338	2,016,717																			
Gross profit	1,832,854	1,797,958	993,846	958,566	759,849	609,828	387,783	331,885	14,292	17,755	7,406	8,553	8,899	10,094	4,925	5,068	2,615,894	2,435,635	1,393,980	1,304,072																			
Distribution cost	1,105,708	939,072	570,556	487,246	131,827	116,180	71,441	59,421	6,333	7,082	3,385	4,057	-	-	-	-	-	-	-	-																			
Administrative expenses	23,234	26,132	10,842	14,414	12,439	15,651	6,301	8,000	842	1,780	314	811	-	-	-	-	-	-	-	-																			
Segment results	1,126,942	965,224	580,898	501,660	144,266	131,831	77,742	67,421	7,175	8,862	3,699	4,868	-	-	-	-	2,615,894	2,435,635	1,393,980	1,304,072																			
Unallocated operating expenses	705,912	832,734	412,948	456,996	615,383	477,997	310,041	264,464	7,117	8,893	3,707	3,685	8,899	10,094	4,925	5,068	-	-	-	-																			
Other expenses																																							
Other income																																							
Operating profit																																							
Finance cost																																							
Profit before taxation																																							
Taxation																																							
Profit after taxation																																							

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

	(UN - AUDITED)	(AUDITED)	(UN - AUDITED)	(AUDITED)
	Segment assets		Segment liabilities	
	2015	2014	2015	2014
	(Rupees in '000)			
<b>16.1 SEGMENT ASSETS AND LIABILITIES</b>				
Retail	3,775,554	2,600,300	105,113	31,453
Wholesale	2,279,226	1,296,027	73,206	11,855
Export	8,754	1,803	106	–
Unallocated	2,187,159	3,492,959	2,565,076	2,092,390
	8,250,693	7,391,089	2,743,501	2,135,698

### 17 DATE OF AUTHORIZATION

This financial information was authorized for issue by the Board of Directors on 25 August 2015.



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