

# 2021

## QUARTERLY REPORT

JAN - SEP



**Bata**<sup>®</sup>

**COMFORT  
MEETS CLASSY**



*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

## 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

Surridge & 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 nine month period ended 30 September 2021.

Net turnover in the period under review was Rs. 9,147 billion as compared to Rs. 7,694 billion for the corresponding period of last year. Although, challenges like Covid, high inflation specially upsurge in fuel and utility prices along with bleak market conditions still exist, the Company showed turnaround against last year. Profit before Tax during the current period was Rs. 321.2 million as compared to Loss before Tax in last year of Rs. 1,336.3 million. Profit after tax was Rs. 164.0 million against Loss after tax of Rs. 1,058.8 million. Earnings per share was Rs. 21.70 against Loss per share of Rs. 140.05 in last year.

Both retail and non-retail divisions remained under pressure due to inflation but showed remarkable results. Government announced 8 days Lockdown before Eid due to Delta wave of COVID-19, which had a significant impact on our sales. Nevertheless, turnovers of both the divisions increased by 17% and 25% respectively 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 prevailing circumstances due to COVID -19, 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. Water Filtration Plant was built at Ghurki Teaching Hospital Lahore in order to provide clean & safe drinking water for the patients and their attendants. Donated 1,328 pairs of shoes to the underprivileged children studying in different schools and 1513 pairs to the orphan children living in SOS Villages. Distributed uniforms and books among 650 children studying in different schools. To impart our role for better environment, Go Green Tree Plantation campaign was launched and planted more than 2,700 trees / saplings in Batapur & Maraka. In the wake of our initiatives towards employees' health care, we arranged Covid Vaccination camps at Batapur and Maraka where 727 employees and their family members got vaccinated. As part of Polio Eradication Campaign, we arranged an immunization camp at Bata Dispensary along with door-to-door polio vaccination drive in Bata residential colony where 224 children aged under 5 years were vaccinated against polio. Arranged free blood screening camp at Bata Colony No. 3 where our medical team screened more than 500 children, their parents and local community for diabetes, cholesterol, uric acid and Hepatitis B & C.

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: 28 October 2021**

## ڈائریکٹر زکا جائزہ

مجھے خوشی ہو رہی ہے کہ میں آپ کے سامنے غیر آڈٹ شدہ تیار کی گئی عبوری مالی معلوماتی رپورٹ پیش کر رہا ہوں۔ اس کے ساتھ ہی کمپنی آپریشنز کا 30 ستمبر کو مکمل ہونے والا نو ماہی مختصر جائزہ بھی شامل ہے۔

اس سال کی آمدنی 9.147 ارب روپے رہا جو گزشتہ برس اسی جائزے کے دوران 7.694 ارب روپے رہا تھا۔ گویا کہ دیکھا جائے تو کوڈ کی صورت حال، مہنگائی، خاص کر بجلی اور تیل کی بڑھتی قیمتیں اور مارکیٹ کی سست روی کے باوجود کمپنی نے گزشتہ برس کے مقابلے میں بہتر کارکردگی دی۔ گزشتہ سال قبل از ٹیکس خسارہ 1,363.3 ملین کے مقابلے اس مدت کے دوران قبل از ٹیکس منافع 321.2 ملین رہا۔ ٹیکس کے بعد منافع 164.0 ملین جو گزشتہ برس ٹیکس کی کٹوتی کی بعد 1,058.8 ملین روپے رہی تھی۔ ہر شیئر کے عوض منافع 21.70 تھا جو گزشتہ برس ٹیکس خسارے کے بعد فی شیئر 140.05 دیکھا گیا تھا۔

کمپنی کے ریشیل اور غیر ریشیل والے دونوں ہی ڈویژنز مین مہنگائی کے باعث اتار چڑھاؤ رہا لیکن پھر بھی نتائج بہت عمدہ رہے۔ حکومت نے عید سے قبل ڈیلنا ویو کو کوڈ-19 کے باعث 8 دن کا لاک ڈاؤن لگا دیا تھا اور ہماری مصنوعات کی فروخت پر اس کا گہرا اثر ہوا لیکن گزشتہ سال کی نسبت دونوں ڈویژنز میں 17 اور 25 فیصد کا اضافہ دیکھا گیا۔

بانا پور اور مراکا میں ہماری مصنوعات کی پیداوار مستحکم رہی تاکہ ہم اپنے خریداروں کی مانگ کو پورا کر سکیں۔ ہم نئے سانچوں میں بھر پور سرمایہ کاری کر رہے ہیں۔ اور ان میں سے بیشتر کو مارکیٹ میں کافی پزیرائی ملی ہے۔

ہمارا نصب العین آج بھی اپنے قدر دان خریدار کو خوش رکھنا ہے۔ اور کوشش ہے کہ ہم اپنی کارکردگی کو ان کی خواہشات کے مطابق قائم رکھیں۔ کوڈ کے باوجود ہم اس سال بھی خود کو تمام تر پیداواری مواقعوں کے لیے تیار کر رہے ہیں۔ اس وقت ہماری اولین ترجیح ٹارگٹ سیلز کے ہدف کو پورا کرنا ہے۔ اور ہم اپنے خریداروں سے سوشل میڈیا اور آن لائن کمیونیز کے ذریعے رابطے میں رہنا چاہتے ہیں۔

رواں سال کے اسی کمپنی جائزے میں ہم نے اپنی سماجی ذمہ داریوں کو بھی مد نظر رکھا ہے۔ ہم نے گھر کی چٹنگ ہسپتال لاہور میں مرلیضوں اور ان کے تیمار داروں کے لیے واٹر فلٹریشن پلانٹ تعمیر کیا۔ مختلف سکولوں میں زیر تعلیم غریب بچوں کے لیے 1,328 جوتوں کے جوڑوں کا عطیہ دیا، اور ایس او ایس ولچر کے یتیم بچوں کے لیے بھی 1,513 جوتی جوڑے فراہم کیے۔ مختلف سکولوں کے 650 طلباء کے لیے یونیفارم اور کتابوں کا بندوبست کیا۔ دوسری طرف ماحولیات کی بہتری میں اپنا کردار نبھاتے ہوئے ہم نے گورنر مہم شروع کی۔ جس کے تحت ہم نے بانا پور اور مراکا میں 2,700 درخت اور پودے لگائے۔ جہاں تک اس کوڈ میں اپنے ورکرز کی صحت کے خیال رکھنے کا سوال ہے تو ہم نے بانا پور اور مراکا میں اپنے ورکرز اور ان کے اہل خانہ کے لیے ویکسینیشن کیمپ لگوا کے 727 افراد کو ویکسین لگوائی۔ اسی طرح پولیو کے خاتمے کے لیے بھی ہم نے بانا ڈیپنری پی پولیو سے بچاؤ کے لیے ادویات کا کیمپ لگوایا۔ ساتھ ہی گھر گھر جا کے بانا کالونی میں 5 سال تک کی عمر کے بچوں کو پولیو کے قطرے پلانے کی ذمہ داری بھی ادا کی۔ اس دوران 224 بچوں کو یہ قطرے دیے جاسکے۔ علاوہ ازیں ہم نے بانا کالونی نمبر 3 میں خون کی سکریننگ کیمپ بھی لگوایا جہاں ہماری میڈیکل ٹیم نے مقامی لوگوں جن میں 500 بچے بھی شامل رہے ان کی بلڈ سکریننگ کو ممکن بنایا۔ تاکہ شوگر، کولیسٹرول، ہیپاٹائٹس اور یوکر ایسڈ سے جڑے مسائل کی جانچ کی جاسکے۔

ہم مستقبل کے خدشات کو بھانپ رہے ہیں لیکن ہمیں یقین ہے کہ اپنے محنتی شفاف اور بے لوث سٹیک ہولڈرز کی مدد سے ہم نہ صرف اپنے کاروباری ہدف پورے کر سکیں گے بلکہ اپنی سماجی ذمہ داریاں مکملی سطح پر خوش اسلوبی سے نبھائیں گیں۔

منجانب بورڈ



محمد عمران ملک

چیف ایگزیکٹو

بانا پور:-

لاہور:- ۲۸ اکتوبر ۲۰۲۱ء

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - UNAUDITED

AS AT 30 SEPTEMBER 2021

	Note	(UN - AUDITED) 30 September 2021	(AUDITED) 31 December 2020
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,982,646	1,949,867
Right of use assets		3,643,557	3,685,232
Intangible assets		163,145	164,744
Long term investments	7	45,036	45,094
Long term deposits and prepayments		41,651	36,127
Deferred taxation		513,254	521,813
		6,389,289	6,402,877
<b>CURRENT ASSETS</b>			
Stores and spare parts		—	—
Stock in trade	8	4,508,467	2,812,812
Trade debts - unsecured		1,322,144	1,385,617
Advances - unsecured		137,078	116,006
Trade deposits and short term prepayments		403,152	167,995
Other receivables		312,556	266,933
Interest accrued		6,234	3,340
Short term investments		600,000	1,950,000
Tax refunds due from Government	9	350,161	350,161
Cash and bank balances	10	519,916	549,740
		8,159,708	7,602,604
<b>TOTAL ASSETS</b>		<b>14,548,997</b>	<b>14,005,481</b>
<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		6,460,556	6,296,516
		6,461,039	6,296,999
		6,536,639	6,372,599
<b>NON-CURRENT LIABILITIES</b>			
Lease liability		3,656,330	3,602,826
Long term deposits		25,180	24,788
Long term borrowing	11	48,796	53,516
Deferred liability - employee benefits	12	61,993	68,592
		3,792,299	3,749,722
<b>CURRENT LIABILITIES</b>			
Current portion of lease liability		930,158	871,711
Current portion of long term borrowing		6,296	6,743
Trade and other payables		3,080,815	2,774,550
Unclaimed dividend		54,203	54,494
Short term borrowings	13	—	—
Provision for taxation		148,587	175,662
		4,220,059	3,883,160
<b>CONTINGENCIES AND COMMITMENTS</b>	14		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,548,997</b>	<b>14,005,481</b>

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

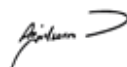
QUARTERLY REPORT JANUARY - SEPTEMBER 2021



Chief Executive



Director



Chief Financial Officer

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

FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

		Three month period ended		Nine month period ended	
	Note	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
(Rupees in '000)					
Sales - net	15	3,283,700	3,011,861	9,146,739	7,693,517
Cost of sales	16	(1,735,836)	(1,798,017)	(4,776,715)	(4,573,119)
<b>Gross profit</b>		1,547,864	1,213,844	4,370,024	3,120,398
Distribution cost		(1,009,837)	(1,247,780)	(2,823,955)	(3,070,445)
Administrative expenses		(279,282)	(226,537)	(833,820)	(748,389)
Other expenses		(34,499)	(50,883)	(56,911)	(68,725)
Other income		47,996	15,526	206,417	42,991
Finance cost	17	(175,285)	(200,996)	(540,569)	(612,148)
<b>Profit / (loss) before taxation</b>		96,957	(496,826)	321,186	(1,336,318)
Provision for taxation		63,270	108,880	157,146	277,510
<b>Profit / (loss) after taxation</b>		33,687	(387,946)	164,040	(1,058,808)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss)		33,687	(387,946)	164,040	(1,058,808)
<b>Earning / (loss) per share</b>					
- Basic and diluted	20	Rs.4.46	Rs.(51.32)	Rs.21.70	Rs.(140.05)

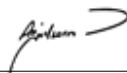
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Chief Executive



Director



Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED

## FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

			Revenue reserves			
	Share capital	Capital reserve	General reserve	Unappropriated profit / (loss)	Total revenue reserves	Total
	(Rupees in '000')					
Balance as at January 01, 2020	75,600	483	6,957,000	411,506	7,368,506	7,444,589
Total comprehensive loss for the nine month period ended September 30, 2020	-	-	-	(1,058,808)	(1,058,808)	(1,058,808)
Transactions with owners in their capacity as owners:						
Final dividend for 2019 at the rate of Rs. 60 per share	-	-	-	(453,600)	(453,600)	(453,600)
Balance as at September 30, 2020	75,600	483	6,957,000	(1,100,902)	5,856,098	5,932,181
Balance as at January 01, 2021	75,600	483	6,957,000	(660,484)	6,296,516	6,372,599
Total comprehensive loss for the nine month period ended September 30, 2021	-	-	-	164,040	164,040	164,040
Balance as at September 30, 2021	75,600	483	6,957,000	(496,444)	6,460,556	6,536,639

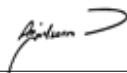
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Chief Executive



Director



Chief Financial Officer



# CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

		Nine month period ended	
	Note	September 30, 2021	September 30, 2020
		(Rupees in '000)	
<b>CASH GENERATED FROM OPERATIONS</b>			
Profit / (loss) before taxation		321,186	(1,336,318)
Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows			
Depreciation for property, plant & equipment		202,863	200,139
Depreciation of right of use assets		853,360	987,919
Amortization of intangible assets		26,376	119
Provision for gratuity		8,752	7,017
Loss on disposal of property, plant and equipment		4,666	37,859
Income from short term investments		(65,676)	(31,789)
Income from long term investments		(2,155)	(3,123)
Exchange (gain) / loss		19,952	26,406
Finance cost		540,569	612,148
Income from discounting of supplier invoices		(15,323)	(162)
Net (reversal) / Provision for trade debts and advances		(3,637)	654,769
Net provision for slow moving and obsolete stock		43,270	200,203
Reversal of provision for obsolescence stores & spare parts		(466)	(2,265)
		1,612,551	2,689,235
<b>Operating profit before working capital changes</b>		1,933,737	1,352,917
<b>(Increase) / decrease in current assets:</b>			
Stores & spare parts		466	811
Stock in trade		(1,738,925)	49,156
Trade debts - unsecured		67,110	358,472
Advances - unsecured		(21,072)	203,427
Deposits and short term prepayments		(235,157)	(281,919)
Other receivables		1,096	19,223
		(1,926,482)	349,170
Increase in current liabilities:			
Trade and other payables		286,312	366,699
Cash generated from operations		293,567	2,068,786
Finance costs paid		(540,569)	(612,148)
Tax paid		(222,381)	(131,641)
Gratuity paid		(15,351)	(11,303)
Interest income received		80,260	32,032
		(698,041)	(723,060)
Decrease in long term prepayments		(5,524)	(2,167)
Increase in long term deposits		392	32,811
Net cash (used in) / generated from operating activities	A	(409,606)	1,376,370
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(148,209)	(36,096)
Decrease in capital work in process		(199,863)	(441,603)
Proceeds from sale of property, plant and equipment		7,209	1,563
Decrease in long term investments		58	28
Net cash used in investing activities	B	(340,805)	(476,108)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayments)/ proceeds from long term borrowings		(4,722)	61,459
Payment of lease liabilities		(624,691)	(651,456)
Dividend paid		-	(453,176)
Net cash used in financing activities	C	(629,413)	(1,043,173)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	A+B+C	(1,379,824)	(142,911)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		2,499,740	1,273,248
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	18	1,119,916	1,130,337

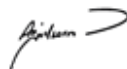
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Chief Executive



Director



Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

### 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 4 outlets situated in Azad Kashmir, 6 in Balochistan, 18 in Islamabad Capital Territory, 1 in Gilgit Baltistan, 44 in Khyber Pakhtun Khwa, 311 in Punjab and 66 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, 2020.

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, 2021 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.

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

### 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, 2020.

Furthermore, the basis of significant estimates are same as those that were applied to the financial statements for the year ended December 31, 2020.

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)
		30 September 2021	31 December 2020
Note		(Rupees in '000)	
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Property, plant and equipment	6.1	1,860,699	1,904,351
Capital work in progress	6.2	121,947	45,516
		1,982,646	1,949,867
<b>6.1</b> Opening net book value (NBV)		1,904,351	1,823,444
Add: Additions / transfers during the period / year	6.1.1	171,086	417,237
		2,075,437	2,240,681
Less: Disposals during the period (at NBV)	6.1.1	(11,875)	(62,739)
Depreciation charged during the period/year		(202,863)	(273,591)
		(214,738)	(336,330)
		1,860,699	1,904,351

		(UN-AUDITED)		(AUDITED)	
		30 September 2021	30 September 2021	31 December 2020	31 December 2020
		Additions	Disposal (NBV)	Additions	Disposal (NBV)
<b>6.1.1</b>		(Rupees in '000)			
Buildings					
- Factory	5,742	—	61,518	—	
- Others	750	—	2,823	—	
Plant & machinery	8,564	24	134,353	436	
Gas installations	26	—	2,535	—	
Office equipment	—	—	—	318	
Furniture, fixture and fittings	67,876	10,806	202,611	59,876	
Computers	88,128	1,045	13,397	2,109	
Vehicles	—	—	—	—	
	171,086	11,875	417,237	62,739	

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

		(UN - AUDITED)	(AUDITED)
	Note	30 September 2021	31 December 2020
		(Rupees in '000)	
6.2 Opening balance		45,516	43,453
Add: additions during the period		199,863	346,011
		245,379	389,464
Less: transfers during the period		(123,432)	(343,948)
		121,947	45,516
<b>7 LONG TERM INVESTMENTS</b>			
At Fair value through amortised cost			
PLS Term Deposit Receipts	7.1	45,036	45,094

**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 6.75% (2020: 6.5%) 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. 59.656 million (2020: Rs. 102.927 million)

### 9 TAX REFUNDS DUE FROM GOVERNMENT

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	30 September 2021	31 December 2020
		(Rupees in '000)	
<b>10 CASH AND BANK BALANCES</b>			
Bank balances in			
Current accounts			
- Foreign currency		25,207	23,958
- Local currency		167,541	25,843
		192,748	49,801
Daily profit accounts	10.1	246,226	430,858
	10.2	438,974	480,659
Cash in transit		77,890	66,688
Cash in hand			
- Foreign currency		1,781	428
- Local currency		1,271	1,965
		3,052	2,393
		519,916	549,740

**10.1** The rate of mark-up on these accounts ranges from 2.76% to 7.00% (2020: 5.50% to 7.25%) 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 AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

		(UN - AUDITED)	(AUDITED)
	Note	30 September 2021	31 December 2020
<b>11 LONG TERM BORROWING</b>		(Rupees in '000)	
Long term borrowing	11.1	55,092	60,259

**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)
		30 September 2021	31 December 2020
<b>12 DEFERRED LIABILITY- EMPLOYEE BENEFITS</b>		(Rupees in '000)	
Opening liability		68,592	83,476
Amount recognized during the period/year		8,752	15,088
Payment made by the Company during the period/year		(15,351)	(17,360)
Experience adjustment		–	(12,612)
Closing liability		61,993	68,592

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 (2020: Rs. 2,235 million). These include:

- Non funded facilities of letters of guarantee and letters of credit amounting to Rs. 455 million (2020: Rs. 455 million); and
- Cash finance facilities of Rs. 1,780 million ( 2020: Rs. 1,780 million).

Moreover, the Company can avail further cash finance facilities out of un-utilized unfunded facilities of Rs. 365,000 million (2020: Rs. 365,000 million) which also includes Rs. 35,000 million (2020: Rs. 35,000 million) of export finance facilities.

The un-utilized facility for letter of credits and guarantees at year end amounts to Rs. 2,096.256 million (2020: Rs. 1,839 million).

Mark -up on cash finance ranges from 3 months KIBOR plus 0.50% to 1.0% (2020: 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% (2020: 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 ( 2020: Rs. 2,654 million).

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

### 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, 2020 except the following:

- 14.1.1** The Additional Commissioner Inland Revenue (ACIR) raised demand of Rs. 954.859 million vide order dated June 28, 2013 to the Company for the tax year 2011, whereby, the assessing officer added back certain expenses, disallowed certain amount of tax credit and also assessed that the Company has suppressed turnover amounting to Rs. 1,427.436 million. Being aggrieved, the Company preferred an appeal with Commissioner Inland Revenue (Appeals), which was decided in favor of the Company vide order dated October 2, 2013, by deleting all the add backs with the exception of the difference in the amount of tax credit which has been calculated under Section 65(b) of the Income Tax Ordinance, 2001. Being aggrieved, the Department filed an appeal against the order of Commissioner Inland Revenue (Appeals) with the Appellate Tribunal Inland Revenue (ATIR). ATIR vide order dated April 11, 2019 decided the appeal in favour of the Company. The Department filed a reference petition before Honorable Lahore High Court against the order dated April 11, 2019 of Appellate Tribunal Inland Revenue (ATIR) on June 22, 2021 which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects favourable outcome due to which no provision has been recorded in these financial statements.
- 14.1.2** The Additional Commissioner Inland Revenue (ACIR) raised demand vide order dated June 27, 2016 pertaining to tax year 2010 amounting to Rs. 363.683 million on account of certain issues which primarily include allocation of expenses between export and local sale, disallowance of rent on account of non deduction of withholding taxes, admissibility of deduction of interest on WPPF and provident fund, donation, and incorrect classification of WWF and WPPF. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) and also filed rectification application of the said order. The Commissioner Inland Revenue (Appeals) vide order dated September 16, 2016 decided the appeal in favor of the Company by deleting majority of the add backs with the exception of donations made to unapproved institutions and the disallowance of rent on account of non deduction of withholding taxes at the appropriate rate and remanded back the order with the direction to give consideration to the rectification application filed by the Company in respect of the proration of expenses made by the department. Based on the appeal disposed off by Commissioner Inland Revenue (Appeals), the ACIR issued revised demand amounting to Rs. 254.034 million vide order dated June 30, 2019. Being aggrieved, the Company again filed an appeal against the order with Commissioner Inland Revenue (Appeals) along with rectification application against the revised assessment order which was decided in favour of the Company vide order dated November 27, 2020. As per the management's knowledge, the Department has not yet initiated any appeal against the order.
- 14.1.3** The Deputy Commissioner Inland Revenue (DCIR) raised demand vide order dated April 16, 2021 pertaining to tax year 2015 amounting to Rs. 153.974 million on account of certain issues which primarily include disallowance of Cash Withdrawals utilized towards cash expenditures/payments/purchases etc., disallowance of Workers Welfare Fund (WWF), Workers Profit Participation Fund (WPPF), disallowance of initial & normal depreciation, exchange loss and disallowance of amortization of advertisement expenses and wrong calculation of super tax. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects favorable outcome due to which no provision has been recorded in these financial statements.

#### 14.2 Commitments in respect of:

- Capital expenditure
- Letters of credit and bank contracts

	(UN - AUDITED)	(AUDITED)
	30 September 2021	31 December 2020
	(Rupees in '000)	
	29,100	112,030
	89,624	159,931
	118,724	271,961

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	(UN-AUDITED) Three month period ended		(UN-AUDITED) Nine month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
(Rupees in '000)				
<b>15 SALES - NET</b>				
Shoes and accessories				
Local	4,022,076	3,708,517	11,406,282	9,506,570
Export	6,280	9,580	36,584	28,574
	4,028,356	3,718,097	11,442,866	9,535,144
Sundry articles and scrap material	15,431	6,124	49,124	20,795
	4,043,787	3,724,221	11,491,990	9,555,939
Less: Sales tax	(420,842)	(430,565)	(1,326,936)	(1,196,377)
Discount to dealers and distributors	(248,655)	(203,463)	(758,714)	(449,438)
Commission to agents/business associates	(90,590)	(78,332)	(259,601)	(216,607)
	(760,087)	(712,360)	(2,345,251)	(1,862,422)
	3,283,700	3,011,861	9,146,739	7,693,517
<b>16 COST OF SALES</b>				
Raw material consumed	884,747	399,946	2,679,183	1,573,752
Stores and spares consumed	3,229	2,052	8,450	4,997
Fuel and power	34,649	25,482	102,600	78,849
Salaries, wages and benefits	153,558	93,584	458,947	351,095
Repairs and maintenance	15,354	4,725	72,258	30,549
Insurance	5,374	4,134	16,121	14,868
Depreciation	16,538	14,244	49,336	40,093
	1,113,449	544,167	3,386,895	2,094,203
Add: Opening goods in process	78,931	79,928	40,540	46,908
	1,192,380	624,095	3,427,435	2,141,111
Less: Closing goods in process	(98,404)	(51,694)	(98,404)	(51,694)
Cost of goods manufactured	1,093,976	572,401	3,329,031	2,089,417
Add: Opening stock of finished goods	3,656,877	4,116,676	2,521,326	3,828,968
Finished goods purchased	830,443	541,491	2,771,818	2,087,285
	5,581,296	5,230,568	8,622,175	8,005,670
Less: Closing stock of finished goods	(3,845,460)	(3,432,551)	(3,845,460)	(3,432,551)
	1,735,836	1,798,017	4,776,715	4,573,119
<b>17 FINANCE COST</b>				
Interest / mark-up on:				
Workers' profit participation fund	—	—	—	1,002
Interest on long term loan	492	1,621	1,614	1,621
Employees / agents' securities and personal accounts	—	2,338	1,705	5,414
Lease liability	163,805	189,001	507,529	561,296
Short term borrowing	—	—	—	19,776
	164,297	192,960	510,848	589,109
Bank charges and commission	10,988	8,036	29,721	23,039
	175,285	200,996	540,569	612,148

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

### 18 CASH AND CASH EQUIVALENTS

Bank balances in  
- Current accounts  
- Daily profit accounts  
Short term investment  
Cash in transit  
Cash in hand

(UN - AUDITED)	
30 September 2021	30 September 2020
(Rupees in '000)	
192,748	92,165
246,226	937,056
600,000	-
77,890	100,317
3,052	799
1,119,916	1,130,337

### 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)		(UN-AUDITED)	
		Three month period ended		Nine month period ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Relationship with the Company	Nature of transactions	(Rupees in '000)			
Common control companies	Purchase of goods and services	66,652	970	128,869	41,367
	Sale of goods and services	1,204	1,566	4,841	3,017
	Dividend paid	-	-	-	341,152
	Trade mark license fee	173,122	156,783	457,337	384,676
	Management service fee	56,715	57,342	166,590	163,583
Staff Retirement Benefits	Contribution to provident fund trusts	16,674	20,531	49,369	58,823
Staff Retirement Benefits	Gratuity paid	2,638	2,512	15,351	11,303
Key management personnel	Remuneration	30,553	27,100	98,474	97,055

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

		(UN - AUDITED)	(AUDITED)
		30 September 2021	30 September 2020
Period / year end balances		(Rupees in '000)	
Receivable from related party		1,204	6,769
Payable to related party		1,384,834	1,239,936

### 20 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation attributable to ordinary share holders (Rupees in '000)  
Weighted average number of ordinary shares - Number (in '000)  
Earnings per share - Basic (Rs.)

		(UN-AUDITED)		(UN-AUDITED)	
		Three month period ended		Nine month period ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		(Rupees in '000)			
		33,687	(387,946)	164,040	(1,058,808)
		7,560	7,560	7,560	7,560
		4.46	(51.32)	21.70	(140.05)

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 AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

### (UN - AUDITED) Nine Month period Ended

	Retail		Wholesale		Export		Others		Total	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
<b>(Rupees in '000)</b>										
Net sales	7,695,657	6,554,953	1,368,569	1,090,753	36,584	28,574	45,929	19,237	9,146,739	7,693,517
Inter - segment sales	-	-	-	-	-	-	-	-	-	-
Total Sales	7,695,657	6,554,953	1,368,569	1,090,753	36,584	28,574	45,929	19,237	9,146,739	7,693,517
<b>Segment result before unallocated expenses</b>										
Unallocated operating expenses	1,387,138	758,115	110,929	(689,784)	3,728	4,734	11,030	8,814	1,512,825	81,879
Other expenses									(800,376)	(780,315)
Other income									(56,911)	(68,725)
Operating profit / (loss)									206,417	42,991
Finance cost									861,755	(724,170)
Profit / (loss) before taxation									(540,569)	(612,148)
Taxation									321,186	(1,336,318)
Profit / (loss) after taxation									(157,146)	277,510
									164,040	(1,058,808)

### (UN - AUDITED) Three month period ended

	Retail		Wholesale		Export		Others		Total	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
<b>(Rupees in '000)</b>										
Net sales	2,766,565	2,575,835	496,476	421,025	6,280	9,580	14,379	5,421	3,283,700	3,011,861
Inter - segment sales	-	-	-	-	-	-	-	-	-	-
Total Sales	2,766,565	2,575,835	496,476	421,025	6,280	9,580	14,379	5,421	3,283,700	3,011,861
<b>Segment result before unallocated expenses</b>										
Unallocated operating expenses	351,903	497,442	49,707	(400,021)	765	3,074	2,435	2,758	404,810	103,253
Other expenses									(146,065)	(363,726)
Other income									(34,499)	(50,883)
Operating profit / (loss)									47,996	15,526
Finance cost									272,242	(295,830)
Profit / (loss) before taxation									(175,285)	(200,996)
Taxation									96,957	(496,826)
Profit / (loss) after taxation									(63,270)	108,880
									33,687	(387,946)

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	Segment assets		Segment liabilities	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	(Rupees in '000)			
<b>22 SEGMENT ASSETS AND LIABILITIES</b>				
Retail	8,376,547	7,480,169	4,649,720	4,549,856
Wholesale	1,870,091	1,691,100	48,371	44,690
Export	7,954	11,407	–	–
Unallocated	4,294,405	4,822,805	3,314,267	3,038,336
	<u>14,548,997</u>	<u>14,005,481</u>	<u>8,012,358</u>	<u>7,632,882</u>

## 23 EVENTS AFTER THE REPORTING DATE

No material events have occurred subsequent to the period ended September 30, 2021.

## 24 DATE OF AUTHORIZATION

This interim financial information was authorized for issue by the Board of Directors on October 28, 2021.

## 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.

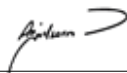
Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.



Chief Executive



Director



Chief Financial Officer

**STEP OUT IN  
COMFORT**



*Surprisingly*  
**Bata**



# ***Bata***

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