

# ANNUAL REPORT

2021



***Bata***



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# Our Vision

To make great shoes accessible to everyone



# Our Mission

We help people look and feel good by continuously focusing on product quality, innovation and value.

We become the customer's destination of choice by offering personal shopping experience to create long standing customer relationships.

We attract and retain the best people by showing great leadership, a passion for high standards our respect for diversity and commitment to create exceptional opportunities for professional growth.

We remain the most respected footwear company by being socially responsible and ethical in everything we do and a credit to every community in which we operate.



# 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

Surrridge & 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.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN TO ALL SHAREHOLDERS/MEMBERS** that the 70th Annual General Meeting of Bata Pakistan Limited is scheduled to be held on Monday, April 25, 2022 at 10:00 a.m. at the Company's Registered Office situated at G.T. Road, Batapur, Lahore to transact the following business:

1. To confirm the minutes of the Annual General Meeting held on April 27, 2021.
2. To receive, consider, and adopt the Annual Audited Accounts of the Company for the year ended on December 31, 2021 together with Directors' and Auditors' Reports thereon.
3. To appoint Auditors and fix their remuneration for the year ending on December 31, 2022. The Board of Directors upon recommendation of audit committee has recommended M/s A.F. Ferguson & Co. Chartered Accountants, being eligible for re-appointment as auditors of the company for the year ending December 31, 2022.
4. To transact any other business with the permission of the Chairman.

By order of the Board

Batapur Lahore:  
March 02, 2022

Mahnoor Ather  
Company Secretary

## NOTES:

### 1. Closure of Shares Transfer Books:

The Share Transfer Books of the Company will remain closed from April 19, 2022 to April 25, 2022 (both days included). Transfer requests on prescribed format, received at the office of the Share Registrar of the Company, M/s. Corplink (Pvt.) Ltd. 1-K Commercial, Model Town, Lahore on or before the close of business on April 18, 2022 will be treated in time for the determination of entitlement of shareholders to attend and vote at the meeting.

### 2. Participation in the Annual General Meeting:

All members entitled to attend and vote at this Meeting may appoint another person as his/her proxy to attend and vote for him / her. Proxies in order to be effective must be received at the Registered Office of the Company not later than 48 hours before the time of holding the meeting. CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. Proxy form is available at the Company's website i.e. [www.bata.com.pk](http://www.bata.com.pk) (in English and Urdu Language).

### 3. Participation in AGM through Electronic Means:

The shareholder of the Company desirous of attending the meeting through video link etc. may inform the Company and provide their details including name, CNIC scan (both sides), folio number, cell phone number and email address before close of business on April 19, 2022 at the email [investorcare.pk@bata.com](mailto:investorcare.pk@bata.com). The video link of meeting shall be sent to the members on their registered email addresses.

#### **4. Attendance of the Members:**

##### **a. For attending the meeting**

- I. In the case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall authenticate his/her identity by showing his/ her valid original Computerized National Identity Card (CNIC) or original passport at the time of attending the Annual General Meeting.
- II. In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be produced at the time of the Annual General Meeting, unless it has been provided earlier.

##### **b. For appointing proxies**

- I. In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the mentioned requirements.
- II. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- III. Attested copies of the valid CNIC's or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
- IV. The proxy shall produce his/her valid original CNIC or original passport at the time of the Annual General Meeting.
- V. In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Bank along with the proxy form unless the same has been provided earlier.

#### **5. Circulation of Annual Audited Accounts and Notice of AGM:**

The Company's Annual Report is also being circulated through electronic transmission to the members in compliance of section 223(6) of the Companies Act, 2017 and the same is being placed on our website [www.bata.com.pk](http://www.bata.com.pk). Those shareholders who also wish to obtain an electronic copy of the annual report via email are requested to send their email address/consent at the following email address: [investorcare.pk@bata.com](mailto:investorcare.pk@bata.com) on or before April 05, 2021, and a PDF copy of the Annual Report will be duly shared with them via email.

#### **6. Mandatory Submission of CNIC Copies:**

With reference to the notification of Securities and Exchange Commission of Pakistan (SECP), SRO 779(1)2011 dated August 18, 2011, the Members/ Shareholders who have not yet submitted photo copy of their valid CNIC to the Company are required to send the same at the earliest directly to the Company's Share Registrar M/s. Corplink (Pvt.) Ltd. 1-K Commercial, Model Town, Lahore. In case of non-receipt of the copy of valid CNIC and non-compliance of the above mentioned SRO of SECP, the Company may be constrained to withhold transfer of dividend in the future if any.

#### **7. Dividend Bank Mandate:**

Pursuant to Section 242 of the Companies Act, 2017, members are requested to provide their CNIC's and bank account details including name of the bank, address of bank branch and International Bank Account Number (IBAN) to receive their cash dividend directly into their bank account. Therefore, all members who have not yet provided their CNIC and Bank Account details are once again reminded to immediately submit a copy of their CNIC and duly filled 'Dividend Bank Mandate Form' to the Company's Share Registrar or to the Company directly. In the absence of valid bank account details and CNIC, dividend amount will be withheld in compliance with the provisions of Act and Regulations made thereunder by the Commission. The 'Dividend Bank Mandate Form' is available at the Company's website i.e. [www.bata.com.pk](http://www.bata.com.pk).

Members who hold shares in CDC accounts are required to provide their bank mandates to their respective participants.

#### **8. Unclaimed Dividends and Share Certificates:**

The Shareholders are hereby informed that in accordance with Section 244 of the Companies Act, 2017 and the Unclaimed Shares, Modaraba Certificate, Dividends, Others Instruments and Undistributed Assets Regulations, 2017, the companies are required to deposit such amounts to the credit of the Federal Government and the shares to the Commission, which are unclaimed/un-collected for a period of three (03) years or more from the date it is due and payable. The notices to this fact have already been given to the relevant shareholders.

#### **9. Conversion of Physical Securities into Book Entry Forms:**

As per Section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with bookentry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017. Further, vide its letter dated March 26, 2021, SECP has directed all the listed companies to pursue its shareholder for conversion of their physical securities into book entry form.

In light of the aforementioned directives, the Shareholders having physical shareholding are encouraged to open CDC account with CDS participant/ CDC Investor Account Services and convert their existing physical securities into book entry form.

#### **10. Intimation of Changes of Address and declaration for non-deduction of Zakat:**

Members who hold shares certificates should notify any changes in their registered address and provide their declarations for non-deduction of zakat, if applicable, to the Share Registrar. Members who hold shares in CDC / participant accounts are required to update their address and submit their declarations for non-deduction of zakat, if applicable, to the CDC or their respective participants.

Contact Details

#### **Contact Details**

Company Secretary  
Bata Pakistan Limited  
G.T Road, Batapur Lahore, Pakistan  
Email: investorcare.pk@bata.com

کمپیوٹرائزڈ قومی شناختی کارڈ اور بینک کی تفصیلات نہ ہونے کی صورت میں ڈیویڈنڈ کی رقم، کمیشن کے بنائے گئے ایکٹ اور ریگولیشنز کے مطابق روک لی جائے گی۔ ڈیویڈنڈ بینک مینڈیٹ فارم، کمپنی کی ویب سائٹ [www.bata.com.pk](http://www.bata.com.pk) پر موجود ہے۔ جن ارکان کے شیئرز سی ڈی سی اکاؤنٹس میں ہیں ان کو ہدایت کی جاتی ہے کہ وہ اپنے بینک مینڈیٹس متعلقہ کھاتہ داروں کو دیں۔

## 8- غیر دعویٰ شدہ منافع اور شیئرز ٹیفیکٹ:

شیئر ہولڈرز کو مطلع کیا جاتا ہے کہ کمپنی ایکٹ 2017ء کے سیکشن 244 اور غیر دعویٰ شدہ شیئرز، مضاربہ سرٹیفیکٹ، ڈیویڈنڈز اور دیگر انسٹرومنٹس اور غیر تقسیم شدہ اسٹس ریگولیشنز 2017ء کے مطابق کمپنیز کے لئے ایسے کیش ڈیویڈنڈز فیڈل گورنمنٹ کے کریڈٹ میں اور شیئر کمیشن میں جمع کرانا ہوں گی جو ادائیگی کی مقررہ تاریخ سے 3 سال سے زائد مدت کیلئے غیر داوہ شدہ ہے/ غیر تقسیم شدہ ہیں۔ اس حوالے سے متعلقہ شیئر ہولڈرز کو نوٹسز پہلے ہی جاری کئے جا چکے ہیں۔

## 9- فزیکل سیکورٹیز کو بک انٹری فارم میں تبدیل کرنا:

کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق ہر اسٹاک کمپنی پر لازم ہے کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ تبدیل کرے جیسا کہ بیان کیا گیا ہے اور کمیشن کی طرف سے مطلع کردہ تاریخ سے، اس مدت کے اندر جو کہ چار سال سے زیادہ نہ ہو۔ ایکٹ، یعنی 30 مئی 2017 - مزید، 26 مارچ 2021 کے اپنے خط کے ذریعے، ایس ای سی پی نے تمام اسٹاک کمپنیوں کو ہدایت کی ہے کہ وہ اپنے شیئر ہولڈرز کو اپنی فزیکل سیکورٹیز کو بک انٹری فارم میں تبدیل کرنے کے لیے آگے بڑھیں۔

انویسٹر اکاؤنٹ سروسز کے ساتھ CDC شریکت کنندہ CDC/CDS مذکورہ بالا ہدایات کی روشنی میں، فزیکل شیئر ہولڈنگ رکھنے والے شیئر ہولڈرز کی حوصلہ افزائی کی جاتی ہے کہ وہ اکاؤنٹ کھولیں اور اپنی موجودہ فزیکل سیکورٹیز کو بک انٹری فارم میں تبدیل کریں۔

## 10- پتہ کی تبدیلی زکوٰۃ نہ کالے جانے کا اعلامیہ:

ایسے ممبران جن کے پاس شیئر سرٹیفیکٹس موجود ہیں وہ اپنے پتے میں کسی بھی قسم کی تبدیلی کے بارے میں شیئر رجسٹرار کو فوری طور پر آگاہ کریں اور زکوٰۃ نہ کالے جانے کے بارے میں بیان جمع کرائیں، اگر لاگو ہے۔ ایسے ممبران جن کے شیئرز سی ڈی سی / پارٹسپنٹ (participant) اکاؤنٹس میں ہیں، ان سے بھی گزارش کی جاتی ہے کہ اپنے نئے پتے اور زکوٰۃ نہ کالے جانے کا بیان، سی ڈی سی یا اپنے پارٹسپنٹس (participants) کے پاس درج کرا دیں۔

رابطہ:

کمپنی سیکرٹری

بانا پاکستان لمیٹڈ

جی ٹی روڈ، بانا پور لاہور، پاکستان

ای میل: [investorcare.pk@bata.com](mailto:investorcare.pk@bata.com)

#### 4- ممبرز کی شرکت:

الف) اجلاس میں شرکت کے لئے

- افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کی ریگولیشنز کے مطابق ہیں، انہیں سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ ظاہر کرنا ہوگا۔
- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ مع نامزد کردہ کے نمونہ دستخط، سالانہ اجلاس عام کے وقت پیش کرنا ہوں گے (اگر پہلے ہی فراہم نہ کر دیا گیا ہو)۔

بی) پراکسی کی تقرری کیلئے

- افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ فرد جن کی رجسٹریشن کی تفصیلات سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کی ریگولیشنز کے مطابق اپ لوڈ ہیں، درج کردہ ضروریات کے مطابق پراکسی فارم جمع کرائیں۔
- پراکسی فارم کے دو گواہ ہونے چاہئیں جن کے نام، پتے اور سی این آئی سی نمبر پراکسی فارم پر درج ہوں۔
- بنیفیشل مالک اور پراکسی کے کارآمدی سی این آئی سی یا پاسپورٹس کی تصدیق شدہ نقل، پراکسی فارم کے ساتھ منسلک کی جائیں۔
- پراکسی اجلاس میں شرکت کے وقت اپنا اصل سی این آئی سی یا پاسپورٹ ظاہر کرے۔
- کارپوریٹ ادارے کی صورت میں پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ مع نمونہ دستخط کمپنی میں جمع کرائی جائیں۔ (اگر پہلے ہی فراہم نہ کر دیا گیا ہو)۔

#### 5- سالانہ رپورٹ:

کمپنیز ایکٹ 2017 کے سیکشن 223(6) پر عمل درآمد کرتے کمپنی کی سالانہ رپورٹ ممبرز کو ای میل (الیکٹرانک موڈ) کے ذریعے فراہم کی جارہی ہے اور کمپنی کو ویب سائٹ [www.bata.com.pk](http://www.bata.com.pk) پر بھی جاری کی جارہی ہے۔ ایسے شیئر ہولڈرز جو ای میل کے ذریعے سالانہ رپورٹ کی کاپی وصول کرنا چاہتے ہیں تو وہ اپنا ای میل / جمع درخواست 105 اپریل 2022 تک [investorcare.pk@bata.com](mailto:investorcare.pk@bata.com) پر بھیج دیں۔ سالانہ رپورٹ کی پی ڈی ایف کاپی آپ کو ای میل کر دی جائے گی۔

#### 6- کمپیوٹرائزڈ قومی شناختی کارڈ کی نقول جمع کرانا لازمی:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی ہدایت بذریعہ ایس آر او نمبر 2011(1) 779 مورخہ 18 اگست 2011ء کے مطابق، جن ممبرز / شیئر ہولڈرز نے کمپنی کو تاحال اپنے کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ کی فوٹو کاپی جمع نہیں کرائی، ان سے گزارش کی جاتی ہے کہ وہ کمپنی کے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ 1-K کمرشل، ماڈل ٹاؤن، لاہور کو جمع کرا دیں۔ ایس ای سی پی کے درج بالا ایس آر او پر عدم تعمیل اور کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ موصول نہ ہونے کی صورت میں کمپنی ڈیویڈنڈ، اگر کوئی ہے، کی منتقلی روکنے پر مجبور ہو سکتی ہے۔

#### 7- ڈیویڈنڈ بینک مینڈیٹ:

کمپنیز ایکٹ 2017 کی شق 242 کے مطابق، ممبرز سے درخواست کی جاتی ہے کہ وہ کمپنی کے ڈیویڈنڈ کی اپنے اکاؤنٹ میں براہ راست منتقلی کے لئے اپنے کمپیوٹرائزڈ قومی شناختی کارڈ، بینک کی تفصیلات مع بینک کا نام، پتہ، برانچ اور انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) فراہم کریں۔ تاہم وہ تمام ممبران جنہوں نے ابھی تک کمپیوٹرائزڈ قومی شناختی کارڈ اور بینک کی تفصیلات فراہم نہیں کیں ان سے دوبارہ گزارش ہے کہ وہ فوراً اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل اور مکمل پرکردہ ”ڈیویڈنڈ بینک مینڈیٹ فارم“ کمپنی کے شیئر رجسٹرار یا کمپنی کو جمع کروائیں۔ کارآمد

## سالانہ اجلاس عام کی اطلاع

تمام شیئرز ہولڈرز / ممبرز کو اطلاع دی جاتی ہے کہ بائاپاکستان لمیٹڈ کا 70 واں سالانہ اجلاس عام 25 اپریل 2021ء بوقت صبح 10:00 بجے رجسٹرڈ آفس، بمقام جی ٹی روڈ، باناپور، لاہور میں منعقد کیا جائے گا جس میں مندرجہ ذیل معاملات زیر بحث لائے جائیں گے:

- 1۔ 27 اپریل 2021ء کو منعقدہ غیر معمولی اجلاس عام کی کاروائی کی تصدیق
- 2۔ 31 دسمبر 2021ء کو ختم ہونے والے سال کیلئے سالانہ آڈٹ شدہ اکاؤنٹس مع آڈیٹرز اور ڈائریکٹرز کی رپورٹ کو وصول کرنا، زیر غور لانا اور منظور کرنا
- 3۔ 31 دسمبر 2022ء کو مکمل ہونے والے مالی سال کیلئے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین۔ ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کو چارٹرڈ اکاؤنٹنٹس، اہل ہونے کے ناطے، کمپنی کے آڈیٹرز کے طور پر خود کو تعیناتی کے لئے پیش کیا ہے۔
- 4۔ چیئرمین کی اجازت سے کوئی بھی اور معاملہ زیر بحث لانا۔

بحکم بورڈ

مانور اطہر

کمپنی سیکرٹری

باناپور، لاہور:  
02 مارچ 2022ء

نوٹس

### 1۔ شیئر منتقلی کتابوں کی بندش:

کمپنی کی شیئر منتقلی کی کتابیں 19 اپریل 2022ء تا 25 اپریل 2021ء (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئرز رجسٹرار کے دفتر میسرز کارپ لنک (پرائیویٹ) لمیٹڈ K-1 کمرشل، ماڈل ٹاؤ، لاہور کو ٹرانسفر کے لئے مورخہ 18 اپریل 2022ء کو کاروبار کے اوقات بند ہونے تک موصول ہونے والی درخواستوں کو، اجلاس میں شامل ہونے کے لئے بروقت تصورات ہوں گی۔

### 2۔ سالانہ اجلاس عام میں شرکت:

کمپنی کا کوئی بھی رکن جسے اجلاس میں شریک ہونے اور اس میں ووٹ کرنے کا حق حاصل ہے وہ کسی اور شخص کو اپنی جگہ شریک ہونے اور ووٹ کرنے کیلئے 'پراکسی' کے طور پر مقرر کر سکتا ہے۔ پراکسی موثر ہونے کیلئے اجلاس کے انعقاد کیلئے طے شدہ وقت سے 48 گھنٹے قبل کمپنی کو رجسٹرڈ دفتر پر موصول ہونی چاہئے۔ سی ڈی سی اکاؤنٹ ہولڈرز کو، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ سرکلر 1 مورخہ 26 جنوری 2000ء کی ہدایات پر عمل کرنا ہوگا۔ پراکسی فارم کمپنی کی ویب سائٹ [www.bata.com.pk](http://www.bata.com.pk) پر (انگریزی اور اردو زبان میں) موجود ہے۔

### 3۔ سالانہ اجلاس عام میں الیکٹرانک ذریعے سے شرکت:

ویڈیولنک کے ذریعے میٹنگ میں شرکت کے خواہشمند کمپنی کے شیئرز ہولڈرز 19 اپریل 2022ء کو کاروبار بند ہونے سے پہلے کمپنی کو مطلع کر سکتے ہیں اور نام، CNIC (دونوں طرف)، فونیو نمبر، سیل فون نمبر اور ای میل ایڈریس سمیت اپنی تفصیلات ای میل [investorcare.pk@bata.com](mailto:investorcare.pk@bata.com) پر فراہم کر سکتے ہیں۔ میٹنگ کا ویڈیولنک ممبران کو ان کے رجسٹرڈ ای میل ایڈریس پر بھیجا جائے گا۔



## Key Operating Highlights

Year		2021	2020	2019	2018	2017	2016	2015
<b>Financial Position</b>								
Authorized capital	Rs. ' 000s	<b>100,000</b>	100,000	100,000	100,000	100,000	100,000	100,000
Paid up capital	Rs. ' 000s	<b>75,600</b>	75,600	75,600	75,600	75,600	75,600	75,600
Shareholders' equity	Rs. ' 000s	<b>6,159,421</b>	6,372,599	7,444,589	7,491,327	7,126,724	6,662,594	6,051,192
Total assets	Rs. ' 000s	<b>15,602,503</b>	14,005,481	15,878,369	10,693,121	9,524,326	9,084,556	8,239,266
Property, plant and equipment	Rs. ' 000s	<b>1,935,392</b>	1,949,867	1,866,897	1,643,028	1,511,909	1,420,757	1,470,821
Provision for gratuity	Rs. ' 000s	<b>61,992</b>	68,592	83,476	81,421	76,030	72,150	68,805
Current assets	Rs. ' 000s	<b>9,505,254</b>	7,602,604	9,259,645	8,970,446	7,930,147	7,585,132	6,684,071
Current liabilities	Rs. ' 000s	<b>5,806,866</b>	3,883,160	4,325,671	3,051,863	2,235,773	2,264,332	2,025,534
<b>Trading Results</b>								
Sales	Rs. ' 000s	<b>13,983,497</b>	11,710,771	17,424,894	16,795,231	15,496,810	15,082,171	14,781,520
Gross profit	Rs. ' 000s	<b>6,475,390</b>	4,370,967	7,869,944	7,525,873	6,620,836	6,193,926	6,005,197
Operating profit	Rs. ' 000s	<b>1,525,927</b>	(106,928)	2,294,479	2,307,940	2,220,158	2,140,580	2,131,784
Profit before tax	Rs. ' 000s	<b>807,279</b>	(908,049)	1,504,279	2,265,902	2,180,270	2,100,645	2,101,280
Profit after tax	Rs. ' 000s	<b>546,089</b>	(627,345)	1,088,862	1,501,409	1,524,466	1,442,016	1,445,500
<b>Distribution</b>								
Interim cash dividend - paid	%	<b>1000.00</b>	—	900.00	900.00	800.00	650.00	510.00
Final cash dividend - proposed/paid	%	<b>—</b>	—	600.00	600.00	600.00	600.00	450.00
<b>Financial Ratios and Values</b>								
Gross profit	%	<b>46.31</b>	37.32	45.16	44.81	42.72	41.07	40.63
Operating profit	%	<b>10.91</b>	(0.91)	13.17	13.74	14.33	14.19	14.42
Profit before tax	%	<b>5.77</b>	(7.75)	8.63	13.49	14.07	13.93	14.22
Profit after tax	%	<b>3.91</b>	(5.36)	6.25	8.94	9.84	9.56	9.78
Return on equity	%	<b>8.87</b>	(9.84)	14.63	20.04	21.39	21.64	23.89
Price earning ratio	Times	<b>30.06</b>	(14.36)	13.84	7.78	12.16	22.60	17.10
Dividend yield	%	<b>4.61</b>	9.14	7.02	9.71	5.71	2.55	2.69
Earnings per share	Rs.	<b>72.23</b>	(82.98)	144.03	198.60	201.65	190.74	191.20
Debt : equity ratio	Times	<b>1.53 : 1</b>	1.20 : 1	1.13 : 1	0.00 : 1	0.00 : 1	0.00 : 1	0.00 : 1
Current ratio	Times	<b>1.64 : 1</b>	1.97 : 1	2.77 : 1	2.94 : 1	3.55 : 1	3.35 : 1	3.30 : 1
Average stock turns - value	Times	<b>2.21</b>	2.16	2.38	2.49	2.78	3.03	3.08
Debtors turnover	Times	<b>14.36</b>	8.45	6.65	2.21	2.84	3.57	6.34
Average collection period	Days	<b>25</b>	43	55	165	129	102	58
Property, plant and equipment turnover	Times	<b>7.20</b>	6.02	9.33	10.22	10.25	10.62	10.05
Break up value per share	Rs.	<b>814.74</b>	819.70	984.73	990.92	942.69	881.30	800.42
Market price per share	Rs.	<b>2,171.15</b>	1,531.84	1,993.06	1,545.00	2,452.27	4,310.00	3,269.70
Market capitalization	Rs. ' 000s	<b>16,413,894</b>	11,580,710	15,067,534	11,680,200	18,539,161	32,583,600	24,718,932
<b>Other information</b>								
Permanent employees	Number	<b>2,274</b>	2,287	2,683	2,693	2,421	2,492	2,544
Retail outlets	Number	<b>443</b>	444	462	476	435	412	417
Wholesale depots	Number	<b>0</b>	0	11	12	12	13	13
Installed capacity	Pairs ' 000s	<b>18,339</b>	18,704	19,375	20,290	20,329	19,439	18,941
Actual production	Pairs ' 000s	<b>11,572</b>	11,186	15,641	15,832	16,932	16,545	16,123
Capacity utilization	%	<b>63.10</b>	59.81	80.73	78.03	83.29	85.11	85.12
Capital expenditure	Rs. ' 000s	<b>309,746</b>	417,237	482,170	387,501	311,326	177,751	340,725
<b>Contribution to the National Exchequer</b>	Rs. ' 000s	<b>2,633,142</b>	2,251,024	3,101,414	2,662,527	2,486,279	2,420,794	2,205,089

NEW  
**SPRING  
SUMMER**  
COLLECTION 2021



*Surprisingly*  
**Bata.**

The background features abstract, overlapping red geometric shapes, including triangles and polygons, creating a dynamic and modern aesthetic. The shapes are in various shades of red, from a deep crimson to a brighter, more saturated red.

# Corporate Social Responsibility



Donated 1513 pairs of shoes to the orphan / abandoned children living in SOS Villages.



Furnished a classroom in Mumtaz Girls High School Lahore and distributed uniforms and sweaters to 250 students.



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 inspired our employees and their children.



A Water Filtration Plant was built at Ghurki Teaching Hospital Lahore in order to provide clean & safe drinking water for the patients and their attendants.



## Value Added and Its Distribution

To Buy Material, Finished Goods and Services

65.6%

To Employees Salaries, Wages and Benefits

11.7%

To Government Income Tax, Sales Tax, Custom & Excise Duties, Wwf, Wppf, Eobi, Social Security, Professional and Local Taxes

14.5%

Finance Cost

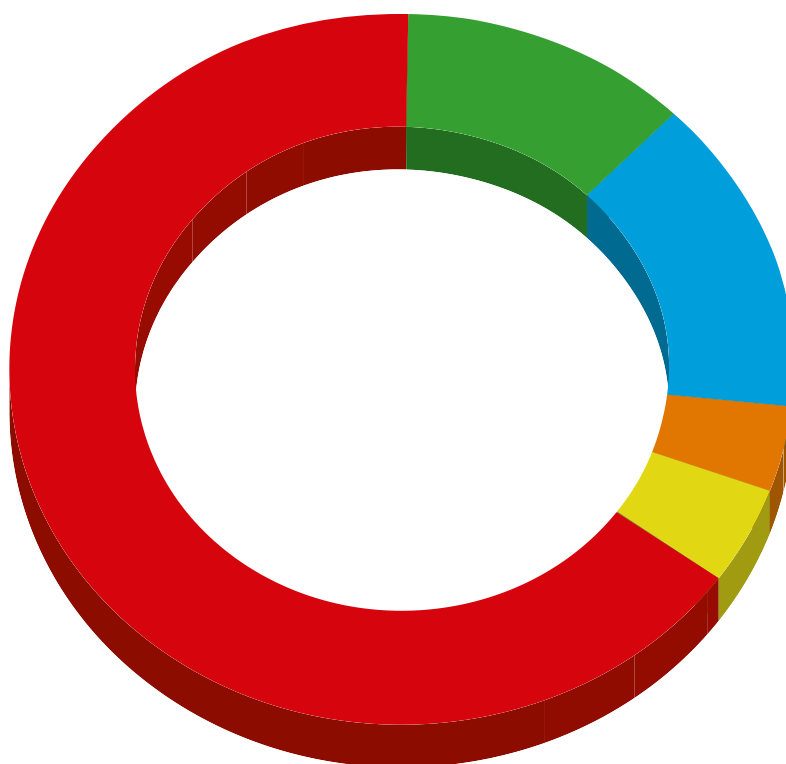
4.0%

To Shareholders Dividend

4.2%

Retained in Business for Retail Expansion and Operations

0.0%

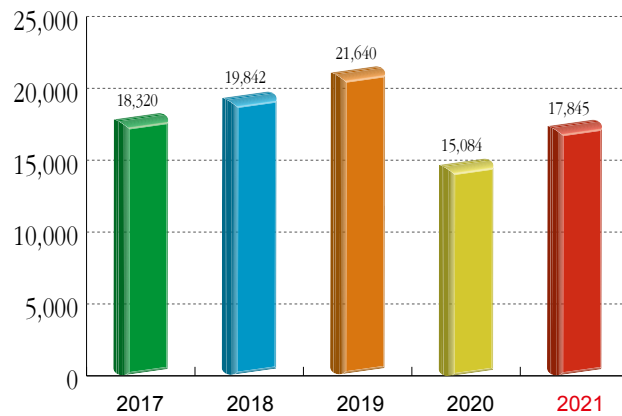


	2021 Rs. '000s	%	2020 Rs. '000s	%
<b>Revenue Generated</b>				
Sales	17,845,728		15,084,541	
Other income	315,753		473,283	
	18,161,481	100%	15,557,824	100%
<b>Revenue Distributed</b>				
To Buy Materials, Finished Goods and Services	11,915,076	65.6%	10,158,749	65.3%
To Employees Salaries, wages and benefits	2,138,615	11.7%	1,893,331	12.2%
To Government Income Tax, Sales Tax, Custom & Excise Duties, WWF, WPPF, EOBI, Social Security, Professional and Local Taxes	2,633,142	14.5%	2,251,024	14.5%
Finance Cost	718,648	4.0%	801,120	5.1%
To Shareholders Dividend	756,000	4.2%	453,600	2.9%
Retained in Business For Retail Expansion and Operations	–	0.0%	–	0.0%
	18,161,481	100.0%	15,557,824	100.0%

# Operational Statistics

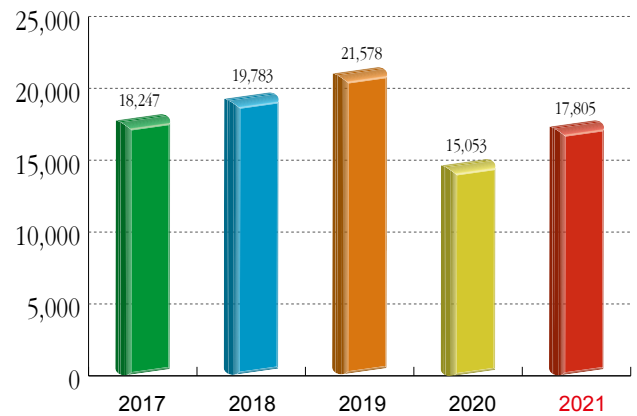
(Rupees in million)

### Total Turnover (Gross)



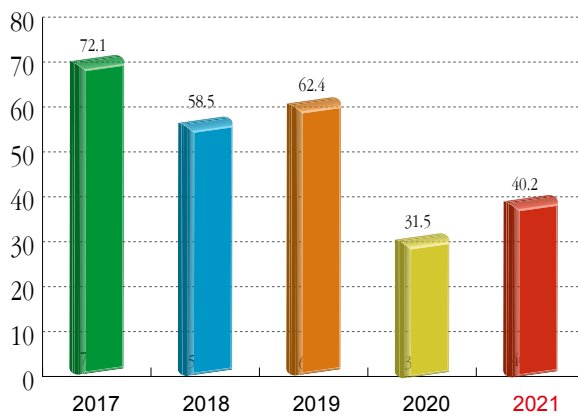
(Rupees in million)

### Domestic Turnover (Gross)



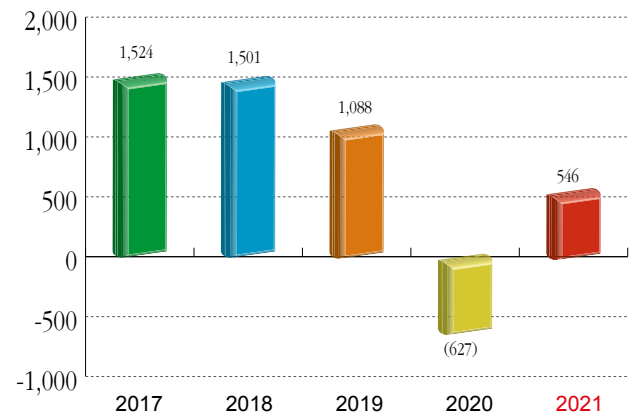
(Rupees in million)

### Export Turnover (Gross)



(Rupees in million)

### Total Turnover (Gross)



# Chairman's Review Report

On Board's overall Performance u/s 192 of the Companies Act 2017

Bata Pakistan Limited complies with all the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 with respect to the composition, procedures and meetings of the Board of Directors and its committees. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of Bata Pakistan Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed and implemented.

For the Purpose of Board evaluation, a comprehensive criteria has been developed. The Board has recently completed its annual self-evaluation for the year ended December 31, 2021 and I report that:

The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory.

The overall assessment as satisfactory is based on an evaluation of the following integral components, which have a direct bearing on the Board's role in achievement of Company's objectives:

## **1. Vision, mission and values:**

The Board members are familiar with the current vision, mission and values and support them. The Board revisits the mission and vision statement from time to time.

## **2. Engagement in strategic planning:**

The Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, society at large) whom the Company serves. The Board has a strategic vision of how the Organization should evolve over the next three to five years. Further, the Board sets annual goals and targets for the management in all major performance areas.

## **3. Diligence:**

The Board members diligently performed their duties and thoroughly reviewed, discussed and approved business strategies, corporate objectives, plans, budgets, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to Board and committee meetings. The Board met frequently enough to adequately discharge its responsibilities.

## **4. Monitoring of Organization's business activities:**

The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.

## **5. Diversity and mix:**

The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The non-executive and independent directors were equally involved in important board decisions.

## **6. Governance and Control Environment:**

The Board has effectively set the tone at the top, by putting in place a transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of Corporate Governance and by promoting ethical and fair behaviour across the Company.

Batapur:  
LAHORE: MARCH 02, 2022

**ROBERTO LONGO**  
CHAIRMAN



## چیمبرمین کی جائزہ رپورٹ

کمپنیز ایکٹ 2017 کے سیکشن 192 کے تحت بورڈ کی مجموعی کارکردگی پر

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اجلاس، طریقہ کار اور کمپوزیشن کے حوالے سے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017ء اور کمپنیز ایکٹ 2017ء میں سیٹ کردہ تمام مندرجات پر، بانی پاکستان لمیٹڈ عمل درآمد کرتا ہے۔ کوڈ آف کارپوریٹ گورننس کی ضرورت کے مطابق بانی پاکستان لمیٹڈ (دی ”کمپنی“) کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ انجام دیا جا رہا ہے۔ اس جائزے کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی کمپنی کے طے کردہ مقاصد اور توقعات کے مطابق ہے۔ ان باتوں کو زیر غور لایا جا رہا ہے جہاں بہتری کی ضرورت ہے اور منصوبوں کی تشکیل اور عمل درآمد کیا جا رہا ہے۔

بورڈ کے جائزے کے مقصد کیلئے ایک جامع معیار بنایا گیا ہے۔ بورڈ نے 31 دسمبر 2021ء کو ختم ہونے والے سال کیلئے اپنے جائزے کو حال ہی میں مکمل کیا ہے اور میں یہ رپورٹ کرتا ہوں کہ: منظور کردہ معیار کی بنیاد پر سال کیلئے بورڈ کی کارکردگی کو جانچا گیا جو کہ تسلی بخش تھی۔

درج ذیل اہم امور کی بنیاد پر ہونے والا جائزہ اطمینان بخش تھا جس کا براہ راست اثر کمپنی کے مقاصد حاصل کرنے میں بورڈ کے کردار پر پڑتا ہے:

### 1- ویژن، مشن اور ویلیوز:

بورڈ ممبران موجودہ ویژن، مشن اور ویلیوز سے واقف ہیں اور پیروی کرتے ہیں۔ بورڈ وقتاً فوقتاً مشن اور ویژن اسٹیمینٹ کا جائزہ لیتے رہتے ہیں۔

### 2- حکمت عملی کی منصوبہ بندی میں شمولیت:

بورڈ اسٹریٹجک ہولڈرز کے بارے میں جانتا ہے (شیرز ہولڈرز، کسٹمرز، ملازمین، ویبڈرز، سوسائٹی) جن کو خدمات پیش کی جاتی ہیں۔ بورڈ کے پاس اسٹریٹجک ویژن موجود ہے کہ کس طرح ادارے کو آئندہ پانچ سالوں میں آگے لے کر جانا ہے۔ مزید یہ کہ بورڈ تمام شعبوں کی کارکردگی میں منجمنٹ کے لئے سالانہ اہداف کا تعین کرتا ہے۔

### 3- محنت:

بورڈ ممبران نے اپنے فرائض بھرپور محنت کے ساتھ انجام دیئے اور بزنس کی حکمت عملی، مقاصد، منصوبوں، پیکس، مالیاتی اسٹیمینٹس اور دیگر رپورٹس کا مکمل جائزہ لیا اور بات چیت کے بعد منظوری دی۔ بورڈ اور کمیٹی میٹنگز سے مناسب وقت پہلے واضح ایجنڈا اور تائیدی تحریری مواد موصول ہوا۔ بورڈ نے اپنی ذمہ داریوں کی ادائیگی کیلئے خاطر خواہ ملاقاتیں کیں۔

### 4- ادارے کی کاروباری سرگرمیوں کی نگرانی:

کمپنی کے اہداف، حکمت عملی اور مالیاتی کارکردگی میں کامیابیوں کے بارے میں اندرونی ویرونی آڈیٹرز اور دیگر آزاد کنسلٹنٹس، منجمنٹ کی جانب سے باقاعدہ پریزنٹیشن کے ذریعے بورڈ کو باخبر رہا۔ بورڈ کے بروقت اور موزوں ہدایات اور تجزیے فراہم کئے۔

### 5- تنوع:

بورڈ ممبران نے موثر طریقے سے بورڈ میں متنوع ماحول تشکیل دیا اور انڈیپنڈنٹ اور نان ایگزیکٹو ڈائریکٹرز دونوں کو شامل کیا۔ بورڈ کے اہم فیصلوں میں انڈیپنڈنٹ اور نان ایگزیکٹو ڈائریکٹرز مساوی طور پر شامل رہے۔

### 6- گورننس اور کنٹرول ماحول:

بورڈ نے گورننس کا شفاف اور موثر نظام تشکیل دیا اور اس کی جھلک ساری کمپنی میں، بہترین اخلاقی رویے کے فروغ اور کارپوریٹ گورننس پر عمل درآمد میں دکھائی دیتی ہے۔

بمقام: بانی پور، لاہور

تاریخ: 02 مارچ 2022ء

راہرٹو لوگو

چیمبرمین



MC  
MARIE CLAIRE



# Director's Report

## To The Members

# DIRECTORS' REPORT TO THE MEMBERS

Directors are pleased to submit this report and financial statements of the Company for the year ended December 31, 2021.

## 1. Principal Activity

The principal activity of the Company is manufacturing and sale of footwear of all kinds along with sale of accessories and hosiery items.

## 2. Holding Company

The parent company of Bata Pakistan Limited is Bafin B. V. situated in Nederland, whereas the ultimate parent entity is Compass Limited, Bermuda.

## 3. Financial results

A brief financial analysis is presented as under:

Operating Results	2021	2020	Increase / (Decrease)
	Amount in ('000's)		
Turnover	17,845,728	15,084,541	18.30%
Net Turnover	13,983,497	11,710,771	19.41%
Gross Profit	6,475,390	4,370,967	48.15%
Gross Profit %	46.31%	37.32%	8.98%
Distribution Costs	4,004,374	3,749,248	6.80%
Administrative Expenses	1,130,745	1,113,188	1.58%
Operating Profit	1,525,927	(106,928)	1527.06%
Profit After Tax	546,089	(627,345)	187.05%
Earnings per Share - Rupees	72.23	(82.98)	187.05%

## 4. Financial Results and Developments

The Company's business achieved net turnover of Rs. 13.983 billion showing a growth of 19% over last year. The gross profit was recorded at Rs. 6.475 billion against last year of Rs. 4.371 billion. Operating profit was Rs. 1.526 billion against Operating loss of Rs. 106.928 million of last year. Profit after taxation was Rs. 546.089 million compared to Loss after tax of Rs. 627.345 million of last year. The Company achieved earnings per share of Rs. 72.23 against Loss per share of Rs. 82.98 of last year.

Our retail division continues to grow with the current setup along with the new stores and achieved a growth of 21%. In order to sustain this growth and to provide friendly and modern atmosphere in the stores, an amount of Rs. 38 million has been spent to open new stores and to renovate existing stores at key business locations. Much of the expansion was focused on our modern format of stores concept.

The Company has an effective cash flow management system in place whereby cash inflows and outflows are projected on regular basis. The profit on short term investments and bank deposits along with income/discounts from early payment to suppliers was Rs. 115.171 million. The Board is satisfied that there are no short or long term financial constraints at the close of the year.

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to June 30, 2022.

If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment. Since the Company had

already applied the original practical expedient, therefore, it continues to apply it. As a result the Company has accounted for rent concessions amounting to Rs. 172.351 million (2020: Rs. 376.280 million) as 'other income' (note 37) in the financial statements.

The growth of our business is highly dependent on the skills imparted to our personnel through sound training. The Company has invested a considerable time and money on human resource during the period to acquire latest developments in the field of technology and business administration. This would be the ongoing process for future periods. Training of our employees has always been considered as an investment for the future with the objective to provide them with safe and healthy working environment.

## 5. Earning per share

Earning per share for the year ended December 31, 2021 was Rs. 72.23 as against Loss per share of Rs. 82.98 of the preceding year.

## 6. Appropriation of Profit

The financial results of the Company are as under:

	Year ended December 31, 2021
	Rs. ('000)
Profit before taxation	807,279
Less: Provision for taxation	
Current	186,714
Prior years	(14,543)
Deferred	89,019
	261,190
Profit after tax	546,089
Unappropriated profit brought forward from last year	(660,484)
Experience adjustments - Employee Benefits	(3,267)
Profit available for appropriations	(117,662)
Interim dividend 2021 @ Rs. 100.00 per share	(756,000)
Final dividend 2021 @ Rs. 00.00 per share	—
Transfer to general reserve	—
	(756,000)
Unappropriated profit carried forward	(873,662)

The directors in their meeting held on March 02, 2022 have also proposed a final cash dividend Rs 0.00 per share (2020: Final dividend Rs. 00.00 per share).

## 7. Principal Risk and Uncertainties

The Company is exposed to certain inherent risks and uncertainties. However, we consider the following as key risks:

- Significant competition in our product categories;
- Adverse movement in foreign exchange rates and commodity prices; and
- Litigation risks involving significant cases against the company.

The Company works with internal and external stakeholders to mitigate/reduce to acceptable level the likely impacts of aforesaid risks.

## 8. Corporate Social Responsibility

"A Water Filtration Plant was built at Ghurki Teaching Hospital Lahore in order to provide clean & safe drinking water for the patients and their attendants. Donated 1328 pairs of shoes to the underprivileged children studying in different schools. 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 inspired our employees and their children. Celebrated Independence Day with the children of a local school and distributed gifts amongst them. Donated 1513 pairs of shoes to the orphan / abandoned children living in SOS Villages. Furnished a classroom in Mumtaz Girls High School Lahore and distributed uniforms and sweaters to 250 students.



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 against diabetes, cholesterol, uric acid and Hepatitis B & C.

## **9. Environmental Impact**

In order to impart our role for better environment, we planted more than 2,700 trees / saplings at Batapur and Branch Factory Maraka

## **10. Future Outlook**

Despite the tough economic environment especially slow down in economy and high inflation, Company remains fully committed and optimistic about the future growth of the business where it try to present best products along with excellent shopping experience to its customers.

## **11. Internal Financial Controls**

The Directors and management are responsible for the Company's system of internal controls and for reviewing annually its effectiveness in providing shareholders with a return on their investments that is consistent with a responsible assessment and management of risks. This includes reviewing financial, operational and compliance controls and risk management procedures and their effectiveness. The Directors have completed their annual review and assessment for the year ended December 31, 2021.

The Board and Audit Committee regularly review reports of the internal audit function of the Company related to the Company's control framework in order to satisfy the internal control requirements. The Company's internal audit function performs reviews of the integrity and effectiveness of control activities and provides regular reports to the Audit Committee and the Board.

## **12. Compliance with Listed Companies (Code Of Corporate Governance) Regulations, 2019 (the Regulations)**

The requirements of the Regulations relevant for the year ended December 31, 2021 have been adopted by the Company and have been fully complied with. A statement to this effect is annexed to the Report.

## **13. Corporate and Financial Reporting Framework**

The Directors of your company state that:

- a) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and International Financial Reporting Standards, as applicable in Pakistan. These statements present fairly the Company's state of affairs, the results of its operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accordingly estimates are based on reasonable and prudent judgment. Change in accounting policy, if any has been adequately disclosed.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- e) The system of internal controls is sound in design and has been effectively implemented and is being consistently reviewed by the internal audit department.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as detailed in listing regulations of Pakistan Stock Exchange.
- h) Key operating and financial data of last six years is annexed to this report.
- i) Information about taxes and levies outstanding as at December 31, 2021 is given in the notes to the annexed financial statements.
- j) The valuation of investment made by the Provident Fund Trust Rs. 1.300 billion as on December 31, 2021 as per audited accounts.
- k) No trading in the shares of the Company was carried out by the Directors, CEO, CFO and Company Secretary, their spouses and minor children.

## 14. Composition of Board

The board consists of eight (08) male and one (01) female directors with following composition:

Independent directors *	3
Other non-executive directors	3
Executive directors	3

\* This includes one female director

The Board held six (6) meetings during the year. Attendance by each Director was as follows:

Directors' Name		Meetings Attended	Eligible to attend
Mr. Roberto Longo (Chairman of the Board)	Non - Executive Director	5	6
Mr. Muhammad Imran Malik	Executive Director	6	6
Mr. Amjad Farooq	Executive Director	6	6
Mr. Syed Asad Ali Zaidi	Executive Director	5	6
Mr. Toh Guan Kiat	Non - Executive Director	6	6
Mr. Aamir Amin	Non - Executive Director	6	6
Mr. Muhammad Maqbool	Independent Director	6	6
Mr. Kamal Monnoo	Independent Director	5	6
Ms. Fatima Asad Khan	Independent Director	5	6

Leave of absence was granted to directors who could not attend some of the Board meetings.

Mr. Hafiz Mudassar Hassan Kamran resigned from the position as Company Secretary and Ms. Mahnoor Ather was appointed as Company Secretary of the Company.

The Company has already met the criteria specified in the Regulations till December 31, 2021 pertaining to Directors' training program. Therefore, no such training program was conducted during the year.

## 15. Remuneration of Directors and Chief Executive

The Company shall not pay remuneration to its non-executive directors including independent directors except for meeting fee for attending Board and its Committees meetings. The Company will reimburse or incur expenses of travelling and accommodation of Directors in relation to attending of Board and its Committees meetings. The Directors' Policy will be reviewed and approved by the Board of Directors from time to time. Details of aggregate amount of remuneration separately of chief executive, executive directors and non-executive directors, including salary/fee, perquisites, benefits and performance-linked incentives are disclosed in note 43 of the financial statements.

## 16. Audit Committee

The Audit Committee held four (4) quarterly meetings during the year. Attendance by each member was as follows:

		Meetings Attended	Eligible to attend
Mr. Muhammad Maqbool	Chairman	4	4
Mr. Roberto Longo	Member	1	4
Mr. Aamir Amin	Member	4	4
Mr. Toh Guan Kiat	Member	4	4

Mr. Hafiz Mudassar Hassan Kamran resigned from the position as Secretary Audit Committee and Ms. Mahnoor Ather was appointed as Secretary Audit Committee of the Company.

The Audit Committee reviewed the quarterly, half yearly and annual financial statements before submission to the Board and their publication. CFO, Head of Internal Audit and a representative of external auditors attended the meetings where issues relating to accounts and audit were discussed. The Audit Committee also reviewed internal audit findings and held separate meetings with internal and external auditors as required under the Listed Companies (Code Of Corporate Governance) Regulations, 2019 (the Regulations). The Audit Committee also discussed with the external auditors their letter to the management. Related party transactions were also placed before the Audit Committee prior to approval of the Board.

## 17. Human Resource and Remuneration Committee

The HR Committee held Four (04) meetings during the year. Attendance by each member was as follows:

		Meetings Attended	Eligible to attend
Ms. Fatima Asad Khan	Chairperson	4	4
Mr. Muhammad Imran Malik	Member	4	4
Mr. Toh Guan Kiat	Member	4	4

Mr. Hafiz Mudassar Hassan Kamran resigned from the position as Secretary Human Resource and Remuneration Committee and Mr. Muhammad Anwar Siddiqui was appointed as Secretary Human Resource and Remuneration Committee of the Company.

## 18. Auditors

The present Auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants retire and offer themselves for re-appointment. The Board of Directors, on recommendation of Audit Committee, proposes the re-appointment of Messrs. A.F. Ferguson & Co., Chartered Accountants, for the year ending December 31, 2021.

## 19. The Pattern of Shareholding

The pattern of shareholding as on December 31, 2021 and its disclosure according to the requirement of Listed Companies (Code Of Corporate Governance) Regulations, 2019 (the Regulations) is annexed to this report.

## 20. Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of directors' report.

## 21. Related Party Transactions

The transactions with the related parties and associated undertakings were placed before Audit Committee and upon its recommendations were approved by the Board of Directors.

## 22. Acknowledgement

We take this opportunity to express our gratitude and appreciation to our customers for their confidence in our products, our employees for their efforts and all other stakeholders for their continued support.

On behalf of the  
BOARD OF DIRECTORS

Place: Batapur, Lahore  
Date: March 02, 2022



DIRECTOR



MUHAMMAD IMRAN MALIK  
CHIEF EXECUTIVE



## 17- افرادی قوت اور معاوضہ کمیٹی:

اس سال ایچ آر کمیٹی نے 4 میٹنگز کا انعقاد کیا جس میں ہر ممبر کی حاضری درج ذیل رہی:

ڈائریکٹر کا نام	میٹنگ میں شرکت	شرکت کے لیے اہل
فاطمہ اسد خان	4	4
محمد عمران ملک	4	4
توہ گوآن کیات	4	4

حافظ مدثر حسن نے بطور سیکرٹری ہیومن ریسورس اینڈ ریمو ریشن کمیٹی اپنی پوزیشن سے استعفیٰ دے دیا جبکہ محمد انور صدیقی کو سیکرٹری ہیومن ریسورس اینڈ ریمو ریشن کمیٹی کی حیثیت سے پابند کر لیا گیا ہے۔

## 18- آڈیٹرز

موجودہ آڈیٹرز میسرز اے۔ ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہوئے اور انہیں دوبارہ تعیناتی کی پیشکش کی گئی۔ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے میسرز اے۔ ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو دوبارہ تعینات کیا گیا۔

## 19- شئیر ہولڈنگ کا پیٹرن:

لیڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (دی ریگولیشن) کے مطابق 31 دسمبر 2021 اور اس کی وضاحت، پیٹرن آف شئیر ہولڈنگ اس رپورٹ کے ساتھ منسلک ہے۔

## 20- مابعد واقعات:

مالی سال کے اختتام کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی تبدیلیاں رونما نہیں ہوئیں جس سے ان فنانشل اسٹیٹمنٹس یا ڈائریکٹر رپورٹ سے کوئی تعلق ہو۔

## 21- متعلقہ پارٹی لین دین:

متعلقہ پارٹیز کے ساتھ ٹرانزیکشنز اور منسلکہ انڈریٹنگز آڈٹ کمیٹی کے سامنے رکھی گئیں اور ان کی سفارشات پر بورڈ آف ڈائریکٹرز کی جانب سے منظور کی گئیں۔

## 22- اعتراف:

ہم اپنی مصنوعات پر اپنے شراکت داروں اور صارفین کے اعتماد کا، اپنے ملازمین کی انتھک محنت اور تمام اسٹیک ہولڈرز کے بے مثل ساتھ کا شکریہ ادا کرتے ہیں۔

منجانب

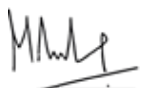
بورڈ آف ڈائریکٹرز

مقام: بانٹا پور لاہور

مورخہ: 02 مارچ 2022ء



ڈائریکٹر



محمد عمران ملک

چیف ایگزیکٹو

سال بھر میں بورڈ کے چھ اجلاس منعقد ہوئے، ہر ایک ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹر کا نام		میٹنگ میں شرکت	شرکت کے لیے اہل
روبرٹو لاگو (چیرمین آف دی بورڈ)	نان ایگزیکٹو ڈائریکٹر	5	6
محمد عمران ملک	ایگزیکٹو ڈائریکٹر	6	6
امجد فاروق	ایگزیکٹو ڈائریکٹر	6	6
سید اسد علی زیدی	ایگزیکٹو ڈائریکٹر	5	6
توہ گوآن کیات	نان ایگزیکٹو ڈائریکٹر	6	6
عامر امین	نان ایگزیکٹو ڈائریکٹر	6	6
محمد مقبول	انڈیپنڈنٹ ڈائریکٹر	6	6
کمال منو	انڈیپنڈنٹ ڈائریکٹر	5	6
فاطمہ اسد خان	انڈیپنڈنٹ ڈائریکٹر	5	6

ان ڈائریکٹرز کی عدم شرکت پر ان کو رخصت دی گئی جو کسی ایک بورڈ میٹنگ میں شرکت نہیں کر سکے۔

حافظ مدثر حسن نے کمپنی سیکرٹری کی حیثیت سے اپنی پوزیشن سے استعفیٰ دے دیا جبکہ ماہ نور اطہر کو کمپنی کی کمپنی سیکرٹری حیثیت سے اپائنٹ کر لیا گیا ہے۔

ڈائریکٹرز کی ٹریننگ کے پروگرام سے متعلق 31 دسمبر 2021 تک ریگولیشنز میں درج کردہ معیار پر پہلے ہی پورا اتر چکی ہے۔ اسی لیے رواں سال کے دوران ایسا کوئی ٹریننگ پروگرام منعقد نہیں ہوا۔

#### 15- ڈائریکٹرز اور چیف ایگزیکٹو کا معاوضہ:

بورڈ اور اس کی کمیٹیوں کی میٹنگز میں شرکت کے لیے میٹنگ فیس کے علاوہ، کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز بشمول انڈیپنڈنٹ ڈائریکٹرز کو کوئی معاوضہ نہیں دے گی۔ بورڈ اور اس کی میٹنگز میں شرکت سے متعلق سفر اور رہائش کی مد میں معاوضہ دیا جائے گا۔ بورڈ آف ڈائریکٹرز کی جانب سے وقفہ وقتاً ڈائریکٹرز پالیسی پر نظر ثانی اور منظوری دی جائے گی۔ مجموعی رقم کی تفصیلات علیحدہ علیحدہ چیف ایگزیکٹو، ایگزیکٹو، نان ایگزیکٹو ڈائریکٹرز بشمول تنخواہ/فیس، فوائد، اجازت نامے اور کارکردگی سے منسلک اضافی فوائد کا نوٹ 43 فنانشل اسٹیٹمنٹس میں ظاہر کیے گئے ہیں۔

#### 16- آڈٹ کمیٹی:

آڈٹ کمیٹی نے اس سال 4 سہ ماہی میٹنگز کا انعقاد کیا۔ ہر ممبر کی حاضری درج ذیل کے مطابق رہی:

ڈائریکٹر کا نام		میٹنگ میں شرکت	شرکت کے لیے اہل
محمد مقبول	چیرمین	4	4
روبرٹو لاگو	ممبر	1	4
عامر امین	ممبر	4	4
توہ گوآن کیات	ممبر	4	4

حافظ مدثر حسن نے بطور سیکرٹری آڈٹ کمیٹی اپنی پوزیشن سے استعفیٰ دے دیا جبکہ ماہ نور اطہر کو کمپنی کی سیکرٹری آڈٹ کمیٹی کی حیثیت سے اپائنٹ کر لیا گیا ہے۔

آڈٹ کمیٹی نے بورڈ کو جمع کروانے اور اس کی پہلیکشن سے پہلے سہ ماہی، ششماہی اور سالانہ فنانشل اسٹیٹمنٹس کا جائزہ لیا ہے۔ سی ایف او، ہیڈ آف انٹرنل آڈٹ اور ایکسٹرنل آڈیٹرز کے ایک نمائندے نے شرکت کی جس میں اکاؤنٹس اور آڈٹ سے متعلق مسائل پر بات چیت ہوئی۔ آڈٹ کمیٹی نے انٹرنل آڈٹ فنانڈنگز کا جائزہ لیا اور انٹرنل اور ایکسٹرنل آڈیٹرز کے ساتھ الگ الگ میٹنگز کیں جیسا کہ سیکشن 2(کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (دی ریگولیشنز) میں درج ہیں۔ آڈٹ کمیٹی نے ایکسٹرنل آڈیٹرز کے ساتھ ان کے خط میٹمنٹ پر بات کی۔ بورڈ کی منظوری سے قبل آڈٹ کمیٹی کے سامنے متعلقہ پارٹی کی ٹرانزیکشنز بھی رکھی گئیں۔

## 11- اندرونی مالیاتی کنٹرول:

ڈائریکٹرز اور مینجمنٹ، کمپنی کے انٹرئل کنٹرولز کے سسٹم اور سالانہ جائزہ کے ذمہ دار ہیں۔ اس میں شیئر ہولڈرز کو ان کی گئی سرمایہ کاری پر ملنے والے منافع کی مسلسل فراہمی کے جائزے اور رسک مینجمنٹ کے ذمہ دار ہیں۔ اس کے علاوہ مالیاتی جائزہ، آپریشنل کمپلائنس کنٹرول اینڈ رسک مینجمنٹ پراجیکٹس اور ان کی اثر اندازی بھی اس میں شامل ہے۔ ڈائریکٹرز نے 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے اپنا سالانہ جائزہ مکمل کر لیا ہے۔

بورڈ اور آڈٹ کمیٹی کی جانب سے، اندرونی کنٹرول کی ضروریات کو پورا کرنے کے لیے کمپنی کے فریم ورک سے متعلق کمپنی کے انٹرئل آڈٹ فنکشن کی رپورٹس کا باقاعدہ جائزہ لیا جاتا ہے۔ کمپنی کا انٹرئل آڈٹ فنکشن، کنٹرول سرگرمیوں کے موثر ہونے کا جائزہ لیتا ہے اور آڈٹ کمیٹی اور بورڈ کو باقاعدہ رپورٹس فراہم کرتا ہے۔

## 12- اندراج شدہ کمپنیوں کے ساتھ کمپلائنس (کوڈ آف کارپوریٹ گورننس) 2019 (دی ریگولیشن):

31 دسمبر 2021 کو ختم ہونے والے سال کے لیے متعلقہ ریگولیشنز کی ضروریات کو کمپنی کی جانب سے اپنایا گیا ہے اور اس کی مکمل طور پر تعمیل کی گئی ہے۔ اس حوالے سے بیان رپورٹ کے ساتھ منسلک ہے۔

## 13- کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:

آپ کی کمپنی کے ڈائریکٹرز بیان کرتے ہیں:

(اے) نوٹس کے ساتھ مالیاتی جائزہ کمپنیز ایکٹ 2017 اور انٹرپرائز فنانشل رپورٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہیں، سے مطابقت رکھتے ہوئے تیار کی ہے۔ یہ اسٹیمٹس، کمپنی کے معاملات، آپریشنز کے نتائج، کیش فلو، اور ایکویٹی میں تبدیلیوں کو منصفانہ طریقے سے پیش کرتی ہیں۔

(بی) کمپنی کے اکاؤنٹس کے باقاعدہ کھاتے بنائے گئے ہیں۔

(سی) فنانشل اسٹیمٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیز پر عمل درآمد کیا جاتا رہا ہے اور اسی طرح تخمینے معقول اور محتاط فیصلوں کی بنیاد پر لگائے گئے ہیں۔ اکاؤنٹنگ پالیسی میں تبدیلی، اگر کوئی ہے، تو مناسب طریقے سے ظاہر کی گئی ہے۔

(ڈی) فنانشل اسٹیمٹس کی تیاری میں انٹرپرائز فنانشل رپورٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہیں، پر عمل کیا گیا ہے۔

(ای) انٹرئل کنٹرولز کے سسٹم ڈیزائن میں مضبوط ہیں اور موثر انداز میں لاگو کیے گئے ہیں اور ان کا انٹرئل آڈٹ ڈیپارٹمنٹ کی جانب سے مسلسل جائزہ لیا گیا ہے۔

(ایف) کمپنی کی اہلیت پر کسی قسم کے کوئی خدشات نہیں ہیں۔

(جی) ریگولیشنز آف پاکستان اسٹاک ایکسچینج میں درج شدہ تفصیلات کے مطابق کارپوریٹ گورننس پر بہترین عمل درآمد میں کوئی کمی نہیں آئی۔

(ایچ) گزشتہ چھ سال کا آپریٹنگ اور فنانشل ڈیٹا رپورٹ کے ساتھ منسلک ہے۔

(آئی) فنانشل اسٹیمٹس کے ساتھ منسلک نوٹس میں 31 دسمبر 2021 تک کی لیویز اور ٹیکسز سے متعلق معلومات دی گئی ہیں۔

(جے) آڈٹ شدہ اکاؤنٹس کے مطابق 31 دسمبر 2021 تک 1,300 ملین روپے کے پروویڈنٹ فنڈ ٹرسٹ کی جانب سے سرمایہ کاری کا جائزہ۔

(کے) کمپنی کے ڈائریکٹرز، سی ای او، سی ایف او اور کمپنی سیکرٹری، ان کے اہل و عیال، چھوٹے بچوں کی جانب سے کمپنی کے شیئرز کی کوئی ٹریڈنگ نہیں ہوئی۔

## 16- بورڈ کی تشکیل:

درج ذیل کمپوزیشن کے ساتھ بورڈ 8 مرد اور 1 خاتون ڈائریکٹر پر مشتمل ہے:

آزاد ڈائریکٹرز	3
دیگر نان ایگزیکٹو ڈائریکٹرز	3
ایگزیکٹو ڈائریکٹرز	3

اس میں ایک خاتون ڈائریکٹر شامل ہیں۔

(756,000)
-
-

عبوری منافع 2021، بحساب 100.00 روپے فی شیئر  
حتمی منافع 2021، بحساب 00.00 روپے فی شیئر  
عمومی ریزرو میں منتقلی

(756,000)

(873,662)

اگلے سال میں لے جانے والا غیر اختصا صی منافع

ڈائریکٹرز نے 02 مارچ 2022ء کو ہونے والے اجلاس میں حتمی منافع 0.00 روپے فی شیئر (Final dividend Rs.00.00 per share) کے حساب سے دینے کی تجویز بھی دی۔

#### 7- خطرات اور غیر یقینی صورتحال

کمپنی کو کچھ خدشات اور خطرات کا سامنا ہے۔ تاہم درج ذیل خطرات قابل غور ہیں:

- ہماری مصنوعات کی کیٹگری میں سخت مقابلہ
- غیر ملکی ذریعہبادلہ اور اشیاء کی قیمتوں میں ردوبدل
- کمپنی کے خلاف مقدمات کے خدشات

اوپر بیان کردہ خدشات اور خطرات کے اثرات کو کم کرنے کے لیے کمپنی مختلف انٹرنل اور ایکسٹرنل اسٹریٹجی ہولڈرز کے ساتھ مل کر کام کر رہی ہے۔

#### 8- کارپوریٹ سماجی ذمہ داری

گھر کی ٹیچنگ ہسپتال لاہور میں ایک وائفلٹریشن پلانٹ لگایا گیا تاکہ ہسپتال میں آنے والے مریضوں اور ان کے تیار داروں کو صاف ستھرا اور صحت بخش پانی پینے کو مل سکے۔ مختلف اسکولز میں پڑھنے والے مستحق بچوں میں 1328 جوتوں کے جوڑے عطیہ کیے گئے۔ مختلف اسکولز میں پڑھنے والے 650 بچوں میں کتابیں اور یونیفارمز تقسیم کیے گئے۔ سازگار اور صحت مند ماحول کی ترغیب دینے کے لیے "گو گرین" (شجر کاری مہم) کا اہتمام کیا گیا جس سے ہمارے ملازمین اور ان کے بچوں نے ترغیب حاصل کی اور سرسبز پاکستان کے لیے اپنا حصہ ڈالا۔ مقامی اسکول کے بچوں کے ساتھ جشن آزادی منایا گیا اور بچوں میں انعامات تقسیم کیے گئے۔ ایس او ایس ویلچر اور یتیم خانوں میں 1513 جوتوں کے جوڑے عطیہ کیے گئے۔ ممتاز گرلز ہائی اسکول لاہور میں ایک کلاس روم کوفرنشڈ کیا گیا اور 250 اسٹوڈنٹس میں یونیفارم اور سوئیٹرز بانٹے گئے۔

اپنے ملازمین کی صحت و تندرستی کو سب سے اہم گردانتے ہوئے ہم نے بٹا پور اور مارکہ میں ویکسینیشن کیسپس کا انعقاد کیا جہاں 727 ملازمین اور ان کے اہل خانہ نے ویکسین لگوائی۔ پولیو سے بچاؤ کی مہم کے حوالے سے ہم نے بٹا پور اسپینسری میں ایک امیونیزیشن کیمپ کا انعقاد کیا اور ساتھ ہی بٹا پور ہائش کالونی میں ڈورٹوڈور پولیو ویکسینیشن ڈرائیو کا اہتمام کیا گیا جہاں پانچ سال سے کم عمر تک کے 224 بچوں کو پولیو ویکسین کے قطرے پلائے گئے۔

بٹا کالونی نمبر 3 میں بلڈ اسکریننگ کیمپ کا اہتمام کیا گیا جہاں ہماری میڈیکل ٹیم نے 500 بچوں، ان کے والدین اور مقامی لوگوں کے خون کے نمونے حاصل کیے اور شوگر، کولیسٹرول، یورک ایسڈ اور ہیپاٹائٹس بی اور سی کے ٹیسٹ کیے گئے۔

#### 9- ماحولیاتی اثرات:

بہتر ماحول کے حصول کے لیے ہم نے بٹا پور اور براؤنچ فیکٹری مارکہ میں 2,700 سے زائد درخت اور پودے لگائے۔

#### 10- مستقبل کا لائحہ عمل:

سخت معاشی ماحول خصوصاً معیشت میں سست روی اور افراط زر میں کمی کے باوجود، کمپنی مستقبل میں کاروبار کے حوالے سے پُر عزم ہے اور پُر امید ہے کہ وہ اپنے صارفین کو بہترین خریداری کے تجربے کے ساتھ ساتھ بہترین اور معیاری پروڈکٹس کی فراہمی کو ہر ممکن یقینی بنائے گی۔

کوویڈ-۱۹ عالمی وبا کے نتائج کی وجہ سے لیز زکوہ ریٹ میں رعایت دی گئی جو کہ ادا نیکیوں میں تاخیر مقررہ وقت کے بعد ادا نیگی کی چھوٹ کی صورت میں دی گئی۔ مئی 2020 میں IASB نے IFRS 16 لیز میں ایک ترمیم کی جس سے لیز زکوہ ایک آپشن فراہم کیا گیا جس کے تحت ریٹ میں رعایت کے لیے اہل ہونے والوں کے ساتھ ویبائی رویہ اختیار کیا جائے گا جیسا کہ لیز میں کوئی ترمیم نہیں ہوئی۔ بہت سے کیسز میں ان کا نتیجہ بطور ریٹیل لیز پے منٹس، جس مدت کے لیے دی گئی تھی، رعایت کے لیے اکاؤنٹنگ کی صورت میں نکلے گا۔

عملی تجربات کا اطلاق کرنے والے اداروں کے لیے ضروری ہے کہ وہ اس کی حقیقت کو ظاہر کریں، کہ آیا تمام معاملات کے لیے مراعات کا اطلاق کیا گیا ہے اور یا نہیں، کنٹرولنگ کی نوعیت کے بارے میں معلومات فراہم کی جائیں، جس پر لاگو کیا گیا ہے، ساتھ ہی ساتھ کرایہ کی مد میں ہونے والے منافع اور نقصان کا حساب بھی ضروری ہے۔

یہ رعایت اصولی طور پر ان لیز پے منٹس پر لاگو تھی جو 30 جون 2021 تک یا اس سے پہلے واجب الادا تھی تاہم IASB نے کچھ وقت کے لیے اس رعایت کی مدت میں 30 جون 2022 تک کا اضافہ کر دیا ہے۔

اس ترمیم کے بعد ایک جیسی خصوصیات اور ایک جیسے حالات کے ساتھ تمام لیز معاہدوں کے لیے اگر ایک لیز پر پہلے ہی اور ریجنل پریکٹیکل ایکسپینڈنٹ کی مد میں رعایت کے لیے لاگو ہے تو ان کے لیے ضروری ہے کہ وہ لگاتار لاگو رہے۔ اگر کسی لیز لینے والے کی لیز کی اہل مراعات پر اور ریجنل پریکٹیکل ایکسپینڈنٹ کی مد میں رعایت لاگو نہیں تو وہ 2021 کی ترمیمی رعایت کے لیے بھی اہل نہیں ہے۔ جیسا کہ کمپنی نے پہلے ہی اور ریجنل پریکٹیکل ایکسپینڈنٹ لاگو کیا ہوا ہے، اسی لیے یہ لاگو رہے گا۔ اس کے نتیجے میں مالیاتی جائزے میں کمپنی نے ریٹ میں رعایت کو 172,351 ملین روپے جو کہ (2020: Rs. 376,280) ملین روپے بطور دیگر آمدنی (note 37) شمار کیا ہوا ہے۔

ہمارے کاروبار کی فروغ کا انحصار افرادی قوت کی بہترین تربیت اور مہارت پر ہوتا ہے۔ زیر جائزہ مدت میں ٹیکنالوجی اور برزنس ایڈمنسٹریشن کے شعبوں میں ہماری کمپنی نے افرادی قوت پر وقت اور رقم کی خاطر خواہ سرمایہ کاری کی ہے اور یہ عمل مستقبل میں بھی جاری رہے گا۔ ہمارے ملازمین کی تربیت ہمارے کامیاب مستقبل کے لیے بہترین سرمایہ کاری کا درجہ رکھتی ہے اور اس تربیت کے مقاصد میں ملازمین کو کام کرنے کی جگہ پر صحت مند اور محفوظ ماحول کی فراہمی بھی شامل ہے۔

## 5- فی شیئر کے حساب سے منافع:

گزشتہ سال کے 82.98 فی شیئر نقصان کے مقابلے میں 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے فی شیئر منافع 72.23 روپے ہے۔

## 6- نفع کا تخمینہ:

کمپنی کے مالی نتائج درج ذیل ہیں:

31 دسمبر 2021 سال کا اختتام

(000) روپے

807,279

186,714

(14,543)

89,019

261,190

546,089

(660,484)

(3,267)

(117,662)

ٹیکس سے پہلے منافع

کم: ٹیکس کی ادائیگی

موجودہ

گزشتہ سال

موخر کردہ

ٹیکس کے بعد منافع

گزشتہ سال سے آگے لایا جانے والا غیر اختصاصی منافع

ایکسچینج ایڈجسٹمنٹ۔ ملازم کے مفادات

اختصاص کے لیے دستیاب منافع

## ممبرز کے لیے ڈائریکٹرز کی رپورٹ

31 دسمبر 2021 کو ختم ہونے والے سال کے لیے کمپنی کا مالیاتی جائزہ اور یہ رپورٹ جمع کرواتے ہوئے ڈائریکٹرز مسرت محسوس کر رہے ہیں۔

### 1- بنیادی سرگرمی

کمپنی کی بنیادی سرگرمی یا بنیادی مقصد تمام اقسام کے جوتوں کی تیاری اور فروخت کرنے کے ساتھ ساتھ ان کے دیگر لوازمات اور ہوزری آئٹمز کی فروخت بھی شامل ہے۔

### 2- ہولڈنگ کمپنی

بٹا پاکستان لمیٹڈ کی صدر کمپنی (آبائی کمپنی) Bafin B. V. ہے جو نیدرلینڈز میں واقع ہے، جبکہ اس کو کنٹرول کرنے والا ادارہ Compass لمیٹڈ، برمودا میں موجود ہے۔

### 3- مالیاتی نتائج

مختصر مالیاتی جائزہ درج ذیل ہے:

عملی نتائج	2021	2020	اضافہ / کمی
	(رقم کا اندارج ہزاروں میں)		

آمدن	17,845,728	15,084,541	18.30 فیصد
خالص آمدن	13,983,497	11,710,771	19.41 فیصد
کل منافع	6,475,390	4,370,967	48.15 فیصد
کل منافع %	46.31%	37.32%	8.98 فیصد
ڈسٹری بیوٹن کی لاگت	4,004,374	3,749,248	6.80 فیصد
انتظامی اخراجات	1,130,745	1,113,188	1.58 فیصد
عملی منافع	1,525,927	(106,928)	1527.06 فیصد
منافع بعد از ٹیکس	546,089	(627,345)	187.05 فیصد
فی شیئر کے حساب سے آمدنی - روپے	72.23	(82.98)	187.05 فیصد

### 4- مالیاتی نتائج اور ترقی:

کمپنی نے مجموعی طور پر گزشتہ سال کی نسبت 19% اضافے کے ساتھ 13.983 ملین روپے کا کاروبار کیا۔ گزشتہ سال کے مجموعی منافع 4.371 ملین روپے کے مقابلے میں اس سال کل منافع 6.475 ملین روپے ریکارڈ کیا گیا۔ گزشتہ سال کے 1.526 ملین روپے کے آپریٹنگ منافع کے مقابلے میں آپریٹنگ نقصان 106.928 ملین روپے تھا۔ گزشتہ سال کے 627.345 ملین روپے بعد از ٹیکس کے مقابلے میں نقصان کے اس سال بعد از ٹیکس منافع کی شرح 546.089 ملین روپے رہی۔ گزشتہ سال کے 82.98 فی شیئر کے نقصان کے مقابلے میں اس سال کمپنی کی آمدنی میں 72.23 روپے فی شیئر کے حساب سے اضافہ دیکھنے میں آیا۔

ہمارے ریٹیل ڈیپوٹ نے اپنے موجودہ سیٹ اپ اور نئے اسٹورز کی بے مثال خدمات کے نتیجے میں 21% تک شاندار کامیابی حاصل کی اور اس میں مزید بہتری کی توقع کی جارہی ہے تاکہ اور شاندار نتائج حاصل کیے جاسکیں۔ اسٹورز پر اپنی اس کامیابی کو اور اپنی اس لگن کو جاری و ساری رکھنے اور دوستانہ ماحول کی فراہمی کو یقینی بنانے کے لیے 38 ملین روپے کا مخصوص بجٹ تجویز کر دیا گیا ہے جس کے تحت نئے اسٹورز کا قیام، اور اہم کاروباری مقامات پر موجود اسٹورز کی تزئین و آرائش کا کام ہمارے ماڈرن دور کی عکاسی کرتے اسٹورز فارمیٹ کے قیام کے عمل میں لایا جا رہا ہے۔

کمپنی نے کیش فلو اور آؤٹ فلو کے زیرِ تحت ہر پروجیکٹ کی مناسبت سے ریگولر کے حساب سے ایک مونیٹورنگ فلو مینجمنٹ سسٹم کی بنیاد ڈال رکھی ہے جس کے تحت سپلائرز کو قبل از وقت ادائیگی، بینک ڈپازٹس اور قلیل مدتی سرمایہ کاری پر منافع 115.171 ملین روپے تھا۔ بورڈ اس بات پر مطمئن ہے کہ سال کے اختتام پر کسی بھی قسم کی کوئی قلیل یا طویل مدتی مالیاتی رکاوٹیں نہیں ہیں۔



# Corporate Governance

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

**Name of Company: Bata Pakistan Limited**  
**Year ended: December 31, 2021**

The company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('Regulations') in the following manner:

1. The total number of directors are Nine (09) as per the following,-

- a) Male                Eight (08)
- b) Female            One (01)

2. The composition of the Board is as follows:

Category	Names
i. Independent directors	Mr. Muhammad Maqbool Mr. Kamal Monnoo Ms. Fatima Asad Khan
ii. Non-executive directors	Mr. Roberto Longo Mr. Toh Guan Kiat Mr. Aamir Amin
iii. Executive directors	Mr. Muhammad Imran Malik Mr. Amjad Farooq Mr. Syed Asad Ali Zaidi
iv. Female directors	Ms. Fatima Asad Khan

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The company has already met the criteria specified in the Regulations pertaining to Director's training program. Therefore, no such training program was conducted during the year.
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;



12. The Board has formed Committees comprising of members given below:

**a) Audit Committee**

1. Mr. Muhammad Maqbool (Chairman)
2. Mr. Roberto Longo
3. Mr. Aamir Amin
4. Mr. Toh Guan Kiat

**b) Human Resource and Remuneration Committee**

1. Ms. Fatima Asad Khan (Chairperson)
2. Mr. Muhammad Imran Malik
3. Mr. Toh Guan Kiat

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the Committees were as per following:

**a) Audit Committee**

Four quarterly meetings were held during the financial year ended December 31, 2021

**b) Human Resource and Remuneration Committee**

Four meetings were held during the financial year ended December 31, 2021

15. The Board has set up an effective internal audit function;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Batapur:  
LAHORE: March 02, 2022

**ROBERTO LONGO**  
CHAIRMAN

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# **Review Report**

## To The Members

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of **Bata Pakistan Limited**

**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

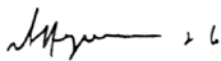
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Bata Pakistan Limited for the year ended December 31, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2021.



**A.F. Ferguson & Co.**  
**Chartered Accountants**

**Name of engagement partner: Amer Raza Mir**  
**Lahore**

**Date: April 01, 2022**

**UDIN: CR202110118i8vFtMo6z**

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*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
23-C, Aziz Avenue, Canal Bank, Gulberg-V, P.O.Box 39, Lahore-54660, Pakistan  
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**Bata**





MC  
MARIE CLAIRE

The background features abstract, overlapping red geometric shapes, including triangles and polygons, creating a modern and dynamic design. The shapes are in various shades of red, from a deep crimson to a lighter, more vibrant red.

# **Auditor's Report**

## To The Members



## INDEPENDENT AUDITOR'S REPORT

**To the members of Bata Pakistan Limited**

**Report on the Audit of the Financial Statements**

### Opinion

We have audited the annexed financial statements of Bata Pakistan Limited (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2021 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Contingent Taxation Liabilities (Refer notes 5.2 and 31.1 to the financial statements)</p> <p>The Company has contingent liabilities in respect of various income and sales tax matters, which are pending adjudication before the taxation authorities and the Courts of law.</p> <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income and sales tax, a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtained and examined details of the pending tax matters and discussed the same with the Company's management;</li> <li>Circularized confirmations to the Company's external tax advisors for their views on open tax assessments and matters. Furthermore, examined prior years' precedents of outcomes in favor of the Company at various forums related to matters under consideration which support the Company's stance;</li> <li>Examined correspondence of the Company with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved;</li> <li>Involved in-house tax specialists to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and external tax advisors engaged by the Company; and</li> <li>Assessed the adequacy and appropriateness of disclosures made in respect of such income and sales tax matters.</li> </ul>

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**Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

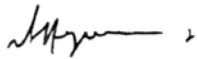
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Amer Raza Mir.



**A.F.Ferguson & Co.**  
**Chartered Accountants**

Lahore

Dated: April 01, 2022

UDIN: AR2021101183/4vc0jkD

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COLLECTION 2021



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**Bata**

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MEETS CLASSY**



*Surprisingly*  
**Bata**

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# Financial Statements



# STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Note	2021	2020
		(Rupees in '000)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,935,392	1,949,867
Right of use assets	7	3,427,313	3,685,232
Intangible assets	8	214,307	164,744
Long term investments	9	45,031	45,094
Long term deposits and prepayments	10	41,077	36,127
Deferred tax asset	11	434,129	521,813
		6,097,249	6,402,877
<b>CURRENT ASSETS</b>			
Stores and spare parts	12	–	–
Stock in trade	13	3,978,771	2,812,812
Trade debts - unsecured	14	973,880	1,385,617
Advances - unsecured	15	283,015	116,006
Trade deposits and short term prepayments	16	293,418	167,995
Other receivables	17	411,658	266,933
Interest accrued		5,781	3,340
Short term investments	18	1,100,000	1,950,000
Tax refunds due from Government	19	350,161	350,161
Cash and bank balances	20	2,108,570	549,740
		9,505,254	7,602,604
<b>TOTAL ASSETS</b>		15,602,503	14,005,481
<b>EQUITY AND LIABILITY</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital	21.1	100,000	100,000
Issued, subscribed and paid up capital	21.2	75,600	75,600
Reserves			
Capital reserve	22	483	483
Revenue reserves	23	6,083,338	6,296,516
		6,083,821	6,296,999
		6,159,421	6,372,599
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	24	3,500,649	3,602,826
Long term deposits	25	26,353	24,788
Deferred liability - employee benefits	26	61,992	68,592
Long term borrowing	27	47,222	53,516
		3,636,216	3,749,722
<b>CURRENT LIABILITIES</b>			
Current portion of lease liabilities	24	911,572	871,711
Current portion of long term borrowing	27	6,296	6,743
Trade and other payables	28	4,073,404	2,774,550
Short term borrowings	29	–	–
Provision for taxation		186,714	175,662
Unpaid dividend	30	568,587	–
Unclaimed dividend		60,293	54,494
		5,806,866	3,883,160
<b>CONTINGENCIES AND COMMITMENTS</b>	31		
<b>TOTAL EQUITY AND LIABILITIES</b>		15,602,503	14,005,481

The annexed notes 1 to 52 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021	2020
		(Rupees in '000)	
Sales	32	13,983,497	11,710,771
Cost of sales	33	(7,508,107)	(7,339,804)
Gross profit		6,475,390	4,370,967
Distribution cost	34	(4,004,374)	(3,749,248)
Administrative expenses	35	(1,130,745)	(1,113,188)
Other expenses	36	(130,097)	(88,743)
Other income	37	315,753	473,283
Finance costs	38	(718,648)	(801,120)
Profit / (loss) before taxation		807,279	(908,049)
Taxation	39	(261,190)	280,704
Profit / (loss) after taxation		546,089	(627,345)
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability - net of tax		(3,267)	8,955
Items that may be reclassified subsequently to profit or loss		–	–
Other comprehensive (loss) / income for the year		(3,267)	8,955
Total comprehensive income / (loss) for the year		542,822	(618,390)
Earnings / (loss) per share - basic and diluted (Rupees per share)	40	72.23	(82.98)

The annexed notes 1 to 52 form an integral part of these financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

	Share capital	Capital reserve	Revenue reserve		Total
			General reserve	Unappropriated profits / (losses)	
(Rupees in '000)					
Balance as at January 01, 2020	75,600	483	6,957,000	411,506	7,444,589
Total comprehensive loss for the year	–	–	–	(618,390)	(618,390)
Transactions with owners in their capacity as owners:					
Final dividend for 2019 @ Rs. 60.00 per share	–	–	–	(453,600)	(453,600)
Balance as at December 31, 2020	75,600	483	6,957,000	(660,484)	6,372,599
Total comprehensive income for the year	–	–	–	542,822	542,822
Transactions with owners in their capacity as owners:					
Interim dividend for 2021 @ Rs. 100.00 per share	–	–	–	(756,000)	(756,000)
Balance as at December 31, 2021	75,600	483	6,957,000	(873,662)	6,159,421

The annexed notes 1 to 52 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021	2020
CASH GENERATED FROM OPERATING ACTIVITIES		(Rupees in '000)	
Profit / (loss) before taxation		807,279	(908,049)
Adjustments for:			
Depreciation of property, plant & equipment	6.2	278,815	273,591
Depreciation of right of use assets	7	1,126,172	1,245,170
Amortization of intangible assets	8	31,888	256
Provision for gratuity	26.3	10,277	15,088
Loss on disposal of property, plant and equipment	6.5	9,554	60,202
Gain of settlement of leases on vacation of shops	37	(14,552)	(22,728)
Rent concessions received	37	(172,351)	(376,280)
Income from short term investments	37	(64,711)	(8,840)
Income from long term investments	37	(3,074)	(3,975)
Exchange loss	36	58,472	21,126
Interest / markup costs	38	670,982	764,573
Early payment discount on supplier invoices	37	(17,409)	(3,209)
(Reversal of) / charge of loss allowance of trade debts	34	(3,583)	274,046
Loss allowance of advances to suppliers	15	6,930	-
(Reversal of) / provision for slow moving and obsolete stock - net	13.4	(28,386)	70,368
Provision for / (reversal of) obsolescence of raw material - net	13.1	18,121	(1,687)
Reversal of provision for obsolescence of stores and spare parts - net	12.1	(2,651)	(2,427)
		1,904,494	2,305,274
Operating profit before working capital changes		2,711,773	1,397,225
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Stores and spare parts		2,651	2,967
Stock in trade		(1,155,694)	1,173,834
Trade debts - unsecured		415,320	961,599
Advances - unsecured		(173,939)	151,632
Trade deposits and short term prepayments		(125,423)	(133,254)
Other receivables		10,327	12,944
		(1,026,758)	2,169,722
Increase in current liabilities:			
Trade and other payables		1,254,823	33,793
Cash generated from operations		2,939,838	3,600,740
Interest / markup costs paid	38	(670,982)	(764,573)
Taxes paid	17.1	(316,171)	(198,481)
Gratuity paid	26.2	(21,479)	(17,360)
		(1,008,632)	(980,414)
(Increase) / decrease in long term deposits and prepayments		(3,385)	3,228
Net cash generated from operating activities		1,927,821	2,623,554
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(114,209)	(73,289)
Investment in capital work in progress	6.3	(174,190)	(346,011)
Acquisition of intangible assets		(81,451)	(120,672)
Proceeds from sale of property, plant and equipment	6.5	14,505	2,537
Decrease / (increase) in long term investments		63	(62)
Interest income received		65,344	10,699
Net cash used in investing activities		(289,938)	(526,798)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(181,614)	(453,786)
Long term borrowings obtained		-	60,259
Repayment of long term loan		(6,741)	-
Lease payments		(743,666)	(477,392)
Net cash used in financing activities		(932,021)	(870,919)
Net increase in cash and cash equivalents		705,862	1,225,837
Cash and cash equivalents at the beginning of the year		2,499,740	1,273,248
Effects of exchange rate changes on cash and cash equivalents		2,968	655
Cash and cash equivalents at the end of the year	42	3,208,570	2,499,740

The annexed notes 1 to 52 form an integral part of these financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 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 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, 6 in Balochistan, 14 in Islamabad Capital Territory, 2 in Gilgit Baltistan, 45 in Khyber Pakhtunkhwa, 302 in Punjab and 66 outlets in Sindh.

## 2 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 2.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

#### 2.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in current year or have been early adopted by the Company

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on or after January 01, 2021 but are considered not to be relevant to the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to June 30, 2022.

If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment. Since the Company had already applied the original practical expedient, therefore, it continues to apply it. As a result the Company has accounted for rent concessions amounting to Rs. 172.351 million (2020: Rs. 376.280 million) as 'other income' (note 37) in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2022 but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

### (a) Amendments to IAS 16, 'Property plant and equipment'

The amendment to IAS 16 Property, Plant and Equipment (PP&E), effective for accounting periods beginning on or after January 01, 2022, prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is testing whether the asset is functioning properly when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

### (b) Amendments to IAS 1, 'Classification of liabilities as current or non-current'

The narrow-scope amendments to IAS 1 Presentation of Financial Statements, effective for accounting periods beginning on or after January 01, 2023, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the settlement of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

### (c) Amendments to IAS 1 and IFRS 2 Practice Statement 2, 'Disclosure of Accounting Policies'

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The above mentioned amendments are effective for accounting periods beginning on or after January 01, 2023.

The Company is in the process of assessing the impact of these amendment on the Company's financial statements.

### (d) Amendments to IAS 8, 'Definition of Accounting Estimates'

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, effective for accounting periods beginning on or after January 01, 2023, clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

### (e) Amendments to IAS 12, 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

The amendments to IAS 12 Income Taxes, effective for accounting periods beginning on or after January 01, 2023, require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The Company is in the process of assessing the impact of these amendments on the Company's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 3 BASIS OF PREPARATION

### 3.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated.

### 3.2 Presentation currency

These financial statements are presented in Pak Rupee, which is the Company's functional currency. Figures have been rounded off to nearest thousand of Rupees, unless otherwise stated.

## 4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Company's significant accounting policies are stated in note 5. Not all of these significant accounting policies require management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies that management considers critical because of the complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- Measurement of employee benefits - Note 5.1.
- Provision for current taxation - Note 5.2.
- Useful lives and residual values of property, plant and equipment - Note 5.3.
- Use of discount rates and interpretation of lease terms - Note 5.4.1.
- Provision for obsolescence of stock in trade - Note 5.9.
- Loss allowance for doubtful debts - Note 5.17.1.

## 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 5.1 Employee Benefits

The main features of the schemes operated by the Company for its employees are as follows:

#### Defined Benefit Plan

The Company operates an un-funded gratuity scheme covering all employees, excluding managerial staff. The entitlement to gratuity is determined as follows:

- a) For employees, who are members of the provident fund scheme, the provision is calculated with reference to 3 weeks' basic salary for each completed year of service.
- b) For employees, who are not members of the provident fund scheme, provision is based on 30 days gross highest salaries / wages drawn during the year for each completed year of service.

Actuarial valuation of defined benefit scheme is conducted annually and the most recent valuation was carried out as of December 31, 2021 using projected unit credit method. The significant assumptions used are detailed in note 26.

The Company's policy with regard to experience gains and losses is to recognize them as they occur in other comprehensive income under IAS 19 'Employee Benefits'.

#### Defined Contribution Plan

The Company operates two recognized provident fund schemes that are defined contribution plans for all of its employees. Equal monthly contributions are made both by the Company and the employees to the Employees' Provident Fund and Managerial Staff Provident Fund at the rates of 8% and 10% of basic salary respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 5.2 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income as the case may be.

### Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Where there is uncertainty in income tax accounting i.e. when it is not probable that the tax authorities will accept the treatment, the impact of the uncertainty is measured and accounted for using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty. Such judgements are reassessed whenever circumstances have changed or there is new information that affects the judgements. Where, at the assessment stage, the taxation authorities have adopted a different tax treatment and the Company considers that the most likely outcome will be in favour of the Company, the amounts are shown as contingent liabilities. In making a judgment and / or estimate relating to probability of outcome, the management considers laws, statutory rules, regulations and their interpretations. Where, based on management's estimate, a provision is required, the same is recorded in the financial statements.

### Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items charged or credited to equity or other comprehensive income, in which case it is included in the statement of changes in equity or statement of other comprehensive income as the case may be.

## 5.3 Property, plant and equipment

Operating fixed assets except freehold land and leasehold land with superstructure are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land and leasehold land with superstructure is stated at cost less any identified impairment loss.

Depreciation is charged to the statement of profit or loss on the reducing balance method so as to write off the depreciable amount of an asset over its estimated useful life at annual rates mentioned in note 6.2 after taking into account their residual values.

The assets' useful lives and residual values are reviewed at each financial year end, and adjusted if impact on depreciation is significant. The Company's estimate of the residual value and useful life of its operating fixed assets as at December 31, 2021 has not required any adjustment.

Depreciation on additions is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is derecognized or retired from active use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit and loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2021

Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangible assets with a corresponding effect on the depreciation / amortization charge and impairment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in the statement of profit or loss.

### 5.4 Leases

The Company is both the lessor and the lessee.

#### 5.4.1 Lessee accounting

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For leases which are not short term (of a period less than twelve months) or of low monetary value, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses the recent third party financing received by the Company as a starting point, adjusted to reflect the changes in financing conditions since third party financing was received;
- uses expected terms of third party financing based on correspondence with the third party financial institutions, where third party financing was not received recently; and
- makes adjustments specific to the lease e.g. terms and security.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods covered by termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). While making this assessment, the Company considers significant penalties to terminate (or not extend) as well as the significant cost of business disruption.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit and loss if the carrying amount of right of use asset has been reduced to zero. The rent concessions received by the Company as a result of the COVID-19 Pandemic have been accounted for in accordance with the amendment to IFRS-16 as explained in note 2.2.1

The right of use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right of use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term and low value leases are recognised on a straight line basis as an expense in the statement of profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 5.4.2 Lessor accounting

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

## 5.5 Capital work in progress

All expenditure connected with specific assets incurred during installation and construction period and/or in transit are carried under capital work in progress. These are transferred to specific assets as and when assets are available for use. Capital work in progress is stated at cost, less any identified impairment loss.

## 5.6 Intangible assets

Expenditure incurred to acquire and develop the point of sale (POS) and computer software is capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to statement of profit and loss using the straight line method, so as to write off the cost of an asset over its estimated useful life. Amortization on additions is charged from the month in which an asset is acquired or capitalized while no amortization is charged in the month of disposal. Amortization is being charged at the annual rate of 33.33% on computer software and 25.00% on POS software, on straight line basis.

Useful lives of intangible operating assets are reviewed, at each date of statement of financial position and adjusted if the impact of amortization is significant.

The Company assesses at each reporting date whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit and loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

## 5.7 Investments

These represent investments with fixed maturity in respect of which Company has the positive intent and ability to hold till maturity. These are initially recognized at cost including transaction costs and are subsequently carried at amortized cost.

## 5.8 Stores and spare parts

These are valued at lower of weighted average cost or net realizable value except for items in transit which are stated at invoice value along with any other charges associated with buying the inventory for its intended use. The Company reviews the carrying amount of stores and spare parts on a regular basis for provision for obsolescence.

Provision for obsolescence of stores and spare parts is made on the basis of management's best estimate of usability of items and considering the ageing analysis prepared on an item by item basis.

## 5.9 Stock in trade

Stock in trade is valued at the lower of cost and estimated net realizable value. Cost is determined as follows:

Raw material		
Purchased	–	at weighted average cost
In transit	–	at actual cost
<b>Goods in process</b>	–	at production cost
<b>Finished goods</b>		
Own production	–	at production cost on first in first out (FIFO) basis.
Purchased	–	at actual cost on first in first out (FIFO) basis
In transit	–	at actual cost

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2021

Cost of work in process and finished goods comprises cost of direct materials, labor and related production overheads (based on normal operating capacity). Net realizable value is based on estimated selling price in the ordinary course of business less estimated cost to completion and estimated cost necessary to make the sale.

If the expected net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management's best estimate, considering the aging analysis prepared on an item by item basis.

### 5.10 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method. The credit period for wholesale customers of the company is normally 60 days.

Trade debts and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than one year past due (considered as default).

### 5.11 Contingencies and commitments

Contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- There is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Accounting policy in respect of contingent taxation liabilities is further elaborated in note 5.2.

### 5.12 Foreign currency transactions and translations

Transactions in foreign currencies are translated in Pakistan rupees (functional and presentation currency) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan rupees at the rates of exchange approximating those prevalent at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

### 5.13 Borrowings

Loans and borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance cost is accounted for on an accrual basis and is included in accrued finance cost to the extent of the amount remaining unpaid.

### 5.14 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

### 5.15 Revenue recognition

Revenue is recognised when performance obligations are satisfied by transferring control of a promised good to a customer and the control transfers at a point in time. Revenue is measured at fair value of the consideration received or receivable excluding discounts allowed to customers. A contract liability is recorded for advances received from customers against which performance obligations have not been satisfied.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2021

The Company operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. A contract liability for the award points is recognized at the time of the sale. Revenue is recognized when the points are redeemed or when they expire.

### 5.16 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, cheques in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less which form an integral part of the Company's cash management.

### 5.17 Financial Instruments

#### 5.17.1 Financial assets

In accordance with the requirements of IFRS 9, the Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### a) Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in statement of profit or loss.

#### b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Income from such assets are recognized directly in other comprehensive income.

#### c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in statement of profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the statement of profit or loss for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in statement of profit or loss. Dividends from such investments continue to be recognised in statement of profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to statement of profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

#### Impairment of financial assets

The Company assesses on a forward looking basis, the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The Company computes historical loss rates using the historical credit losses which are then adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. For trade debts, the Company applied the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company recognises in statement of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 5.17.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit or loss.

## 5.18 Trade and other payables

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## 5.19 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

## 5.20 Dividend and appropriation to reserves

Dividend and other appropriation to reserves are recognized in the financial statements in the period in which these are approved.

## 5.21 Operating segments

Operating segments are reported in a manner consistent with the internal reports issued to the chief operating decision-maker. The Chief Executive Officer has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments. Based on internal management reporting structure, the Company is organized into four operating segments:

- Retail: This segment includes information relating to sales made from retail stores of the Company.
- Wholesale: This segment includes information relating to sales made to distributors of the Company.
- Export: This segment includes information regarding the exports made by the Company to both associated undertakings and other customers.
- Others: All other sales of the Company including sales of grinders and wastages are included in this segment.

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing performance.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Note	2021	2020
		(Rupees in '000)	
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.2	1,911,223	1,904,351
Capital work in progress	6.3	24,169	45,516
		<u>1,935,392</u>	<u>1,949,867</u>

**6.1** Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Sr. No.	Usage of Immovable Property	Location	Total Area (Square Feet)
1	Factory Area	Batapur Factory Area	740,880
2	Residential Area	Batapur Residential Area	1,936,922
3	Sports Ground	Batapur, Sports Ground	407,758
4	Factory Area	Maraka Factory Area	353,160
5	Retail Store	Bata Bazar Batapur, Lahore	4,099
6	Retail Store	Mini Price Batapur, Lahore	3,900
7	Retail Store	Maraka II, Lahore	9,832
8	Retail Store	Aabpara Market Islamabad	1,800
9	Retail Store	Jinnah Road Murree	3,230
10	Retail Store	Kashmir Road Rawalpindi	3,402
11	Retail Store	Haji Building Rawalpindi	2,650
12	Retail Store	Amin Bazar Sargodha	1,144
13	Retail Store	Khushab	580
14	Retail Store	Saddar Bazar Mandi Bahauddin	1,120
15	Retail Store	G. T. Road I Gujranwala	521
16	Retail Store	Paisha Akbar Anarkali Lahore	1,580
17	Retail Store	Abdul Karim Road, Lahore	1,800
18	Retail Store	Moon Plaza Liberty Market, Lahore	559
19	Retail Store	Marie Claire Liberty Market, Lahore	750
20	Retail Store	Shadman Market, Lahore	919
21	Retail Store	Shahdara Lahore	522
22	Retail Store	Katchery Bazar Faisalabad	2,126
23	Retail Store	Liaquat Bazar Quetta	377
24	Retail Store	Frere Road Sukkur	645
25	Retail Store	Tariq Road I, Karachi	7,560
26	Retail Store	Tariq Road Bubble Gummer, Karachi	1,200
27	Retail Store	Shah Faisal Colony I, Karachi	753
28	Retail Store	Clifton Karachi	1,144
29	Retail Store	Pakistan Chowk Karachi	2,628
30	Retail Store	Preedy Street Karachi	4,440

## 6.2 Operating fixed assets

### Net carrying value basis

2,508	35	169,294	40,714	477,444	8,335	664	2,046	68,623	1,122,794	11,894	1,904,351
-	-	6,415	750	10,526	-	26	-	132,714	159,315	-	309,746
-	-	-	-	-	-	-	-	(10,100)	(13,858)	-	(24,059)
-	-	(17,132)	(2,059)	(48,100)	(833)	(68)	(204)	(32,651)	(175,389)	(2,379)	(278,815)
2,508	35	138,577	39,405	439,769	7,502	622	1,842	138,586	1,092,862	9,515	1,911,223
2,508	35	305,353	99,440	969,056	13,910	2,240	6,058	277,907	2,536,912	32,452	4,245,871
-	-	(146,776)	(60,035)	(529,287)	(6,408)	(1,618)	(4,216)	(119,321)	(1,444,050)	(22,937)	(2,334,648)
2,508	35	138,577	39,405	439,769	7,502	622	1,842	138,586	1,092,862	9,515	1,911,223
0%	0%	10%	5%	10%	10%	10%	10%	25%	15%	20%	
2,508	35	122,815	39,970	385,468	6,467	741	2,619	78,965	1,168,989	14,867	1,823,444
-	-	61,518	2,823	134,353	2,535	-	-	13,397	202,611	-	417,237
-	-	-	-	(436)	(667)	-	(318)	(2,109)	(59,876)	-	(62,739)
-	-	(15,039)	(2,079)	(41,941)	(667)	(77)	(255)	(21,630)	(188,930)	(2,973)	(273,591)
2,508	35	169,294	40,714	477,444	8,335	664	2,046	68,623	1,122,794	11,894	1,904,351
2,508	35	298,938	98,690	960,357	13,910	2,214	6,058	198,977	2,426,373	32,452	4,040,512
-	-	(129,644)	(57,976)	(482,913)	(5,575)	(1,550)	(4,012)	(130,354)	(1,303,579)	(20,558)	(2,136,161)
2,508	35	169,294	40,714	477,444	8,335	664	2,046	68,623	1,122,794	11,894	1,904,351
0%	0%	10%	5%	10%	10%	10%	10%	25%	15%	20%	

\* Freehold land represents the area of Batapur factory, Maraka factory and Peshawar land. Peshawar land is not saleable in the ordinary course of business.

\*\* Leasehold land represents a piece of land obtained from Capital Development Authority in 1965, measuring 1,800 square Feet situated in Islamabad.

### 6.2.1

The assets include furniture, fixtures & fittings and computers amounting to Rs. 125.175 million, which are in the name of the Company but are in possession of various business associates. These assets are provided under a contract, run operations of the retail shops to sell Company's merchandise exclusively.

### 6.3 Capital work-in-progress

2021			
	(Rupees in '000)		
Opening Balance	Additions	Transfers	Closing Balance
–	5,638	(5,638)	–
24,823	32,432	(55,318)	1,937
575	7,573	(6,883)	1,065
20,118	128,747	(127,698)	21,167
45,516	174,190	(195,537)	24,169
2020			
	(Rupees in '000)		
Opening Balance	Additions	Transfers	Closing Balance
47	59,505	(59,552)	–
1,833	172,330	(149,340)	24,823
41,448	93,107	(133,980)	575
125	21,069	(1,076)	20,118
43,453	246,011	(243,948)	45,516



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
<b>6.4 Allocation of depreciation expense</b>			
The depreciation charge for the year has been allocated as follows:			
Cost of sales	33.1	66,099	57,726
Distribution cost	34.4	199,364	200,694
Administrative expenses	35	13,352	15,171
		278,815	273,591

## 6.5 Disposal of property, plant and equipment

Description of assets	2021						Mode of disposal
	Particulars of Purchasers	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	
	(Rupees in '000)						
<b>Plant and machinery</b>							
Items having book value of less than Rs. 0.50 million each	Miscellaneous	1,827	1,726	101	893	792	Negotiation
<b>Computers</b>							
Items having book value of less than Rs. 0.50 million each	Miscellaneous	53,784	43,684	10,100	2,780	(7,320)	Negotiation / Scrapped
<b>Furniture, fixtures and fittings</b>							
Items having book value of less than Rs. 0.50 million each	Miscellaneous	48,776	34,918	13,858	10,832	(3,026)	Negotiation
		104,387	80,328	24,059	14,505	(9,554)	

Description of assets	2020						Mode of disposal
	Particulars of Purchasers	Original Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	
	(Rupees in '000)						
<b>Plant and machinery</b>							
Items having book value of less than Rs. 0.50 million each	Miscellaneous	4,767	4,330	437	1,104	667	Negotiation
<b>Office Equipment</b>							
Items having book value of less than Rs. 0.50 million each	Miscellaneous	1,221	905	316	2	(314)	Negotiation / Scrapped
<b>Computers</b>							
Items having book value of less than Rs. 0.50 million each	Miscellaneous	17,949	15,839	2,110	262	(1,848)	Negotiation
<b>Furniture, fixtures and fittings</b>							
Items having book value of less than Rs. 0.50 million each	Miscellaneous	134,076	74,200	59,876	1,169	(58,707)	Negotiation / Scrapped
		158,013	95,274	62,739	2,537	(60,202)	

6.5.1 The Company or any of its directors are not related to the purchasers.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 7 RIGHT OF USE ASSETS

This represents right of use assets (ROUA) obtained on lease. These are being depreciated on straight line basis over their lease term. Reconciliation of the carrying amount is as follows:

	2021	2020
	(Rupees in '000)	
<b>Cost</b>		
Opening balance as at January 01	6,055,680	5,677,794
Additions	293,088	352,116
Shops vacated during the year	(150,678)	(443,252)
Effect on ROUA due to renewals	725,843	469,022
Closing balance as at December 31	6,923,933	6,055,680
<b>Depreciation</b>		
Opening balance as at January 01	2,370,448	1,125,278
Charge for the year	1,126,172	1,245,170
Closing balance as at December 31	3,496,620	2,370,448
Book value as at December 31	3,427,313	3,685,232

7.1 The depreciation for the year on right of use asset has been charged to distribution cost as referred to in note 34.4.

## 8 INTANGIBLE ASSETS

Intangible assets - POS and computer software  
Capital work in process - computer software

Note

8.1

	2021	2020
	(Rupees in '000)	
	206,466	1,738
	7,841	163,006
	214,307	164,744

### 8.1 Net carrying value basis

#### Year ended December 31, 2021

Opening net book value (NBV)  
Additions (at cost)  
Amortization charge  
Closing net book value (NBV)

#### Gross carrying value basis

#### As at December 31, 2021

Cost  
Accumulated Amortization  
Net book value (NBV)

Amortization rate is 33.33% for computer software and 25.00% for POS software at retail stores.

#### Net carrying value basis

#### Year ended December 31, 2020

Opening net book value (NBV)  
Additions (at cost)  
Amortization charge  
Closing net book value (NBV)

#### Gross carrying value basis

	2021
	(Rupees in '000)
	1,738
	236,616
	(31,888)
	206,466
	275,402
	(68,936)
	206,466

	2020
	(Rupees in '000)
	41
	1,953
	(256)
	1,738

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## Gross carrying value basis

Year ended December 31, 2020

2020

(Rupees in '000)

## As at December 31, 2020

Cost	38,786
Accumulated Amortization	(37,048)
Net book value (NBV)	1,738

Amortization rate is 33.33% for computer software.

8.2 The amortization charge for the year has been allocated as follows:

	Note	2021	2020
		(Rupees in '000)	
Distribution cost	34	31,125	256
Administrative expenses	35	763	–
		31,888	256

8.3 The cost of fully amortized intangible assets which are still in use as at December 31, 2021 is Rs. 36.833 million (2020: Rs. 36.833 million).

## 9 LONG TERM INVESTMENTS

	Note	2021	2020
		(Rupees in '000)	
Term deposit receipts	9.1	45,031	45,094

9.1 The deposits include those earmarked against the balances due to employees held as securities as stated in note 25. These carry mark-up at the rate of 7.4% (2020: 6.5%) per annum. These have been invested in accordance with the provisions of Section 217 of the Companies Act, 2017.

## 10 LONG TERM DEPOSITS AND PREPAYMENTS

	Note	2021	2020
		(Rupees in '000)	
Security deposits	10.1	38,630	36,127
Prepaid rent	10.2	50,571	67,257
Less: adjustable within one year	16	(48,124)	(67,257)
		2,447	–
		41,077	36,127

10.1 Included in the amount of security deposits are securities given to landlords in respect of leases of shops.

10.2 Prepaid rent is amount paid in advance to the respective landlord in accordance with the terms of rent agreements of short term leases. It is adjusted with the rent payable in accordance with the terms of rent agreements.

## 11 DEFERRED TAX ASSET

The deferred tax asset comprises of temporary differences relating to:

	2021	2020
	(Rupees in '000)	
Accelerated tax depreciation	(1,114,565)	(1,198,896)
Lease liabilities	1,279,544	1,290,076
Deferred liability - employee benefits	17,978	19,843
Provision for stores and spare parts	9,356	10,124

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021	2020
		(Rupees in '000)	
Provision for stock in trade		21,833	29,848
Loss allowance on trade debts		40,449	90,342
Loss allowance on other receivables		1,572	1,572
Loss allowance on advances		2,010	–
Taxable loss carried forward		–	103,242
Minimum tax credit carried forward	11.2	94,305	175,662
Liabilities written back		81,647	434,129
		<u>434,129</u>	<u>521,813</u>
11.1 The gross movement in net deferred tax asset during the year is as follows:			
Opening balance		521,813	70,667
(Charged) / credited to statement of profit or loss		(89,019)	454,803
Credited / (charged) to other comprehensive income	11.3	1,335	(3,657)
Closing balance		<u>434,129</u>	<u>521,813</u>

11.2 This represents tax credits on minimum tax which can be carried forward till the year 2025.

11.3 This represents tax impact of remeasurement of defined benefit obligation recognized in other comprehensive income.

	Note	2021	2020
		(Rupees in '000)	
<b>12 STORES AND SPARE PARTS</b>			
Stores		2,400	2,719
Spare parts		29,861	32,193
		32,261	34,912
Less: provision for obsolescence	12.1	(32,261)	(34,912)
<b>12.1 Provision for obsolescence</b>			
Opening provision		34,912	37,339
Reversal for the year		(2,651)	(2,427)
Closing provision		32,261	34,912
<b>13 STOCK IN TRADE</b>			
Raw material			
In hand		374,340	259,653
In transit		6,236	1,170
		380,576	260,823
Less: provision for obsolescence of raw material	13.1	(10,623)	(9,878)
		369,953	250,945
<b>Goods in process</b>	13.2	35,192	40,540
<b>Finished goods</b>			
Own production		1,713,117	1,309,789
Purchased		1,925,172	1,304,587
	13.3	3,638,289	2,614,376
Less: provision for slow moving and obsolete items	13.4	(64,663)	(93,049)
		3,573,626	2,521,327
		3,978,771	2,812,812

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	(Rupees in '000)	
<b>13.1 Provision for obsolescence of raw materials</b>		
Opening provision	9,878	11,565
Charge for the year	18,121	–
Written off during the year	(17,376)	–
Reversal for the year	–	(1,687)
Closing provision	10,623	9,878

**13.2** Included in goods in process is stock held by third parties amounting to nil (2020: Rs. 12.672 million).

**13.3** Included in finished goods is stock held by third parties amounting to nil (2020: Rs. 459.816 million).

	Note	2021	2020
		(Rupees in '000)	
<b>13.4 Provision for slow moving and obsolete items</b>			
Opening provision		93,049	22,681
Charge for the year		–	70,368
Reversal for the year		(28,386)	–
Closing provision		64,663	93,049

## 14 TRADE DEBTS - UNSECURED

### Considered good

Due from customers	14.1	973,880	1,384,097
Due from associated undertakings	14.2	–	1,520
		973,880	1,385,617

### Considered doubtful

Due from customers		139,480	311,523
Less: loss allowance	14.3	(139,480)	(311,523)
		–	–
		973,880	1,385,617

**14.1** These customers have no recent history of default. For age analysis of these trade debts refer to note 44.2.3.

	2021	2020
	(Rupees in '000)	
<b>14.2 Due from associated undertakings - unsecured</b>		
Bata Shoe Singapore Pte Limited	–	1,520

**14.2.1** Maximum aggregate amount due from associated undertakings at the end of any month in the year was Rs. 2.639 million (2020: Rs. 6.931 million).  
No interest has been charged on the amounts due from associated undertakings.

**14.2.2** For age analysis of these trade debts refer to note 44.2.4.

	2021	2020
	(Rupees in '000)	
<b>14.3 Movement in loss allowance is as follows:</b>		
Opening provision	311,523	37,477
Charge for the year	1,760	274,046
Written off during the year	(168,460)	–
Reversals for the year	(5,343)	–
Closing provision	139,480	311,523

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021	2020
		(Rupees in '000)	
<b>15 ADVANCES - UNSECURED</b>			
Considered good, non-interest bearing			
Advances to suppliers		141,573	75,438
Letters of credit - margin		141,442	40,568
		283,015	116,006
Considered doubtful, non-interest bearing			
Advances to suppliers		6,930	–
Less: provision for doubtful advances	35.4	(6,930)	–
		–	–
		283,015	116,006
<b>16 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
<b>Deposits - Considered good, unsecured</b>			
Custom duty and taxes		23,811	3,620
Letters of guarantee - margin		129	129
Others		15,246	3,762
		39,186	7,511
<b>Short term prepayments</b>			
Prepaid rent	10	48,124	67,257
Prepaid sales tax		175,516	78,959
Other prepaid expenses		30,592	14,268
		254,232	160,484
		293,418	167,995
<b>17 OTHER RECEIVABLES</b>			
<b>Considered good - secured</b>			
Receivable from employees		8,747	19,747
Considered good - unsecured			
Export rebates		3,595	4,119
Insurance claims		13,648	10,006
Advance tax	17.1	383,895	228,843
Others	17.2	1,773	4,218
		402,911	247,186
<b>Considered doubtful</b>			
Advance rent		1,584	1,584
Others		3,838	3,838
		5,422	5,422
Less: loss allowance	17.3	(5,422)	(5,422)
		–	–
		411,658	266,933
<b>17.1 Advance tax</b>			
Opening balance		228,843	592,953
Advance tax paid during the year		316,171	198,481
		545,014	791,434
Adjusted against:			
Provision for taxation		(161,119)	(564,154)
Provision for prior year tax		–	1,563
		(161,119)	(562,591)
Closing balance		383,895	228,843

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2021

**17.2** Included in others is an amount of Nil (2020: nil) receivable from Bata Shoe Singapore Pte. Limited, an associated undertaking. Maximum aggregate amount due from associated undertaking at the end of any month in the year was nil (2020: Rs. 0.080 million).

**17.3** There has been no movement in loss allowance during the year.

### 18 SHORT TERM INVESTMENTS

This includes the following term deposit receipts:

Habib Metropolitan Bank Ltd.

Meezan Bank Limited

United Bank Limited

2021	2020
(Rupees in '000)	
1,100,000	600,000
—	300,000
—	1,050,000
1,100,000	1,950,000

**18.1** The range of rates of profits on these term deposits was between 7.00% and 9.15% (2020: 7.00% and 7.50%) per annum.

**18.2** The short term investments do not include any investment in related parties (2020: Nil).

### 19 TAX REFUNDS DUE FROM GOVERNMENT

Tax refunds due from Government

2021	2020
(Rupees in '000)	
350,161	350,161

**19.1** 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.

### 20 CASH AND BANK BALANCES

Bank balances in:

Current accounts

- Foreign currency

- Local currency

Daily profit accounts

Cash in transit

Cash in hand:

- Foreign currency

- Local currency

Note	2021	2020
	(Rupees in '000)	
	26,787	23,958
	51,704	25,843
	78,491	49,801
20.1	1,961,799	430,858
	65,398	66,688
	1,871	428
	1,011	1,965
	2,882	2,393
	2,108,570	549,740

**20.1** The rate of mark-up on these accounts ranges from 2.75% to 7.25% (2020: 2.84% to 5.50%) per annum.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 21 SHARE CAPITAL

### 21.1 Authorized share capital

2021	2020		2021	2020
(Number of shares in '000)			(Rupees in '000)	
10,000	10,000	Ordinary shares of Rs. 10 each	100,000	100,000
10,000	10,000		100,000	100,000

### 21.2 Issued, subscribed and paid up capital

2021	2020		2021	2020
(Number of shares in '000)			(Rupees in '000)	
1,890	1,890	Ordinary shares of Rs. 10 each fully paid in cash	18,900	18,900
300	300	Ordinary shares of Rs. 10 each issued for consideration other than cash	3,000	3,000
5,370	5,370	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	53,700	53,700
7,560	7,560		75,600	75,600

**21.2.1** Bafin B.V. (Nederland) (the parent company) holds 5,685,866 (2020: 5,685,866) ordinary shares of Rs. 10 each fully paid up which represents 75.21% (2020: 75.21%) of total paid up capital.

**21.2.2** Shares issued for consideration other than cash were issued against plant and machinery.

**21.2.3** All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

## 22 CAPITAL RESERVE

Capital reserve

2021	2020
(Rupees in '000)	
483	483

**22.1** Capital reserve represents the balance of foreign shareholders' equity in Globe Commercial Enterprises Limited (an associated undertaking) gifted to the Company on its winding up, and is not available for distribution.

## 23 REVENUE RESERVES

General Reserve:  
Opening balance  
Transfer from unappropriated profit / (loss)

Unappropriated losses

2021	2020
(Rupees in '000)	
6,957,000	6,957,000
—	—
6,957,000	6,957,000
(873,662)	(660,484)
6,083,338	6,296,516
3,500,649	3,602,826
911,572	871,711
4,412,221	4,474,537

## 24 LEASE LIABILITIES

Long term lease liabilities  
Current portion of lease liabilities

**24.1** The Company has leased retail stores from different parties. Reconciliation of the carrying amount is as follows:

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	(Rupees in '000)	
Opening balance	4,474,537	4,984,568
Additions during the year	293,088	373,601
Interest on lease liabilities	667,574	736,832
Payments made and rent concessions received during the year	(1,583,591)	(1,590,504)
	3,851,608	4,504,497
Shops vacated during the year	(165,230)	(465,980)
Effect on lease liabilities due to renewals	725,843	436,020
Lease liabilities as at December 31	4,412,221	4,474,537
Current portion shown under current liabilities	(911,572)	(871,711)
Long term lease liabilities as at December 31	3,500,649	3,602,826

## 24.2 Maturity analysis

Gross lease liabilities - minimum lease payments:		
Not later than 1 year	1,465,802	1,456,731
Later than 1 year but not later than 5 years	3,910,151	4,059,050
Later than 5 years	787,528	905,105
	6,163,481	6,420,886
Future finance charge	(1,751,260)	(1,946,349)
Present value of lease liabilities	4,412,221	4,474,537

**24.3** The Company had total cash outflows for leases of Rs. 1,411.240 million (2020: Rs. 1,214,224 million). The Company also had non-cash additions to right of use assets and lease liabilities of Rs. 1,018.931 million (2020: Rs. 809.621 million).

	2021	2020
	(Rupees in '000)	
<b>25 LONG TERM DEPOSITS</b>		
Employees' securities and personal accounts	26,353	24,788

**25.1** Employees' securities represent the securities deposited by the employees in accordance with the terms of employment. Interest at the rate of 7.40% (2020: 6.50%) per annum is being paid on the monthly outstanding balances.

**25.2** In accordance with provisions of Section 217 of the Companies Act, 2017, this amount has been invested in Term Deposit Receipts and is shown as long term investments in Note 9.

	2021	2020
	(Rupees in '000)	
<b>26 DEFERRED LIABILITY - EMPLOYEE BENEFITS</b>		
<b>26.1 Provision for gratuity - un-funded defined benefit plan</b>		
	61,992	68,592
<b>26.2 Changes in present value of defined benefit obligations</b>		
Present value of defined benefit obligations as at January 01	68,592	83,476
Expense charged in statement of profit or loss	10,277	15,088
Benefits paid during the year	(21,479)	(17,360)
Remeasurement adjustments charged to other comprehensive income:		
- Changes in financial assumptions	(1,499)	9,395
- Experience adjustments	6,101	(22,007)
	4,602	(12,612)
Present value of defined benefit obligations as at December 31	61,992	68,592

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021	2020
(Rupees in '000)			
<b>26.3 The amount recognized in the statement of profit or loss is as follows:</b>			
Current service cost		4,552	4,654
Interest cost		5,725	10,434
Expense charged in statement of profit or loss		10,277	15,088
<b>26.4 Charge for the year has been allocated as follows</b>			
Cost of sales	33.4	4,891	7,180
Distribution cost	34.1	1,444	2,120
Administrative expenses	35.1	3,942	5,788
		10,277	15,088

## 26.5 Principal actuarial assumptions

The principal actuarial assumptions used in the actuarial valuation of this scheme by applying projected unit credit method as on December 31 are as follows:

	2021	2020
Expected rate of salary increase in future years	9.25%	8.25%
Discount rate	9.75%	9.25%
Expected mortality rate	SLIC 2001-2005	SLIC 2001-2005
Average duration of plan	8 Years	7 Years

## 26.6 Historical information

As at December 31	2021	2020	2019	2018	2017
(Rupees in '000)					
Present value of defined benefit obligation	61,992	68,592	83,476	86,812	76,030
Remeasurement of defined benefit obligation	4,602	(12,612)	2,254	3,897	2,652
Remeasurement of defined benefit obligation as a percentage of defined benefit obligation	7%	18%	3%	5%	3%

## 26.7 Estimated expense to be charged to statement of profit or loss in 2021

	Amount
(Rupees in '000)	
Current service cost	3,587
Interest cost on defined benefit obligation	5,536
Amount chargeable to statement of profit or loss	9,123

## 26.8 Sensitivity analysis

Significant assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

### Year and sensitivity analysis (± 100 basis points (bps)) on defined benefit obligation

	2021	2020
(Rupees in '000)		
Discount rate + 100 bps	59,793	66,656
Discount rate - 100 bps	64,379	70,774
Salary increase + 100 bps	62,867	69,328
Salary increase - 100 bps	61,176	67,885

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 26.9 Risk exposure

Through its defined benefit gratuity scheme, the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in market yields on Government bonds - The discount rate used to compute the plan liabilities is based on the Government bond yields. A decrease in Government bond yields will increase the plan liabilities.

Inflation risk - The Company's gratuity obligation is linked to the salary of the members of the scheme. Therefore, increases in the salaries due to higher inflation will increase the plan liabilities.

Employee turnover - The plan obligations are to provide benefits for the period of employment of the members. Therefore, lower employee turnover will increase the plan liabilities.

Life expectancy - The plan obligations are to provide benefits for the period of employment of the members, so increase in life expectancy will result in an increase in plan liabilities.

	Note	2021	2020
		(Rupees in '000)	
<b>27 Long term borrowing</b>			
Long term finance - secured	27.1	53,518	60,259
Less: current portion shown under current liabilities		(6,296)	(6,743)
		<u>47,222</u>	<u>53,516</u>

**27.1** 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.

	Note	2021	2020
		(Rupees in '000)	
<b>28 TRADE AND OTHER PAYABLES</b>			
Creditors	28.1	3,119,419	2,199,546
Accrued liabilities		512,682	347,676
Deferred revenue		6,989	5,066
Advances from customers		175,137	30,957
Payable to provident fund trust		21,629	22,080
Security deposits	28.2	106,543	98,160
Workers' profit participation fund	28.3	40,033	—
Workers' welfare fund		15,129	—
Sales tax payable		22,659	—
Taxes deducted at source payable		15,831	19,650
Other liabilities	28.4	37,353	51,415
		<u>4,073,404</u>	<u>2,774,550</u>
<b>28.1</b> This includes amounts due to the following related parties:			
Bata Brand, Switzerland	28.1.1	1,048,042	608,989
Global Footwear Services, Singapore		604,537	390,818
Bata Malaysia		351	320
Bata Shoe, Singapore		14,776	—
Bata Centre S.R.O		4,885	—
Bata Shoe, Thailand		45	—
		<u>1,672,636</u>	<u>1,000,127</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2021

**28.1.1** This includes amounts due in respect of trademark licence fee agreement. During the year ended December 31, 2018, BATA Pakistan Limited and BATA Brands SA, Switzerland revised the terms of the trade mark agreement wherein the royalty percentage was increased from 2% of the net revenue (net of taxes) to 5% of the net revenue (subject to deduction of applicable taxes). Certain minority shareholders have filed a suit against the Company claiming that the increase in royalty is unjustified and have claimed damages of Rs. 800.00 million. Initial proceedings of the case are currently underway and based on opinion of the management's legal counsel, the management is expecting a favorable outcome in this regard. However, State Bank of Pakistan has linked the approval of remittance of additional amount of royalty i.e. the difference between 5% and 2%, upon the decision of The Honorable Court.

**28.1.2** Maximum aggregate amount due to associated undertakings at the end of any month in the year was Rs. 1,667.751 million (2020: Rs. 1,000.127 million). No interest has been paid / accrued on the amounts due to associated undertakings as they are in normal course of business.

**28.2** This represents the security deposit received from the registered agency holders and business associates in accordance with the terms of the contract. These deposits carry interest at the rate of 7.4% (2020: 6.5%) per annum. These are repayable on termination / completion of the contract and on returning the Company's property already provided to them if any. As per the agreements signed with these parties, the Company has the right to utilize the amounts for the purpose of the business, hence, the amounts are not required to be kept in a separate bank account maintained in a scheduled bank.

	Note	2021	2020
		(Rupees in '000)	
<b>28.3 Workers' profit participation fund</b>			
Opening balance		—	81,269
Allocation for the year	36	40,033	—
Interest on funds utilized in Company's business	38	—	1,002
		40,033	82,271
Less: Amount adjusted / paid to fund's trustees		—	82,271
Closing balance		40,033	—
<b>28.4 Other liabilities</b>			
Group insurance claims		4,492	5,992
Payable to former employees		19,619	20,561
Payable in respect of Bata mosque		—	113
Miscellaneous		13,242	24,749
		37,353	51,415

## 29 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. 1,879.458 million (2020: Rs. 553.041 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: SBP rate plus 1.00%) per annum.

These finances are secured against hypothecation of stock in trade, stores and spare parts and receivables of the Company amounting to Rs. 2,687 million (2020: Rs. 2,654 million).

## 30 UNPAID DIVIDEND

This represents dividend payable to Bafin B.V. (Nederland), which was pending approval from State Bank of Pakistan as at December 31, 2021. It has been subsequently paid on January 17, 2022.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021	2020
		(Rupees in '000)	
<b>31 CONTINGENCIES AND COMMITMENTS</b>			
<b>31.1 Contingent taxation liabilities</b>			
The Company is contingently liable for:			
Order by sales tax department - under appeal	31.1.1	265,454	265,454
Order by sales tax department - under appeal	31.1.2	237,370	237,370
Order by income tax department - under appeal	31.1.3	954,859	–
Order by income tax department - under appeal	31.1.4	1,027,460	1,027,460
Order by sales tax department - under appeal	31.1.5	79,982	79,982
Order by sales tax department - under appeal	31.1.6	52,134	52,134
Show cause notice by sales tax department against which stay order has been obtained	31.1.7	85,097	85,097
Order by income tax department - under appeal	31.1.8	254,038	254,038
Order by sales tax department - under appeal	31.1.9	60,732	60,732
Order by Collector of Customs - under appeal	31.1.10	23,975	23,975
Order by income tax department - under appeal	31.1.11	34,270	34,270
Order by income tax department - decided in Company's favour	31.1.12	4,985	24,863
Order by sales tax department-under appeal	31.1.13	90,315	90,315
Order by sales tax department-under appeal	31.1.14	48,046	48,046
Order by income tax department - decided in Company's favour	31.1.15	153,974	–
		<b>3,372,691</b>	<b>2,283,736</b>

**31.1.1** The Assistant Commissioner Inland Revenue (ACIR) issued an order on September 30, 2011 raising a demand of Rs. 201.252 million in respect of tax period from July 2007 to December 2008 on account of non-payment of retail tax on sales made through retail outlets and inadmissible input tax adjustment claimed against retail supplies. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) whereby the appeal was decided against the Company. The Company also filed a complaint before the Federal Tax Ombudsman (FTO), who decided the case in favor of Company on January 11, 2012 and ordered the Commissioner Inland Revenue (CIR) to vacate the above order. The Company filed an appeal before Commissioner Inland Revenue (Appeals) to dispose of the original order. Commissioner Inland Revenue (Appeals) ordered that since the Learned FTO decided the case in favor of the Company there remains no cause of further action. Thereafter, the Company preferred an appeal before the Appellate Tribunal Inland Revenue (ATIR) for cancellation of impugned order, which is pending adjudication. Moreover, Deputy Commissioner Inland Revenue (DCIR) raised additional demand amounting to Rs. 64.202 million on June 25, 2012 pertaining to period from July 2007 to October 2008 of the sales tax previously refunded to the Company and referred the case to concerned ACIR / DCIR for enforcement of the order. Thereafter, the Company filed an appeal with Commissioner Inland Revenue (Appeals), which is pending adjudication. Based on tax advisor's opinion, the Company's management expects favorable outcome due to which no provision has been recorded in these financial statements.

**31.1.2** The Tax Department issued 22 separate orders dated October 17, 2012 and November 14, 2012 in which sales tax refunds for the periods from November 2008 to December 2010 amounting to Rs. 237.370 million have been rejected on the grounds that input sales tax relating to retail turnover is not admissible. The Company filed separate appeals against these orders with Commissioner Inland Revenue (Appeals). The Commissioner Inland Revenue (Appeals) decided 19 appeals against the Company while 3 appeals were decided in favor of the Company. The Company filed 19 separate appeals while tax department filed 3 separate appeals with Appellate Tribunal Inland Revenue (ATIR). The ATIR decided all 22 appeals in favor of the Company on May 15, 2014. Thereafter, the Tax Department filed an appeal before the Honorable Lahore High Court, which is pending for adjudication. Based on tax advisor's opinion, the Company's management expects favorable outcome due to which no provision has been recorded in these financial statements.

**31.1.3** 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 Tax 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 of ATIR on June 22, 2021 which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favourable outcome due to which no provision has been recorded in these financial statements.

**31.1.4** The Additional Commissioner Inland Revenue (ACIR) raised demand of Rs. 1,027.460 million pertaining to the tax year 2012 vide order dated October 31, 2014, whereby, the assessing officer added back certain expenses & payments to non-residents on the basis of non deduction of

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2021

withholding taxes, changed the basis of appropriation of expenses between export and local sales, disallowed certain amount of tax credit and also assessed that the Company has suppressed turnover amounting to Rs. 1,773.054 million. Being aggrieved, the Company preferred an appeal with the Commissioner Inland Revenue (Appeals). The Commissioner Inland Revenue (Appeals) decided the appeal in favor of the Company vide order dated January 14, 2015 by deleting almost 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 and the amount of expenditure disallowed on the basis of non deduction of withholding taxes. The Tax Department and the Company filed separate appeals against the order of the Commissioner Inland Revenue (Appeals) with the Appellate Tribunal Inland Revenue (ATIR) which are pending adjudication. Based on tax advisor's opinion, the Company's management expects a favorable outcome due to which no provision has been recorded in these financial statements.

- 31.1.5** The Tax Department raised demand vide two separate orders dated June 25, 2014 and September 30, 2014 amounting to Rs. 46.693 million and Rs. 33.289 million respectively for certain tax periods from January 2012 to June 2013 and from October 2013 to March 2014, respectively, on account of adjustment of 100% input tax in violation of Section 8b of Sales Tax Act, 1990. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue Appeals (CIR) whereby the appeal was decided against the Company vide order dated September 9, 2014 and December 10, 2014. The Company preferred appeals against both the orders before the Appellate Tribunal Inland Revenue (ATIR) which was decided in favor of the Company vide orders dated December 10, 2014 and January 13, 2015, respectively. The Tax Department filed respective appeals before the Honorable Lahore High Court, which are pending adjudication. Based on tax advisor's opinion, the Company's Management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.6** The Tax Department raised two separate demands vide orders dated December 06, 2014 amounting to Rs. 43.856 million and Rs. 8.278 million on account of further sales tax of 1% on unregistered customers for the period from October 2013 to July 2014 and August 2014 to September 2014 respectively. Being aggrieved, the Company preferred an appeals with Commissioner Inland Revenue (Appeals) who remanded back both the cases to adjudicating officer for fresh decision after allowing the appellant to produce relevant record. However the Commissioner Inland Revenue filed an appeal in the Appellate Tribunal Inland Revenue (ATIR) against the said order, which is pending adjudication. Based on tax advisor's opinion, the Company's Management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.7** The Tax Department issued show cause notice dated April 20, 2015, stating that adjustment of input sales tax of Rs. 85.097 million for the tax periods February, 2014 to January 2015 on Trade Mark License fee and Management Service Fee claimed by the Company is inadmissible and recoverable from the Company along with default surcharge. The Company filed a writ petition with the Honorable Lahore High Court (LHC) against show cause notice. The Honorable Lahore High Court granted stay against the show cause notice, however, the petition is still pending with the Honorable Lahore High Court for adjudication. Based on tax advisor's opinion, the Company's Management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.8** 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 proration of expenses and disallowance of certain expenses. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) and also filed a rectification application of the said order. The Commissioner Inland Revenue (Appeals) vide order dated September 16, 2016 decided the appeal in favour of the Company by deleting majority of the add backs with certain exceptions 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. The Department has filed an appeal before the ATIR against the said order which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favourable outcome due to which no provision has been recorded in these financial statements.
- 31.1.9** The Assistant Commissioner Sindh Revenue Board raised a demand vide order dated September 1, 2016 amounting to Rs. 60.732 million on account of non-payment of sales tax on trademark license fee and management services fee for the period from July 2011 to December 2012. Being aggrieved, the Company filed an appeal before Commissioner (Appeals) Sindh Revenue Board, who decided the matter in favor of the Company vide order dated February 10, 2019. The department filed an appeal against the order before Appellate Tribunal Sindh Revenue Board who remanded the case back to the assessing officer for fresh investigation vide order dated August 8, 2019. Subsequently, no further action has been initiated by the relevant officer of Sindh Revenue Board since the date of Appellate Tribunal Sindh Revenue Board order. Based on tax advisor's opinion, the Company's Management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.10** The Collector of Customs Karachi issued a demand vide order dated November 7, 2019 amounting to Rs. 23.975 million for the tax period November 2017 to April 2018 disallowing the reduced rate of sales tax under SRO-1125(I) / 2011 utilized by the Company for clearance of imported footwear. Being aggrieved, the Company filed an appeal before the Custom Appellate Tribunal, Karachi, which is pending adjudication. Based on tax advisor's opinion, the Company's Management expects favorable outcome due to which no provision has been recorded in these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2021

- 31.1.11** The Deputy Commissioner Inland Revenue (DCIR) raised demand vide order dated December 31, 2019 pertaining to tax year 2009 amounting to Rs. 34.270 million on account of certain issues which primarily include allocation of expenses between export, local sale of imported goods and other local sale, disallowance of certain management services and licensing fee account of non deduction of withholding taxes, admissibility of deduction of interest on WPPF and provident fund, and disallowance of certain advances to employees and suppliers and certain payables to suppliers on account of failure to produce underlying records. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals). The Commissioner Inland Revenue (Appeals) vide order dated October 18, 2020 decided the appeal in favor of the Company by deleting majority of the add backs with the exception of proration of expenses and addition made on account of advances to employees and suppliers. Based on the appeal disposed off by Commissioner Inland Revenue (Appeals), the Deputy Commissioner Inland Revenue (DCIR) has yet to issue a revised demand. The Company however, being aggrieved, has filed an appeal against the additions not deleted by the Commissioner Inland Revenue (Appeals). The Tax Department also has the right to file an appeal against the order. However, no such proceedings have yet been initiated by the Department.
- 31.1.12** The Deputy Commissioner Inland Revenue (DCIR) raised demand vide order dated March 02, 2020 pertaining to tax year 2017 amounting to Rs. 24.863 million on account of certain issues which primarily include disallowance of certain salaries due to non deduction of withholding tax, disallowance of Provident Fund contribution, disallowance of certain expenses such as tax loss claimed on the sales of fixed assets, exchange loss, and certain miscellaneous expenses. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals). The Commissioner Inland Revenue (Appeals) vide order dated December 31, 2021 decided the appeal in favor of the Company by allowing credit of payments in the sum of Rs. 129.295 million as a result the demand has been revised to Rs. 4.985 million. The Company however, being aggrieved, has filed an appeal against the revised demand by Commissioner Inland Revenue (Appeals). Based on tax advisor's opinion, the Company's Management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.13** The Assistant Commissioner Inland Revenue (ACIR) raised demand vide Order dated February 28, 2020 amounting to Rs. 90.315 million in respect of sales tax charged for the period January 2019 to September 2019 on account of failure to charge further tax on supplies made to unregistered persons. Being aggrieved, the Company preferred an appeal before Commissioner Inland Revenue (Appeals), who remanded the case back to the Assistant Commissioner Inland Revenue (ACIR) to afford another opportunity of being heard to the Company. Being aggrieved, the Company filed an appeal before the ATIR which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favourable outcome due to which no provision has been recorded in these financial statements.
- 31.1.14** The Assistant Commissioner Inland Revenue (ACIR) raised demand vide Order dated March 10, 2020 amounting to Rs. 48.046 million in respect of sales tax for the period January 2019 to August 2019 on the basis that the Company has failed to maintain value addition at the rate of 4% as per the provisions of 'Eight Schedule' of the Sales tax Act, 1990. Being aggrieved, the Company preferred an appeal before Commissioner Inland Revenue (Appeals), who remanded the case back to the Assistant Commissioner Inland Revenue (ACIR) to afford another opportunity of being heard to the Company. Being aggrieved, the Company filed a reference in Honorable Lahore High Court (LHC) which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favourable outcome due to which no provision has been recorded in these financial statements.
- 31.1.15** The Assistant Commissioner Inland Revenue (ACIR) 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 proration of expenses and disallowance of certain expenses. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) which has been decided in favour of the company vide order dated January 31, 2022. As per the management's knowledge, the Department has not yet initiated any appeal against the order.

### 31.2 Other contingent liabilities

In addition to the contingencies disclosed in note 28.1.1 and note 31.1, the Company is contingently liable for:

- Counter guarantees given to banks
- Indemnity bonds given to custom authorities
- Claims not acknowledged as debts - under appeal

### 31.3 Commitments

#### 31.3.1 Commitments in respect of:

- Capital expenditure
- Letters of credit and bank contracts

	2021	2020
	(Rupees in '000)	
	2,171	2,171
	11,712	3,573
	770	18,322
	14,653	24,066
	3,465	112,030
	410,595	159,931
	414,060	271,961

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FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021	2020
		(Rupees in '000)	
<b>32 SALES</b>			
Shoes and accessories			
Local		17,730,967	15,011,070
Export		40,178	31,537
	32.1	17,771,145	15,042,607
Sundry articles and scrap material		74,583	41,934
		17,845,728	15,084,541
Less: Sales tax		2,104,825	1,955,362
Discounts to dealers and distributors		1,396,928	1,103,568
Commission to agents / business associates		360,478	314,840
		3,862,231	3,373,770
		13,983,497	11,710,771
<b>32.1</b> This represents revenue from contracts with customers.			
<b>33 COST OF SALES</b>			
Cost of goods manufactured	33.1	4,935,985	3,515,326
Finished goods purchased		3,624,422	2,516,837
Add: opening stock of finished goods		2,521,326	3,828,967
	33.2	11,081,733	9,861,130
Less: closing stock of finished goods	13	3,573,626	2,521,326
		7,508,107	7,339,804
<b>33.1 Cost of goods manufactured</b>			
Raw material consumed			
Opening stock		250,947	179,452
Add: purchases		4,005,236	2,742,745
	33.3	4,256,183	2,922,197
Less: closing stock		369,953	250,947
		3,886,230	2,671,250
Store and spares consumed		9,762	10,052
Fuel and power		161,006	126,601
Salaries, wages and benefits	33.4	686,820	552,512
Repairs and maintenance	33.5	96,391	70,043
Insurance		24,329	20,774
Depreciation	6.4	66,099	57,726
		4,930,637	3,508,958
Add: opening goods in process		40,540	46,908
		4,971,177	3,555,866
Less: closing goods in process		35,192	40,540
		4,935,985	3,515,326

**33.2** This includes (reversal of) / charge of provision for slow moving and obsolete items amounting to Rs. (28.386) million (2020: Rs. 70.368 million).

**33.3** This includes charge of / (reversal of) provision for obsolescence of raw materials amounting to Rs. 18.121 million (2020: Rs. (1.687) million) and direct write offs amounting to Rs. 21.141 million (2020: Nil).

**33.4** Included in salaries, wages and benefits is an amount of Rs. 16.592 million (2020: Rs. 20.624 million) and Rs. 4.891 million (2020: Rs. 7.180 million) in respect of contribution to provident fund trust and provision for gratuity respectively.

**33.5** Included in repairs and maintenance is reversal of provision for obsolescence of stores and spare parts amounting to Rs. 2.651 million (2020: Rs. 2.426 million).

# NOTES TO THE FINANCIAL STATEMENTS

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	Note	2021	2020
		(Rupees in '000)	
<b>34 DISTRIBUTION COST</b>			
Salaries and benefits	34.1	789,203	691,904
Freight		214,030	189,853
Advertising and sales promotion		172,104	176,812
Rent	34.2	294,300	243,691
Insurance		25,944	27,224
Trademark license fee	34.3	698,933	364,269
Fuel and power		296,103	222,337
Repairs and maintenance		133,479	90,664
Entertainment		19,448	14,259
Business and property taxes		5,043	6,490
Depreciation	34.4	1,325,536	1,445,864
Amortization on intangible assets	8.2	31,125	–
Loss allowance on trade debts		(3,583)	274,046
Miscellaneous		2,709	1,835
		<u>4,004,374</u>	<u>3,749,248</u>

**34.1** Included in salaries and benefits is an amount of Rs. 23.335 million (2020: Rs. 28.484 million) and Rs. 1.444 million (2020: Rs. 2.120 million) in respect of contribution to provident fund trust and provision for gratuity respectively.

**34.2** This represents expenses incurred on short term leases and variable lease expenses not included in lease liabilities.

**34.3** This represents the royalty fee of Bata Brands S.A.R.L., Switzerland an associated company situated in Avenue d'Ouchy 6, 1006 Lausanne, Switzerland.

**34.4** This represents depreciation expense relating to:

	Note	2021	2020
		(Rupees in '000)	
Property, plant and equipment	6.4	199,364	200,694
Right of use assets	7	1,126,172	1,245,170
		<u>1,325,536</u>	<u>1,445,864</u>

## 35 ADMINISTRATIVE EXPENSES

Salaries and benefits	35.1	620,062	617,814
Employee welfare		42,530	31,101
Fuel and power		18,913	15,164
Telephone and postage		53,558	43,532
Insurance		17,587	5,378
Travelling		79,073	74,785
Repairs and maintenance		10,466	9,801
Printing and stationery		14,014	13,117
Donations and subscription	35.2	9,691	35,254
Legal and professional charges		7,420	15,066
Business and property taxes		4,036	3,661
Management service fee	35.3	227,269	219,870
Depreciation	6.4	13,352	15,171
Amortization on intangible assets	8.2	763	256
Miscellaneous	35.4	12,011	13,218
		<u>1,130,745</u>	<u>1,113,188</u>

**35.1** Included in salaries and benefits is an amount of Rs. 7.755 million (2020: Rs. 9.598 million) and Rs. 3.942 million (2020: Rs. 5.788 million) in respect of contribution to provident fund trust and provision for gratuity respectively.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2021

**35.2** None of the directors of the Company or any of their spouses have any interest in the funds of donees. Furthermore, no donation exceeding Rs. 1 million has been made to any donee.

**35.3** Management service fee represents amounts paid / payable to Global Footwear Services, related party, in respect of management services.

**35.4** This Includes provision for doubtful advances amounting to Rs. 6.930 million (2020: nil).

	Note	2021	2020
		(Rupees in '000)	
<b>36 OTHER EXPENSES</b>			
Workers' profit participation fund	28.3	40,033	–
Workers' welfare fund		15,129	–
Auditors' remuneration	36.1	6,909	7,415
Exchange loss		58,472	21,126
Loss on fixed assets sold / scrapped		9,554	60,202
		130,097	88,743
<b>36.1 Auditors' remuneration</b>			
Statutory audit		3,234	3,064
Review of interim accounts		1,680	1,613
Audit of US GAAP reporting package		993	704
Other reviews and certifications		652	1,714
Out of pocket expenses		350	320
		6,909	7,415
<b>37 OTHER INCOME</b>			
Income from financial assets			
Income from long term investments		3,074	3,975
Income from short term investments		64,711	8,840
Income from bank deposits		33,051	47,874
Rent concessions received	37.1	172,351	376,280
		273,187	436,969
Income from non - financial assets			
Rental Income		10,605	10,377
Gain on settlement of leases on vacation of shops		14,552	22,728
		25,157	33,105
Income from financial liability			
Early payment discount on supplier invoices		17,409	3,209
		315,753	473,283

**37.1** In accordance with the amendment to IFRS 16 which allows a Company to recognize rent concessions in the same way as they would if they were not lease modifications, the Company has applied this practical expedient to all leases that meet the conditions laid down by the said amendment. As a result an amount of Rs. 172.351 million (2020: Rs. 376.280 million) has been recognized as other income.

	Note	2021	2020
		(Rupees in '000)	
<b>38 FINANCE COSTS</b>			
Interest / mark-up on:			
Lease liabilities	24.1	667,574	736,832
Workers' profit participation fund	28.3	–	1,002
Employees / agents' securities and personal accounts	38.1	1,706	3,887
Bank borrowings		1,702	22,852
		670,982	764,573
Bank charges and commission		47,666	36,547
		718,648	801,120

**38.1** These do not include any amounts on account of related parties (2020: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 39 TAXATION

Current tax  
- Current year  
- Prior year

Deferred tax

2021	2020
(Rupees in '000)	
186,714	175,662
(14,543)	(1,563)
172,171	174,099
89,019	(454,803)
261,190	(280,704)

### 39.1 Relationship between tax expenses and accounting profit

Applicable tax rate  
Tax effect of:  
Impact of income subject to minimum tax and presumptive tax regime  
Effect of prior years tax  
Impact of permanent differences and others

Tax expense for the year

2021	2020
(%)	
29.00	29.00
2.85	(0.01)
(1.80)	(0.17)
2.30	2.09
3.35	1.91
32.35	30.91

## 40 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

Basic earnings / (loss) per share are calculated by dividing net profit / (loss) for the year attributable to ordinary equity holders of the Company by weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Note	2021	2020
(Rupees in '000)			
Profit / (loss) after taxation - (Rupees in '000)		546,089	(627,345)
Weighted average number of ordinary shares (in thousands)	21.2	7,560	7,560
Earnings / (loss) per share - basic and diluted (Rupees per share)		72.23	(82.98)

There is no dilutive effect on the basic earnings / (loss) per share of the Company.

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**FOR THE YEAR ENDED DECEMBER 31, 2021**

**42.1** Reconciliation of liabilities arising from financing activities inclusive of current portion:

**42.2** Non-cash investing and financing activities comprise of acquisition of right of use assets as referred to in note 7.

**43.2** The Chief Executive of the Company is provided with a Company-maintained car and housing facilities at the Company's premises.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board has the overall responsibility for the establishment of a financial risk governance frame work. They provide assurance that the financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk management policies.

The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows:

### 44.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of three types of risks: interest rate risk, currency risk and other price risk such as equity risk. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

#### 44.1.1 Interest rate risk exposure

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from deposits in saving accounts with various commercial banks.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2021	2020
	(Rupees in '000)	
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Long term investments	45,031	45,094
Short term investments	1,100,000	1,950,000
<b>Financial Liabilities</b>		
Long term deposits - employees' securities	(26,353)	(24,788)
Deposits - agents	(106,543)	(98,160)
<b>Net exposure</b>	<b>1,012,135</b>	<b>1,872,146</b>
<b>Floating rate instruments:</b>		
<b>Financial assets</b>		
Bank balance in daily profit account	1,961,799	430,858
<b>Financial liabilities</b>		
Borrowing	(53,518)	(60,259)
<b>Net exposure</b>	<b>1,908,281</b>	<b>370,599</b>

#### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

#### Cash flow sensitivity analysis for fixed rate instruments

No interest rate risk arises on fixed rate instruments.

#### Cash flow sensitivity analysis for variable rate instruments

The Company has some amounts invested in various daily profit accounts which offer a variable rate of return. Furthermore, the Company has entered in certain borrowing arrangements on variable interest rates. The following table demonstrate the sensitivity to a reasonably possible change interest rate, with all other variables held constant, on the Company's profit before tax.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	(Rupees in '000)	
Increase in basis points by 100	19,083	3,706
Decrease in basis points by 100	(19,083)	(3,706)

## 44.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from primarily with respect to the United States Dollar (USD), Singaporean Dollar, United Arab Emirates Dirham and Euro. Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from/ payable to the foreign entities. The Company's exposure to currency risk is as follows:

	2021	2020
	(Rupees in '000)	
Financial assets		
Trade debts - Export customers		
Singapore Dollar	—	1,520
Cash in hand		
US Dollar	1,601	150
Euro	269	277
UAE Dirham	1	1
Cash in bank		
US Dollar	26,787	23,958
	<u>28,658</u>	<u>25,906</u>
Financial liabilities		
Trade and other Payables - Foreign suppliers		
US Dollar	1,667,751	1,000,127
Euro	4,885	—
	<u>1,672,636</u>	<u>1,000,127</u>

## Foreign Currency Sensitivity analysis

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in exchange rates of the major currencies involved in transactions with the foreign parties, keeping all other variables constant. The Company's exposure to foreign currency changes for all other currencies is not material.

	2021	2020	2021	2020
	Percentage Change in Exchange Rate	Percentage Change in Exchange Rate	(Rupees in '000)	
			Effect on Profit Before Tax	Effect on Profit Before Tax
			+ / -	+ / -
Variation in USD to PKR	5.00%	5.00%	(81,968)	(48,801)
Variation in EURO to PKR	5.00%	5.00%	(231)	14
Variation in Dirham to PKR	5.00%	5.00%	-	-
Variation in Singapore Dollar to PKR	5.00%	5.00%	-	76

## 44.1.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as it does not have any exposure in equity securities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 44.2 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company's credit risk is primarily attributable to its long term advances, trade debts, advances deposits prepayments and other receivable and its balances at banks.

The Company makes investment only in liquid securities and only with banks. Given their high credit ratings, management does not expect any counter party to fail to meet its obligation.

The management has a credit policy in place and exposure to credit risk is monitored on a continuous basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Company does not require collateral in respect of financial assets. The Company, however, mitigates any possible exposure to credit risk by taking security deposits from its dealers and distributors as well as by executing formal agreements with them. Out of total financial assets of Rs. 4,456,472 million (2020: Rs. 4,052,467 million) following are subject to credit risk:

	2021	2020
	(Rupees in '000)	
Financial assets		
Long term investments	45,031	45,094
Long term deposits	38,630	36,127
Trade debts - unsecured	973,880	1,385,617
Deposits	15,375	3,891
Letters of credit - margin	141,442	40,568
Other receivables	27,763	38,090
Interest accrued	5,781	3,340
Short term investments	1,100,000	1,950,000
Cash at bank	2,040,290	480,659
	<u>4,388,192</u>	<u>3,983,386</u>

## 44.2.1 Long term investments

Financial institution	Ratings			Carrying Values	
	Agency	Long Term	Short term	2021	2020
	(Rupees in '000)				
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	<u>45,031</u>	<u>45,094</u>

44.2.2 Out of the total trade receivables, 88.4% is concentrated in ten customers (2020: 71.5% in ten customers).

	2021	2020
	(Rupees in '000)	
44.2.3 Trade debts - other than related parties		
Neither past due nor impaired	732,347	683,954
Past due but not impaired		
1-30 days	170,796	309,552
31-60 days	33,530	116,748
61-90 days	37,207	45,683
Over 90 days	—	228,160
	<u>241,533</u>	<u>700,143</u>
Past due and impaired		
1-30 days	—	—
31-60 days	—	—
61-90 days	75,935	—
Over 90 days	63,545	311,523
	<u>139,480</u>	<u>311,523</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	(Rupees in '000)	
<b>44.2.4 Trade debts - receivable from related parties</b>		
Neither past due nor impaired	–	1,520
Past due but not impaired	–	–
1-30 days	–	–
31-60 days	–	–
61-90 days	–	–
Over 90 days	–	–

## 44.2.5 Impairment of financial assets

The Company's trade debts against local and export sales of inventory are subject to the expected credit loss model. While bank balances and debt investments carried at amortised cost are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts.

On that basis, the loss allowance as at December 31, 2021 and December 31, 2020 was determined as follows:

As at December 31, 2021	Trade debts				
	Up to 90 days	91 to 180 days	181 to 365 days	365 days or more	Total
	(Rupees in '000)				
Expected loss rate - %	0.00%	0.00%	50.00%	100.00%	
Gross carrying amount of trade debts - net of specific allowance	929,422	27,450	34,017	32,408	1,023,297
Loss allowance - general	–	–	17,009	32,408	49,417
As at December 31, 2020	Trade debts				
	Up to 90 days	91 to 180 days	181 to 365 days	365 days or more	Total
	(Rupees in '000)				
Expected loss rate - %	0.00%	0.00%	50.00%	100.00%	
Gross carrying amount of trade debts	1,272,712	46,587	132,636	245,205	1,697,140
Loss allowance - general	–	–	66,318	245,205	311,523

## 44.2.6 Short term investments

Financial institution	Ratings			2021	2020
	Agency	Long Term	Short term	(Rupees in '000)	
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	1,100,000	1,050,000
United Bank Limited	VIS	AAA	A-1+	–	600,000
Meezan Bank Limited	VIS	AAA	A-1+	–	300,000
				1,100,000	1,950,000

## 44.2.7 Cash at bank

Habib Bank Limited	VIS	AAA	A-1+	1,148,470	334,020
MCB Bank Limited	PACRA	AAA	A1+	533,645	3,730
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	58,177	23,884
Bank Al-Habib Limited	PACRA	AAA	A1+	81,308	65,071
National Bank of Pakistan	PACRA	AAA	A1+	1,436	3,541
United Bank Limited	VIS	AAA	A-1+	56,590	31,502
Meezan Bank Limited	VIS	AAA	A-1+	140,720	12,023
Allied Bank Limited	PACRA	AAA	A1+	19,944	6,888
				2,040,290	480,659

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2021

### 44.3 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. At December 31, 2021 the Company had borrowing limits available from financial institutions at Rs. 2,235.000 million (2020: Rs. 2,235.000 million) and Rs. 2,108.570 million (2020: Rs. 549.740 million) in cash and bank balances. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

44.3.1 The following table shows the maturity profile of the Company's financial liabilities:

		2021			
		(Rupees in '000)			
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Long term deposits	26,353	–	–	–	26,353
Long term borrowings	–	6,296	24,669	22,553	53,518
Trade and other payables	–	4,073,404	–	–	4,073,404
Unpaid dividend	–	568,587	–	–	568,587
Unclaimed dividend	–	60,293	–	–	60,293
Lease liabilities	–	1,465,802	3,910,151	787,528	6,163,481
	26,353	6,174,382	3,934,820	810,081	10,945,636

		2020			
		(Rupees in '000)			
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Long term deposits	24,788	–	–	–	24,788
Long term borrowings	–	6,743	31,490	22,043	60,276
Trade and other payables	–	2,774,550	–	–	2,774,550
Unclaimed dividend	–	54,494	–	–	54,494
Lease liabilities	–	1,456,731	4,059,050	905,105	6,420,886
	24,788	4,292,518	4,090,540	927,148	9,334,994

### 44.4 Fair value of the financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As of reporting date, there were no Level 1, 2 or 3 assets or liabilities during prior or current year.

### 44.5 Financial instruments by categories

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	At amortised cost	
	2021	2020
	(Rupees in '000)	
<b>Assets</b>		
Long term investments	45,031	45,094
Long term deposits	38,630	36,127
Trade debts - unsecured	973,880	1,385,617
Deposits	15,375	3,891
Letters of credit-Margin	141,442	40,568
Other receivables	27,763	38,090
Interest accrued	5,781	3,340
Short term investments	1,100,000	1,950,000
Cash at bank	2,108,570	549,740
	<u>4,456,472</u>	<u>4,052,467</u>
<b>Liabilities</b>		
Trade and other payables	3,852,788	2,718,877
Unpaid dividend	568,587	—
Unclaimed dividend	60,293	54,494
Lease liabilities	4,412,221	4,474,537
	<u>8,893,889</u>	<u>7,247,908</u>

## 45 CAPITAL RISK MANAGEMENT

The Company's policy is to safeguard the Company's ability to remain as a going concern and ensure a strong capital base in order to maintain investors', creditors' and market's confidence and to sustain future development of the business. The Board of Directors monitors the returns on capital, which the Company defines as net operating income divided by total shareholders' equity.

The Company's objectives when managing risks are

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with the industry norms, the Company monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the balance sheet less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt (as defined above).

	2021	2020
	(Rupees in '000)	
The debt-to-equity ratio as at reporting date is as follows:		
Net debt	53,518	60,259
Total equity	6,159,421	6,372,599
Capital gearing ratio	0.87%	0.95%

The Company is not subject to any externally-imposed capital requirements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

## 46 TRANSACTIONS WITH RELATED PARTIES

46.1 The related parties and associated undertakings comprise parent company, related group companies, provident fund trust, directors and key management personnel. Remuneration of Chief Executive and Directors is also shown in Note 43. Transactions with related parties during the year are as follows;

Relationship with the Company	Nature of transactions	2021	2020
		(Rupees in '000)	
Common Control Companies	Purchase of goods and services	153,876	41,367
	Sale of goods and services	4,841	3,017
	Trademark license fee	698,933	364,269
	Management service fee	227,269	219,870
Holding company	Dividend paid	–	341,152
Holding company	Dividend declared but unpaid	568,587	–
Staff Retirement Benefits	Contribution to provident fund trusts	66,399	77,691
Staff Retirement Benefits	Gratuity paid to outgoing employees	21,479	17,360

46.2 The Company in normal course of business conducts transactions with its related parties. Balances of related parties at the reporting date have been shown under payables and receivables. The Company continues to have a policy, whereby, all transactions with related parties and common control companies are carried out at mutually agreed terms and conditions or comparable uncontrolled price method.

46.3 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Sr. No.	Company Name	Country of incorporation	Basis of Association	Aggregate % of Shareholding in the Company
1	Bafin B.V., Nederland	Netherlands	Parent Company	75.21%
2	Bata Brands S.A. Switzerland	Switzerland	Common group company	N/A
3	Bata Shoe (Singapore) Pte. Ltd.	Singapore	Common group company and common directorship	N/A
4	Bata (Thailand) Limited	Thailand	Common group company and common directorship	N/A
5	Empresas Comerciales S.A Bata Peru	Peru	Common group company	N/A
6	Global Footwear Services Pte. Ltd.	Singapore	Common group company and common directorship	N/A
7	Bata Centre S.R.O	Switzerland	Common group company	N/A
8	Bata Shoe Company (Bangladesh) Ltd.	Bangladesh	Common group company	N/A

## 47 CAPACITY AND ACTUAL PRODUCTION

	No. of shifts worked		Installed capacity based on actual shifts worked		Actual production	
			Pairs in '000		Pairs in '000	
	2021	2020	2021	2020	2021	2020
Footwear in pairs						
Cemented	1 to 3	1 to 3	2,636	2,291	2,364	1,464
Polyurethane	1 to 3	1 to 3	3,977	4,334	3,039	2,576
Thongs	1 to 3	1 to 3	5,056	5,099	1,867	2,540
Directly injected plastic	3	3	4,176	4,442	2,672	2,681
Sandak	3	3	2,494	2,538	1,630	1,925
			18,339	18,704	11,572	11,186

47.1 The deviation in actual production from installed capacity is due to rapidly growing trends as the Company has to change major shoe lines in accordance with the market trends. This involves change in manufacturing operations and product mix which causes variances not only between the installed capacity and actual production but also between the actual production of any two years.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
<b>48 NUMBER OF PERSONS EMPLOYED</b>		
Number of persons employed as at year end	2,274	2,276
Average number of persons employed during the year	2,275	2,522

## 49 PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provision of the section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

## 50 EVENTS AFTER THE REPORTING DATE

**50.1** The Board of Directors have approved a final cash dividend for the period ended December 31, 2021 of Rs Nill per share, amounting to Rs Nill at their meeting held on March 02, 2022. These financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

**50.2** There were no other subsequent events other than those disclosed elsewhere in these financial statements.

## 51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on March 02, 2022 by the Board of Directors of the Company.

## 52 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary. However, no significant reclassifications have been made.

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

NEW  
**SPRING  
SUMMER**  
COLLECTION 2021



*Surprisingly*  
**Bata**



# Pattern of Shareholding

## PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2021

No. of Shareholders	From	Shareholding To	Total Shares held
758	1	100	29,460
386	101	500	93,306
64	501	1,000	47,126
58	1,001	5,000	123,660
5	5,001	10,000	28,650
5	10,001	15,000	57,332
1	15,001	20,000	15,220
1	20,001	25,000	21,000
2	25,001	30,000	53,172
1	35,001	40,000	38,120
1	80,001	85,000	81,520
1	95,001	100,000	99,674
1	100,001	105,000	100,960
1	1,080,001	1,085,000	1,084,934
1	5,685,001	5,690,000	5,685,866
1286			7,560,000

## CATEGORIES OF SHAREHOLDERS

	Number of Shareholders	Number of Shares held	Percentage
<b>FOREIGN SHAREHOLDERS</b>			
Bafin (Netherlands) B.V.	1	5,685,866	75.21
<b>Local Shareholders</b>			
Individuals	1,234	347,090	4.59
Industrial Development Bank of Pakistan IDBP (ICP Unit)	1	125	0.00
National Investment Trust Limited (CDC)	1	28,076	0.37
National Investment Trust Limited administration Fund (CDC)	1	21,000	0.28
Trustee National Investment (UNIT) Trust (CDC)	1	1,084,934	14.35
Nnational Bank of Pakistan (CDC)	1	611	0.01
Insurance Companies	9	165,648	2.19
Pension Fund	7	131,654	1.74
Joint Stock Companies	15	6,692	0.09
Modaraba & Mutual Fund	5	65,960	0.87
Other Companies	10	22,344	0.30
<b>TOTAL SHAREHOLDERS</b>	1286	7,560,000	100.00

# PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2021

Categories of Shareholders	Number of shares held	% AGE
<b>1. DIRECTORS, CEO THEIR SPOUSES &amp; MINOR CHILDREN</b>		
1 MR. ROBERTO LONGO	1	0.0000%
2 MR. MUHAMMAD IMRAN MALIK	–	–
3 MR. AMJAD FAROOQ	–	–
4 MR. TOH GUAN KIAT	1	0.0000%
5 MR. KAMAL MONNOO	1	0.0000%
6 MR. MUHAMMAD MAQBOOL	1	0.0000%
7 MS. FATIMA ASAD KHAN	1	0.0000%
8 MR. SYED ASAD ALI ZAIDI	–	–
9 MR. AAMIR AMIN	–	–
	5	0.0001%
<b>2. ASSOCIATED COMPANIES</b>		
<b>Associated Companies, Undertakings and Related Parties (Parent Company)</b>		
1 BAFIN (NETHERLANDS) B.V.	5,685,866	75.2099%
<b>3. NIT &amp; ICP</b>		
1 IDBP (ICP UNIT)	125	0.0017%
2 NATIONAL INVESTMENT TRUST LIMITED (CDC)	28,076	0.3714%
3 NATIONAL INVESTMENT TRUST LIMITED – ADMINISTRATION FUIND (CDC)	21,000	0.2778%
4 CDC – TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	1,084,934	14.3510%
	1,134,135	15.0018%
<b>4. BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS</b>		
1 NATIONAL BANK OF PAKISTAN (CDC)	611	0.01%
	611	0.01%
<b>5. INSURANCE COMPANIES</b>		
1 ADAMJEE LIFE ASSURANCE CO.LTD – DGF (CDC)	2,160	0.0286%
2 ADAMJEE LIFE ASSURANCE COMPANY LIMITED (CDC)	12,300	0.1627%
3 ADAMJEE LIFE ASSURANCE COMPANY LTD– AMMANAT FUND (CDC)	2,000	0.0265%
4 ADAMJEE LIFE ASSURANCE COMPANY LTD–IMF (CDC)	100,960	1.3354%
5 EAST WEST INSURANCE CO.LTD (CDC)	200	0.0026%
6 EFU GENERAL INSURANCE LIMITED. (CDC)	25,096	0.3320%
7 HABIB INSURANCE CO.LIMITED. (CDC)	6,000	0.0794%
8 STATE LIFE INSURANCE CORP. OF PAKISTAN. (CDC)	11,392	0.1507%
9 DAWOOD FAMILY TAKAFUL LIMITED (CDC)	5,540	0.0733%
	165,648	2.1911%
<b>6. FOREIGN COMPANIES</b>		
<b>7. MODARABA &amp; MUTUAL FUND</b>		
1 CDC – TRUSTEE ATLAS STOCK MARKET FUND (CDC)	80	0.0011%
2 CDC – TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND (CDC)	12,220	0.1616%
3 CDC – TRUSTEE MCB PAKISTAN STOCK MARKET FUND (CDC)	38,120	0.5042%
4 CDC – TRUSTEE NIT ISLAMIC EQUITY FUND (CDC)	5,120	0.0677%
5 CDC – TRUSTEE NIT–EQUITY MARKET OPPRTUNITY FUND (CDC)	10,420	0.1378%
	65,960	0.8725%
<b>8. PENSION FUND</b>		
1 TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEE PENSION FUND (CDC)	99,674	1.3184%
2 PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND–DC SHARIAH (CDC)	3,380	0.0447%
3 TRUSTEE PAK. PETROLEUM EXEC. STAFF PENSION FUND DC CONVENTIONAL (CDC)	1,260	0.0167%
4 TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND (CDC)	15,220	0.2013%
5 TRUSTEE PAKISTAN PETROLEUM NON–EXECUTIVE STAFF PENSION FUND (CDC)	4,920	0.0651%
6 CDC – TRUSTEE PAKISTAN PENSION FUND – EQUITY SUB FUND (CDC)	4,380	0.0579%
7 CDC–TRUSTEE ALHAMRA ISLAMIC PENSION FUND – EQUITY SUB FUND (CDC)	2,820	0.0373%
	131,654	1.7415%
<b>9. JOINT STOCK COMPANIES</b>		
1 FATEH INDUSTRIES LIMITED	160	0.0021%
2 STANLEY HOUSE INDUSTRIES (PRIVATE) LIMITED (CDC)	500	0.0066%
3 IGI FINEX SECURITIES LIMITED (CDC)	1	0.0000%
4 IRFAN MAZHAR SECURITIES (PVT) LTD. (CDC)	540	0.0071%
5 ISPI CORPORATION (PRIVATE) LIMITED (CDC)	1,200	0.0159%
6 MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000%

# PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2021

Categories of Shareholders	Number of shares held	% AGE
7 NAEEM'S SECURITIES (PVT) LTD (CDC)	50	0.0007%
8 NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	460	0.0061%
9 NH SECURITIES (PVT.) LIMITED. (CDC)	135	0.0018%
10 SAOO CAPITAL (PVT) LIMITED (CDC)	20	0.0003%
11 SARFRAZ MAHMOOD (PRIVATE) LTD (CDC)	25	0.0003%
12 SERVICE SALES CORPORATION (PRIVATE) LIMITED (CDC)	100	0.0013%
13 SOFCOM (PRIVATE) LIMKITED (CDC)	300	0.0040%
14 TOPLINE SECURITEIS LIMITED - MF (CDC)	2,500	0.0331%
15 RAFUM CORPORATION (PRIVATE) LIMITED (CDC)	700	0.0093%
	6,692	0.0885%
<b>10. OTHER COMPANIES</b>		
1 TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST (CDC)	3,498	0.0463%
2 ALI GOHAR & COMPANY (PRIVATE) LIMITED STAFF PROVIDENT FUND (CDC)	720	0.0095%
3 CHEVRON PAKISTAN LUBRICANTS (PVT.) LTD. EPF (CDC)	260	0.0034%
4 GETZ PHARMA (PRIVATE) LIMITED EMPLOYEES PROVIDEWNT FUND (CDC)	1,440	0.0190%
5 NESTLE PAKISTAN LTD. EMPLOYEES PROVIDENT FUND (CDC)	3,346	0.0443%
6 TRUSTEE- GUL AHMED TEXTILE MILLS LTD. EMP. PROVIDENT FUND (CDC)	2,000	0.0265%
7 TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND (CDC)	1,520	0.0201%
8 TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND (CDC)	2,600	0.0344%
9 TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND (CDC)	2,280	0.0302%
10 TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND (CDC)	4,680	0.0619%
	22,344	0.2956%
<b>11. SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)</b>	200	0.0026%
<b>SHARES HELD BY THE GENERAL PUBLIC (LOCAL)</b>	346,885	4.5884%
	347,085	4.5911%
<b>TOTAL:</b>	7,560,000	100.00%

Categories of Shareholders	SHARES	% AGE
<b>1. SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL</b>		
<b>S.No NAME</b>		
1 BAFIN (NEDERLANDS) B.V.	5,685,866	75.2099%
2 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	1,084,934	
3 NATIONAL INVESTMENT TRUST LIMITED (CDC)	28,076	
4 NATIONAL INVESTMENT TRUST LIMITED - ADMINISTRATION FUIND (CDC)	21,000	
5 NATIONAL BANK OF PAKISTAN (CDC)	611	
	1,134,621	15.0082%
	6,820,487	90.2181%

Categories of Shareholders	SHARES	% AGE
<b>2. SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL</b>		
<b>S.No NAME</b>		
1 BAFIN (NEDERLANDS) B.V.	5,685,866	75.2099%
2 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	1,084,934	
3 NATIONAL INVESTMENT TRUST LIMITED (CDC)	28,076	
4 NATIONAL INVESTMENT TRUST LIMITED - ADMINISTRATION FUIND (CDC)	21,000	
5 NATIONAL BANK OF PAKISTAN (CDC)	611	
	1,134,621	15.0082%
	6,820,487	90.2181%

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

S.No	NAME	SALE	PURCHASE
1	NIL	0	0

**FORM OF PROXY**  
**70<sup>th</sup> ANNUAL GENERAL MEETING**

**Bata®**

The Company Secretary  
Bata Pakistan Limited  
P.O. Batapur,  
Lahore

I/We \_\_\_\_\_  
of \_\_\_\_\_

being a member of Bata Pakistan Limited and holder of \_\_\_\_\_  
\_\_\_\_\_ Ordinary Shares as per Register Folio

No. \_\_\_\_\_ and / or CDC Participant I.D. No. \_\_\_\_\_ and Sub Account No.

\_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the 70<sup>th</sup> Annual General Meeting of the Company to be held on April 25, 2022 and at any adjournment thereof.

Signature: \_\_\_\_\_

Rs.10/- Revenue Stamp

Date: \_\_\_\_\_

**WITNESSES:**

1. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
CNIC No. \_\_\_\_\_  
Passport No. \_\_\_\_\_

2. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
CNIC No. \_\_\_\_\_  
Passport No. \_\_\_\_\_

**Note:**

1. A member entitled to be present and vote at the meeting may appoint a proxy to attend, speak and vote for him/her. A proxy need not be a member of the Company.
2. Proxies in order to be effective must be received at the Registered Office of the Company not later than 48 hours before the meeting.
3. CDC Shareholders and their Proxies must each attach an attested photocopy of their Computerize National Identity Card (CNIC) or passport with this proxy form.

4. In case of Joint Shareholders, the vote of senior who tenders a vote whether in person or proxy will be accepted to the exclusion of votes of other joint shareholders and for this purpose, seniority will be determined by the order in which names stand in the Register of the Members.

I. In case of Corporate entities, the Board of Director's Resolution/Power of attorney and specimen signature must be submitted (unless it has been provided earlier) along with proxy form to Share Registrar/Company.

II. Members are further requested:

- a) To affix revenue stamp of Rs.10/- at the place indicated above.
- b) To sign in the same style/pattern as is registered with Company.
- c) To write down folio number in readable manner.



The Company Secretary

**BATA PAKISTAN LIMITED**

P.O. BATAPUR,  
LAHROE.

AFFIX  
CORRECT  
POSTAGE

کمپنی سیکرٹری  
بانا پاکستان لمیٹڈ  
بانا پور، لاہور

میں / ہم \_\_\_\_\_  
ساکن \_\_\_\_\_ بحیثیت ممبر بانا پاکستان لمیٹڈ \_\_\_\_\_ عام حصص کا مالک مستمی / مستماتہ \_\_\_\_\_  
ساکن \_\_\_\_\_ کو جس کا فوئیو / سی ڈی سی اکاؤنٹ نمبر \_\_\_\_\_ یا اس کی عدم دستیابی کی صورت میں \_\_\_\_\_  
مستمی / مستماتہ \_\_\_\_\_ ساکن \_\_\_\_\_  
کو بطور پراکسی مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے کمپنی کے 70 واں سالانہ عام اجلاس جو کہ مورخہ 25 اپریل 2022ء کو منعقد ہو رہا ہے اس میں اور اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے، بات کرے اور ووٹ ڈالے۔  
میرے / ہمارے دستخط بتاریخ \_\_\_\_\_ 2022ء

10/- روپے کے ریونیو شامپ

گواہان: \_\_\_\_\_  
(1) نام: \_\_\_\_\_  
(2) نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
شناختی کارڈ / پاسپورٹ نمبر: \_\_\_\_\_  
دستخط: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
شناختی کارڈ / پاسپورٹ نمبر: \_\_\_\_\_  
دستخط: \_\_\_\_\_

نوٹ:

- 1- اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر اجلاس میں شریک ہونے اور ووٹ دینے کیلئے پراکسی مقرر کر سکتا ہے۔ پراکسی کیلئے کمپنی کا ممبر ہونا ضروری نہیں ہے۔
- 2- پراکسی کو موثر ہونے کیلئے اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہونا لازمی ہے۔
- 3- سی ڈی سی شیئر ہولڈرز اور ان کے پراکسیز کیلئے پراکسی فارم کے ساتھ پاسپورٹ یا کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی تصدیق شدہ فوٹو کاپی منسلک کرنا ضروری ہے۔
- 4- جوائنٹ شیئر ہولڈرز کی صورت میں، سینئر کا ووٹ، چاہے وہ ذاتی طور پر ووٹ کرے یا پراکسی کے ذریعے سینیئر کا تعین ممبرز کے رجسٹرڈ میں درج ناموں کی ترتیب کے ذریعے کیا جائے گا۔

- i. کارپوریٹ اداروں کی صورت میں، پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی ریزولیشن / پاور آف اٹارنی اور نمونہ کے دستخط (اگر پہلے سے فراہم نہیں کئے گئے ہوں تو) شیئر رجسٹرار / کمپنی کو جمع کروانا لازمی ہے۔
- ii. ممبرز سے مزید درخواست کی جاتی ہے:
  - a) اوپر نشاندہی کی گئی جگہ پر 10/- روپے کی رسیدی گٹ چیکیں۔
  - b) دستخط اسی طرز / نمونہ کے مطابق کریں جو کمپنی کے پاس رجسٹرڈ ہے۔
  - c) اپنے فوئیو نمبر کو واضح اور نمایاں طور پر لکھیں۔

پوری ٹکٹ  
لگانے کے بعد

جناب کمپنی سیکرٹری صاحب  
بانا پاکستان لمیٹڈ  
بانا پور لاہور





***Bata.***

**PAKISTAN LIMITED**

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PAKISTAN

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