



*Bata*<sup>®</sup>

**2021**

JAN - MAR

**QUARTERLY  
REPORT**

NEW  
**SPRING  
SUMMER**  
COLLECTION 2021



*Surprisingly*  
**Bata.**

# CORPORATE INFORMATION

## Board of Directors

Mr. Roberto Longo	Chairman
Mr. Muhammad Imran Malik	Director/Chief Executive
Mr. Amjad Farooq	Director/Chief Financial Officer
Mr. Toh Guan Kiat	Director
Mr. Syed Asad Ali Zaidi	Director
Mr. Kamal Monnoo	Director
Mr. Muhammad Maqbool	Director
Ms. Fatima Asad Khan	Director
Mr. Aamir Amin (Nominee of NIT)	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

Mr. Hafiz Mudassar Hassan Kamran

## Auditors

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

## Legal Advisor

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

## Stock Exchange Listing

Bata Pakistan Limited is listed on Pakistan Stock Exchange under "Leather and Tanneries" sector.

## Bankers

Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Bank Al Habib Limited  
National Bank of Pakistan Limited  
United Bank Limited  
Meezan Bank Limited  
Allied Bank Limited

## Registered Office

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

## Share Registrar

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

## Factories

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

## Maraka,

26 - Km, Multan Road, Lahore.

## Liaison Office Karachi

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

# DIRECTORS' REVIEW

It is my pleasure to present the un-audited Condensed Interim Financial Information and brief review of the Company's operations for the 1st Quarter ended 31 March 2021.

Net turnover in the period under review was Rs. 2.643 billion as compared to Rs. 2.913 billion for the corresponding period of last year. Although, challenges like Covid, high inflation and bleak market conditions still exist, the Company showed good improvement. Profit after tax was Rs. 33.5 million against Loss after tax of Rs. 250.2 million of the corresponding year. Earnings per share was Rs. 4.43 against Loss per share of Rs. 33.11 in last year.

Both retail and non-retail divisions remained under pressure due to inflation along with COVID-19. Turnovers of both the divisions declined by 8% and 20% respectively against the corresponding period of last year. Company has successfully launched spring shoe line in both retail and non-retail divisions. With the right product with right pricing we expect to get the maximum benefit in the shape of business during EID.

Our production facilities at Batapur and Maraka were remained fully loaded to meet the demand of our popular items. We are continually making investment in new moulds, the majority of which are proved very successful in the marketplace. We are investing on technology and are implementing Oracle Xstore, a Point of Sale (POS) software to improve customer experience and enhance our operational efficiency at the store level. Similarly, we are also taking a lot of initiatives in E-Commerce business both in technology and in marketing to capture this new business opportunity.

Our precedence remains to satisfy the demand of our valued customers and provide them with services exclusively and efficiently. In spite of third wave of COVID -19, we are preparing ourselves to grasp all opportunities that come our way this year. Our priority right now is to hit our target sales and stay connected with our customers through social media and online campaigns.

The Company continued its Corporate Social Responsibilities (CSR) activities during the period under review. 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 pairs of shoes to the underprivileged children studying in different schools. Distributed uniforms and books among 540 children studying in different schools.

We are anticipating a tough year ahead but we are very much confident that with passion of our staff and unconditional support from our all stakeholders, we will not only achieve our goals for the year but also maintain a cohesion on national level by fulfilling our corporate responsibility to the society.

**On behalf of the Board**

**Batapur:**  
**Lahore: 27 April 2021**

**MUHAMMAD IMRAN MALIK**  
**Chief Executive**

## ڈائریکٹرز کا جائزہ

مورخہ 31 مارچ 2021ء کو ختم ہوئی سال کی پہلی سہ ماہی کیلئے کمپنی کی کاروائیوں کا مختصر جائزہ اور غیر آڈٹ شدہ جامع عبوری مالیاتی معلومات پیش کرنے پر مجھے بے حد خوشی ہے۔

زیر جائزہ عرصہ کے دوران 2,643 ارب روپے کا کاروبار ہوا جو کہ گزشتہ سال اسی عرصہ کے دوران 2,913 ارب روپے تھا۔ اگرچہ کوویڈ 19، بلند افراط زر اور مارکیٹ میں مندی کے حالات جیسے چیلنجز اب بھی موجود ہیں، پھر بھی کمپنی نے کافی بہتری دکھائی۔ گزشتہ سال اسی عرصہ کے دوران بعد از ٹیکس 250.2 ملین روپے خسارہ کے مقابلے میں بعد از ٹیکس 33.5 ملین روپے کا منافع ہوا۔ اسی طرح پچھلے سال میں 33.11 روپے فی شیئر خسارہ کے مقابلے میں فی شیئر 4.43 روپے کی آمدنی ہوئی۔

کوویڈ 19 کے ساتھ ساتھ افراط زر کی وجہ سے ریٹیل اور نان ریٹیل ڈویژن دونوں ہی داؤد کا شکار رہے اور گزشتہ برس کے اسی عرصہ کے مقابلے میں دونوں ڈویژنوں کے کاروبار میں بالترتیب 8% اور 20% کمی واقع ہوئی۔ کمپنی نے ریٹیل اور نان ریٹیل دونوں ڈویژنوں میں موسم بہار کی شولائن کو کامیابی سے لانچ کیا۔ صحیح مصنوعات اور صحیح قیمتوں کے ساتھ عید کے دوران کاروبار کی صورت میں ہمیں زیادہ سے زیادہ فائدہ حاصل ہونے کی توقع ہے۔

ہمارے بٹانا پورا اور مرا کہ پیداواری مراکز اس عرصہ کے دوران میں ہماری مقبول عام آن لائن کی طلب کو پورا کرنے کیلئے پوری طرح مصروف رہے۔ ہم نئے مولڈز میں مسلسل سرمایہ کاری کر رہے ہیں، جن میں سے اکثر مارکیٹ میں بہت کامیاب ثابت ہوئے ہیں۔ ہم ٹیکنالوجی پر سرمایہ کاری کر رہے ہیں اور سٹور کی سطح پر اپنی استعداد کار کو بہتر بنانے اور اپنے کسٹمرز کو بہتر سے بہتر خدمات فراہم کرنے کیلئے ایک پوائنٹ آف سیل (پی او ایس) سوفٹ ویئر، اور ایکل ایکس سٹور، پرنٹل ڈراما کر رہے ہیں۔ اسی طرح ہم نئے کاروباری مواقع حاصل کرنے کیلئے ٹیکنالوجی اور مارکیٹنگ دونوں میں ای کامرس بزنس کیلئے بھی بہت سے اقدامات کر رہے ہیں۔

اپنے قابل قدر کسٹمرز کی مانگ کو پورا کرنا اور انہیں خصوصی اور موثر طریقے سے خدمات فراہم کرنا ہماری اولین ترجیح ہے۔ کوویڈ 19 کی تیسری لہر کے باوجود ہم خود کو ان تمام مواقع کو سمجھنے کیلئے تیار کر رہے ہیں جو اس سال حاصل ہو سکتے ہیں۔ فی الحال ہماری ترجیح یہی ہے کہ اپنے فروخت کے اہداف کو پورا کیا جائے اور سوشل میڈیا اور آن لائن کمیونیز کے ذریعے اپنے صارفین کے ساتھ رابطے میں رہا جائے۔

کمپنی نے زیر جائزہ عرصہ کے دوران اپنی کارپوریٹ سماجی ذمہ داریوں (سی ایس آر) کی سرگرمیوں کو بھی جاری رکھا۔ گھر کی ٹینگ جھپٹال لاہور میں ایک واٹر فلٹریشن پلانٹ تعمیر کیا گیا تاکہ مرلیضوں اور ان کی دیکھ بھال کرنے والوں کو پینے کا صاف پانی مہیا کیا جاسکے۔ کئی سکولوں میں تعلیم حاصل کرنے والے کم مراعات یافتہ بچوں کو شوز کا عطیہ دیا۔ مختلف سکولوں میں زیر تعلیم 540 بچوں میں کتابیں اور یونیفارمز تقسیم کئے۔

ہم آگے ایک مشکل سال کی توقع کر رہے ہیں لیکن ہم بہت زیادہ پراعتماد ہیں کہ اپنے سٹاف کے جذبے اور اپنے تمام متعلقین کی طرف سے غیر مشروط معاونت کے ذریعے ہم نے صرف اس سال کیلئے اپنے اہداف حاصل کر لیں گے بلکہ معاشرے میں اپنی کارپوریٹ سماجی ذمہ داریوں کو نبھاتے ہوئے قومی سطح پر ہم آہنگی کو بھی برقرار رکھیں گے۔

منجانب بورڈ

محمد عمران ملک  
چیف ایگزیکٹو

بٹانا پورا، لاہور۔

27 اپریل 2021ء

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - UNAUDITED

AS AT 31 MARCH 2021

Note	(UN - AUDITED) 31 March 2021	(AUDITED) 31 December 2020	
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,931,322	1,949,867
Right of use assets		3,613,943	3,685,232
Intangible assets		164,519	164,744
Long term investments	7	45,096	45,094
Long term deposits and prepayments		40,780	36,127
Deferred taxation		549,020	521,813
		6,344,680	6,402,877
<b>CURRENT ASSETS</b>			
Stores and spares		-	-
Stock in trade	8	4,135,779	2,812,812
Trade debts - unsecured		1,519,466	1,385,617
Advances - unsecured		156,154	116,006
Trade deposits and short term prepayments		426,462	167,995
Other receivables		128,878	266,933
Interest accrued		10,538	3,340
Short term investments		1,600,000	1,950,000
Tax refunds due from Government	9	350,161	350,161
Cash and bank balances	10	183,767	549,740
		8,511,205	7,602,604
<b>TOTAL ASSETS</b>		14,855,885	14,005,481
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital		100,000	100,000
Issued, subscribed and paid up capital		75,600	75,600
Reserves		-	-
Capital reserve		483	483
Revenue reserves		6,329,980	6,296,516
		6,330,463	6,296,999
		6,406,063	6,372,599
<b>NON-CURRENT LIABILITIES</b>			
Lease liability		3,558,739	3,602,826
Long term deposits		23,493	24,788
Deferred liability - employee benefits	12	65,071	68,592
Long term borrowing	11	51,944	53,516
		3,699,247	3,749,722
<b>CURRENT LIABILITIES</b>			
Current portion of lease liability		906,796	871,711
Current portion of long term borrowing		6,296	6,743
Trade and other payables		3,743,343	2,774,550
Short term borrowing	13	-	-
Provision for taxation		39,647	175,662
Unclaimed dividend		54,493	54,494
		4,750,575	3,883,160
<b>CONTINGENCIES AND COMMITMENTS</b>	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		14,855,885	14,005,481

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

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

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

	Note	Jan - Mar 2021	Jan - Mar 2020
(Rupees in '000)			
NET SALES	15	2,643,151	2,912,501
COST OF SALES	16	1,349,082	1,610,872
GROSS PROFIT		1,294,069	1,301,629
DISTRIBUTION COST		872,997	1,049,373
ADMINISTRATIVE EXPENSES		267,800	282,941
OTHER EXPENSES		6,966	1,992
		1,147,763	1,334,306
OTHER INCOME		70,367	24,429
OPERATING PROFIT/(LOSS)		216,673	(8,248)
FINANCE COST	17	170,768	207,157
PROFIT/(LOSS) BEFORE TAXATION		45,905	(215,405)
PROVISION FOR TAXATION			
Current		39,647	43,688
Deferred		(27,206)	(8,815)
		12,441	34,873
PROFIT/(LOSS) AFTER TAXATION		33,464	(250,278)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME		33,464	(250,278)
EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED	20	Rs. 4.43	(Rs.33.11)

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

Chief Executive

Director

Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

	Share capital	Capital reserve	General reserve	Unappropriated profit	Total
	(Rupees in '000')				
<b>Balance as at 01 January 2020</b>	75,600	483	6,957,000	411,506	7,444,589
Total comprehensive income for the three month period ended 31 March 2020	-	-	-	(250,278)	(250,278)
<b>Balance as at 31 March 2020</b>	75,600	483	6,957,000	161,228	7,194,311
<b>Balance as at 01 January 2021</b>	75,600	483	6,957,000	(660,484)	6,372,599
Total comprehensive loss for the three month period ended 31 March 2021	-	-	-	33,464	33,464
<b>Balance as at 31 March 2021</b>	75,600	483	6,957,000	(627,020)	6,406,063

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



# CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

	Note	Three month period ended	
		Jan - Mar 2021	Jan - Mar 2020
		(Rupees in '000)	
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>			
Profit before taxation		45,905	(215,405)
<b>Adjustments for:</b>			
Depreciation for property, plant & equipment	6.1	64,610	64,587
Depreciation of right of use assets		276,638	309,451
Amortization of intangible assets		3,666	-
Provision for gratuity		2,254	2,315
Loss/(Profit) on disposal of property, plant and equipment		815	(15,139)
Income from short term investments		(38,255)	(4,911)
Income from long term investments		(644)	(1,319)
Interest / markup costs		170,768	207,157
Provision for trade debts and advances - (net)		(18)	4,064
Provision for slow moving and obsolete stock - (net)		4,549	84,293
Provision for obsolescence of raw material - (net)		4,488	1,958
Reversal of provision for obsolescence stores and spare parts		(28)	(1,874)
		488,843	650,582
<b>Operating profit before working capital changes</b>		534,748	435,177
<b>Effect on cash flow due to working capital changes:</b>			
<b>(Increase) / decrease in current assets:</b>			
Stores & spare parts		-	452
Stock in trade		(1,332,004)	(1,454,607)
Trade debts - unsecured		(133,831)	(163,368)
Advances - unsecured		(40,148)	107,758
Deposits and short term prepayments		(258,467)	(378,968)
Other receivables		(7,353)	1,219
		(1,771,803)	(1,887,514)
<b>Increase in current liabilities:</b>			
Trade and other payables		1,017,037	1,150,992
<b>Cash used in operations</b>		(220,018)	(301,345)
Finance costs paid		(170,768)	(205,546)
Tax paid		(42,503)	(49,108)
Gratuity paid	12	(5,609)	(8,774)
Interest income received		23,639	4,664
		(195,241)	(258,764)
Decrease in Long term deposits and prepayments		1,295	37,262
<b>Net cash used in operating activities</b>	A	(413,964)	(522,847)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of operating fixed assets		(35,670)	(51,683)
Decrease/(Increase) in capital work in progress		(49,339)	(212,119)
Purchase of Intangible assets		(3,441)	(13,628)
Proceeds from sale of property, plant and equipment		791	123
Increase in long term investments		(3)	(3)
Net cash used in investing activities	B	(87,662)	(277,310)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(1)	(2,382)
Payment of lease liabilities		(214,346)	(296,869)
Net cash used in financing activities	C	(214,347)	(299,251)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	A+B+C	(715,973)	(1,099,408)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		2,499,740	1,273,248
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	18	1,783,767	173,840

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

Chief Executive

Director

Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

### 1 LEGAL STATUS AND OPERATIONS

Bata Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at Batapur, Lahore. The principal activity of the Company is manufacturing and sale of footwear of all kinds along with sale of accessories and hosiery items. The parent company of Bata Pakistan Limited is Bafin B.V. (Nederland), whereas the ultimate parent is Compass Limited, Bermuda. Furthermore, the Company has the following production facilities:

Sr. No	Business Units	Geographical Location
1	Batapur	G.T. Road, P.O. Batapur, Lahore
2	Maraka	26 - km, Multan Road, Lahore

The Company operates through retail outlets spread across the country with 9 outlets situated in Azad Kashmir, 6 in Baluchistan, 14 in Islamabad Capital Territory, 1 in Gilgit Baltistan, 45 in Khyber Pakhtun Khwa, 299 in Punjab and 67 outlets in Sindh.

### 2 STATEMENT OF COMPLIANCE

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

- International accounting standard IAS 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions and directives issued under the Companies Act, 2017 have been followed.

### 3 BASIS OF PRESENTATION AND MEASUREMENT

This condensed interim financial statements are unaudited but subject to limited scope review. The condensed interim financial statements do not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2020.

The financial statements have been prepared under the historic cost convention except certain employee benefits which are recognized on present value. The financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

### 4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING STANDARDS

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

### 5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2020.

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

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

	Note	(UN - AUDITED)	(AUDITED)
		31 March 2021	31 December 2020
<b>(Rupees in '000)</b>			
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Property, plant and equipment	6.1	1,873,805	1,904,351
Capital work in progress	6.2	57,517	45,516
		<u>1,931,322</u>	<u>1,949,867</u>
<b>6.1</b> Opening Net Book Value (NBV)		1,904,351	1,823,444
Add: Additions/transfers during the period/year	6.1.1	35,670	417,237
		<u>1,940,021</u>	<u>2,240,681</u>
Less: Disposals during the period (at NBV)	6.1.1	(1,606)	(62,739)
Depreciation charged during the period/year		(64,610)	(273,591)
		<u>(66,216)</u>	<u>(336,330)</u>
		<u>1,873,805</u>	<u>1,904,351</u>

	(UN-AUDITED)		(AUDITED)	
	31 March 2021	31 March 2021	31 December 2020	31 December 2020
<b>6.1.1</b>	<b>Additions</b>	<b>Disposal (NBV)</b>	<b>Additions</b>	<b>Disposal (NBV)</b>
<b>(Rupees in '000)</b>				
Buildings				
- Factory	105	-	61,518	-
- Others	227	-	2,823	-
Plant & Machinery	292	11	134,353	437
Gas Installations	-	-	2,535	-
Office Equipment	-	-	-	316
Furniture, Fixture and Fittings	8,511	1,286	202,609	59,876
Computers	26,535	309	13,399	2,110
Vehicles	-	-	-	-
	<u>35,670</u>	<u>1,606</u>	<u>417,237</u>	<u>62,739</u>

	(UN - AUDITED)	(AUDITED)
	31 March 2021	31 December 2020
<b>(Rupees in '000)</b>		
<b>6.2</b> Opening balance	45,516	43,453
Add: Additions during the period/year	49,339	346,011
	<u>94,855</u>	<u>389,464</u>
Less: Transfers during the period/year	37,338	343,948
	<u>57,517</u>	<u>45,516</u>

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

	Note	(UN - AUDITED)	(AUDITED)
		31 March 2021	31 December 2020
<b>7 LONG TERM INVESTMENTS</b>		<b>(Rupees in '000)</b>	
At Fair value through amortised cost			
PLS Term Deposit Receipts	7.1	45,096	45,094

**7.1** These deposits are earmarked against the balances due to employees held as securities and personal accounts maintained with commercial banks undertaking conventional banking services. These carry mark-up at the rate of 6.50% (2020: 6.50%) per annum.

## 8 STOCK IN TRADE

This represents net amount after adjustment for provision against slow moving and obsolete stock amounting to Rs. 111.964 million (2020: Rs. 102.927 million)

	Note	(UN - AUDITED)	(AUDITED)
		31 March 2021	31 December 2020
<b>9 TAX REFUNDS DUE FROM GOVERNMENT</b>		<b>(Rupees in '000)</b>	
	9.1	350,161	350,161

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

	Note	(UN - AUDITED)	(AUDITED)
		31 March 2021	31 December 2020
<b>10 CASH AND BANK BALANCES</b>		<b>(Rupees in '000)</b>	
Bank balances in			
Current accounts			
- Foreign currency		23,401	23,958
- Local currency		75,084	25,843
		98,485	49,801
Daily profit accounts	10.1	8,428	430,858
	10.2	106,913	480,659
Cash in transit		73,981	66,688
Cash in hand			
- Foreign currency		1,649	428
- Local currency		1,224	1,965
		2,873	2,393
		183,767	549,740

**10.1** The rate of mark-up on these accounts ranges from 5.50% to 7.10% (2020: 2.84% to 5.50%) per annum.

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

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

Note	(UN - AUDITED)	(AUDITED)
	31 March 2021	31 December 2020
	<b>(Rupees in '000)</b>	
<b>11 LONG TERM BORROWING</b>		
Long term borrowing	58,240	60,259
Less: Current portion of long term borrowing	(6,296)	(6,743)
11.1	51,944	53,516

**11.1** The long term finance was obtained from Habib Bank Limited for import and installation of solar power machinery. Under the arrangement, principal amount upto Rs 80 million was repayable in 39 equal quarterly instalments beginning six months after the initial drawdown date. Interest was payable quarterly in arrears at the rate of 3 months SBP rate plus 1.5 percent per annum. Effective rate of interest ranged from 3.5% to 9.81% per annum during the year.

The loan was 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.

	(UN - AUDITED)	(AUDITED)
	31 March 2021	31 December 2020
	<b>(Rupees in '000)</b>	
<b>12 DEFERRED LIABILITY- EMPLOYEE BENEFITS</b>		
Opening liability	68,592	83,476
Amount recognized during the period/year	2,088	15,088
Payment made by the Company during the period/year	(5,609)	(17,360)
Experience adjustment	-	(12,612)
Closing liability	65,071	68,592

The latest actuarial valuation was carried out as at December 31, 2020.

## 13 SHORT TERM BORROWINGS

The credit facilities available to the Company from various commercial banks aggregate to Rs. 2,235 million (2020: Rs. 2,235 million). These include:

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

Moreover, the Company can avail further cash finance facilities out of un-utilized unfunded facilities of Rs. 365.000 million (2020: Rs. 365.000 million) which also includes Rs. 35.000 million (2020: Rs. 35.000 million) of export finance facilities.

The un-utilized facility for letter of credits and guarantees at year end amounts to Rs. 553,041 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: 1.00%) per annum.

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

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

	(UN - AUDITED)	(AUDITED)
	31 March 2021	31 December 2020
	(Rupees in '000)	
<b>14 CONTINGENCIES AND COMMITMENTS</b>		
The Company is contingently liable for:		
Order by sales tax department-under appeal	265,454	265,454
Order by sales tax department-under appeal	237,370	237,370
Order by income tax department-under appeal	1,027,460	1,027,460
Order by sales tax department-under appeal	79,982	79,982
Order by sales tax department-under appeal	52,134	52,134
Show cause notice by sales tax department against which stay order has been obtained	85,097	85,097
Order by income tax department-under appeal	254,038	254,038
Order by sales tax department-under appeal	60,732	60,732
Order by Collector of Customs-under appeal	23,975	23,975
Order by income tax department-under appeal	34,270	34,270
Order by income tax department-under appeal	24,863	24,863
Order by sales tax department-under appeal	90,316	90,316
Order by sales tax department-under appeal	48,046	48,046
	2,283,737	2,283,737

There is no significant change in contingencies since the date of preceding published annual financial statements.

	(UN - AUDITED)	(AUDITED)
	31 March 2021	31 December 2020
	(Rupees in '000)	
<b>14.1 Other contingent liabilities</b>		
The Company is contingently liable for:		
Counter guarantees given to banks	2,171	2,171
Indemnity bonds given to custom authorities	6,385	3,573
Claims not acknowledged as debts	18,322	18,322
	26,878	24,066
<b>14.2 Commitments in respect of:</b>		
- Capital expenditure	153,927	112,030
- Letters of credit and bank contracts	166,481	159,931
	320,408	271,961

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

		(UN - AUDITED)	
		Three month period ended	
		31 March 2021	31 March 2020
		(Rupees in '000)	
<b>15</b>	<b>NET SALES</b>		
	Shoes and accessories		
	Local	3,305,652	3,640,466
	Export	18,099	10,418
		3,323,751	3,650,884
	Sundry articles and scrap material	19,744	13,690
		3,343,495	3,664,574
	Less: Sales tax	(415,768)	(503,154)
	Discount to dealers and distributors	(208,448)	(174,969)
	Commission to agents/business associates	(76,128)	(73,950)
		(700,344)	(752,073)
		2,643,151	2,912,501
<b>16</b>	<b>COST OF SALES</b>		
	Raw material consumed	961,244	1,141,982
	Stores and spares consumed	2,838	2,551
	Fuel and power	42,189	44,605
	Salaries, wages and benefits	177,685	166,279
	Repairs and maintenance	24,088	15,047
	Insurance	5,373	4,903
	Depreciation	16,389	12,897
		1,229,806	1,388,264
	Add: Opening goods in process	40,541	46,908
		1,270,347	1,435,172
	Less: Closing goods in process	(83,166)	(80,840)
	Cost of goods manufactured	1,187,181	1,354,332
	Add: Opening stock of finished goods	2,521,326	3,828,968
	Finished goods purchased	1,265,115	1,430,565
		4,973,622	6,613,865
	Less: Closing stock of finished goods	(3,624,540)	(5,002,993)
		1,349,082	1,610,872
<b>17</b>	<b>FINANCE COSTS</b>		
	Interest / mark-up on:		
	Workers' profit participation fund	-	1,002
	Employees / agents' securities and personal accounts	645	610
	Long term borrowings	620	-
	Lease liability	160,721	195,264
		161,986	196,876
	Bank charges and commission	8,782	10,281
		170,768	207,157

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

	(UN - AUDITED)	
	Three month period ended	
	31 March 2021	31 March 2020
<b>18 CASH AND CASH EQUIVALENTS</b>	<b>(Rupees in '000)</b>	
Short term investments	1,600,000	–
Bank balances in		
- Current accounts	98,485	58,925
- Daily profit accounts	8,428	45,751
Cash in transit	73,981	66,362
Cash in hand	2,873	2,802
	1,783,767	173,840

## 19 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of parent company, related group companies, provident fund trusts, directors and key management personnel. Transactions with related parties during the period are as follows:

Relationship with the Company	Nature of transactions	(UN - AUDITED)	
		Three month period ended	
		31 March 2021	31 March 2020
		<b>(Rupees in '000)</b>	
Common control companies	Purchase of goods and services	54,702	22,808
	Sale of goods and services	2,241	1,451
	Trade mark license fee	136,837	145,497
	Management service fee	55,748	52,272
Staff Retirement Benefits	Contribution to provident fund trusts	16,173	16,634
Staff Retirement Benefits	Gratuity paid	5,609	8,774
Key management personnel	Remuneration	35,811	35,020

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

Period end balances	(UN - AUDITED)	(AUDITED)
	31 March 2021	31 December 2020
	<b>(Rupees in '000)</b>	
Receivable from related party	2,174	1,520
Payable to related party	1,043,200	1,000,127



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021**

	(UN - AUDITED)	
	Three month period ended	
	31 March 2021	31 March 2020
<b>20 EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit/(Loss) after taxation attributable to ordinary share holders (Rupees in '000)	33,464	(250,278)
Weighted average number of ordinary shares - Number (in '000)	7,560	7,560
Earnings/(Loss) per share - Basic (Rs.)	4.43	-33.11

**20.1** No figure for diluted earnings per share has been disclosed as the Company has not issued any instrument which would have a dilutive impact on earnings per share, when exercised.

	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	Segment assets		Segment liabilities	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<b>21 SEGMENT ASSETS AND LIABILITIES</b>	(Rupees in '000)			
Retail	8,181,468	7,480,169	4,530,930	4,549,856
Wholesale	2,049,834	1,691,100	39,650	44,690
Export	7,459	11,407	-	-
Unallocated	4,617,124	4,822,805	3,879,242	3,038,336
	14,855,885	14,005,481	8,449,822	7,632,882

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021**

(UN - AUDITED)										
Three month period ended										
(Rupees in '000)										
	Retail		Wholesale		Export		Others		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Net sales	2,256,636	2,425,898	369,608	464,304	18,099	10,418	18,808	11,881	2,643,151	2,912,501
Inter - segment sales	-	-	-	-	-	-	-	-	-	-
Total Sales	2,256,636	2,425,898	369,608	464,304	18,099	10,418	18,808	11,881	2,643,151	2,912,501
<b>Segment result before unallocated expenses</b>	388,185	253,409	40,047	31,555	2,651	1,786	4,453	4,121	435,334	200,871
Unallocated operating expenses									282,062	321,556
Other expenses									6,966	1,992
Other income									70,367	24,429
Operating profit / (loss)									216,673	(8,248)
Finance cost									170,768	207,157
Profit / (loss) before taxation									45,905	(215,405)
Taxation									12,441	34,873
Profit / (loss) after taxation									33,464	(250,278)

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

## FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

### 22 EVENTS AFTER THE REPORTING DATE

No material events have occurred subsequent to the period ended March 31, 2021.

### 23 DATE OF AUTHORIZATION

This interim financial statements were authorized for issue by the Board of Directors on April 27, 2021.

### 24 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income, and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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



***Bata.***  
PAKISTAN LIMITED

P.O.BATAPUR, LAHORE  
PAKISTAN

UAN: +92-42-111-044-055

FAX: +92-42-36581176

website: [www.bata.com.pk](http://www.bata.com.pk)

E-mail: [pk.bata@bata.com](mailto:pk.bata@bata.com)