

Bata[®]
Quarterly Report
2018
January - March



Bata

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QUARTERLY REPORT

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

CORPORATE INFORMATION

Board of Directors

Mr. Roberto Longo	Chairman
Mr. Muhammad Imran Malik	Chief Executive
Mr. Cesar Alex Panduro Arevalo	Director
Mr. Toh Guan Kiat	Director
Mr. Kamal Monnoo	Director
Mr. Muhammad Maqbool	Director
Mr. Ijaz Ahmad Chaudhry	Director
Mr. Shahid Anwar (Nominee of NIT)	Director
Mr. Aamir Amin (Nominee of NIT)	Director

Audit Committee

Mr. Muhammad Maqbool	Chairman
Mr. Mr. Roberto Longo	Member
Mr. Ijaz Ahmad Chaudhry	Member

Human Resource and Remuneration Committee

Mr. Ijaz Ahmad Chaudhry	Chairman
Mr. Muhammad Imran Malik	Member
Mr. Muhammad Maqbool	Member

Chief Financial Officer (CFO)

Mr. Cesar Alex Panduro Arevalo

Company Secretary

Mr. Amjad Farooq

Auditors

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

Legal Advisor

Surrige & Beecheno
60, Shahrāh-e-Quaid-e-Azam,
Ghulam Rasool Building,
Lahore.

Stock Exchange Listing

Bata Pakistan Limited is listed on
Pakistan Stock Exchange.

The Company's shares are quoted in leading
Newspapers under "Leather and Tanneries" sector.

Bankers

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

Registered Office

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

Share Registrar

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

Factories

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

Maraka,
26 - Km, Multan Road,
Lahore.

Liaison Office

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

DIRECTORS' REVIEW

It is my pleasure to present the un-audited Condensed Interim Financial Information and brief review of the Company's operations for the 1st Quarter ended 31 March 2018.

The Company although witnessed slight decline in its turnover but it was in line with the planning for the reported period to somehow restructure the non retail division of the Company. Net turnover in the period under review was Rs. 3.057 billion as compared to Rs. 3.063 billion for the corresponding period of last year which resulted in operating profit to decline to Rs. 261.657 million from Rs. 331.105 million of last year and earnings per share decreased from Rs. 29.46 to Rs. 22.66.

Retail division showed a good growth during the first quarter with current setup and was able to achieve improvement in turnover with respect to corresponding period. Our non-retail division showed a decline in turnover during this quarter as compared to corresponding period which was in line with the plan for the first quarter of 2018. They are striving to develop new products and customers base to achieve growth.

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.

Our precedence remains to satisfy the demand of our valued customers and provide them with services exclusively and efficiently. In order to maintain our role as a leader in Footwear Industry, an amount of Rs. 24.831 million has been spent for opening new and renovation of existing stores. Our focus as a part of our strategy will remain on expansion of big format stores by closing low turnover and non profitable stores which are under minimum benchmark.

The Company continued its Corporate Social Responsibilities (CSR) activities during the period under review and donated pairs of shoes to the underprivileged children studying in different schools. Certificates & Stipend were given to 9 trainees on successful completion of three months' Upper Stitching Training in Industrial School Batapur. Children of employees and BCP volunteers organized an environmental awareness activity on the Grand Trunk Road Lahore in order to educate drivers on how to keep our streets and roads clean. The Company is also investing a considerable time and money on human resource. Training of employees has always been considered as an investment for the future with the objective to provide them with safe and healthy work place.

We remain confident as regards to our prospects for the remaining year, despite the highly competitive marketing environment. We look forward to continued support from all our stakeholders to achieve the objectives for the year 2018.

On behalf of the Board

Batapur:
Lahore: 23 April 2018

(MUHAMMAD IMRAN MALIK)
Chief Executive

ڈائریکٹرز کا جائزہ

بانا پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں 31 مارچ، 2018 پہلی سہ ماہی کی عبوری مالی معلومات اور ڈائریکٹرز رپورٹ پیش کرنے پر مسرت محسوس کرتا ہوں۔

کمپنی نے اس کے نتیجے میں معمولی کمی کا بھی مشاہدہ کیا لیکن یہ نان ریٹیل ڈویژن کی بحالی کیلئے منصوبہ بندی کے مطابق تھا۔ کمپنی کی کل آمدنی گزشتہ سال کی اسی مدت کی آمدنی 3.063 ارب روپے کے مقابلے میں 3.057 روپے رہی جس کے نتیجے میں آپریٹنگ منافع 331.105 ملین روپے سے کم ہو کر 261.657 ملین روپے ہو گیا۔ فی حصص آمدنی 29.46 روپے سے 22.66 روپے ہو گئی۔

ریٹیل ڈویژن نے پہلی سہ ماہی کے دوران اچھی ترقی کی اور اسی مدت کے سلسلے میں بہتری حاصل کرنے میں کامیاب رہا۔ ہماری نان ریٹیل ڈویژن کی منصوبہ بندی کے مطابق اس مدت کے مقابلے میں کمی کا برہنہ کی نان ریٹیل ترقی حاصل کرنے کیلئے نئی مصنوعات اور گاہکوں کی ترقی کیلئے جدوجہد کر رہے ہیں۔

ہمارے بانا پورا اور مرا کہ کے پیداواری یونٹس مقبول اشیاء کی مانگ کو ملحوظ خاطر رکھتے ہوئے پوری طرح سے مصروف رہے۔ ہم مولڈز کے اندر مسلسل سرمایہ کاری کر رہے ہیں جو زیادہ تر مارکیٹ میں بہت مقبول رہے ہیں۔

ہماری ترجیح یہ ہے کہ ہمارے قابل قدر گاہکوں کی مانگ کو پورا کرنے اور انہیں خصوصی اور موثر انداز میں خدمات فراہم کریں۔ جو تے کی صنعت میں رہنما کے طور پر ہمارے کردار کو برقرار رکھنے کیلئے نئی دکانیں کھولنے اور موجودہ دکانوں کی بحالی کیلئے 24.381 ملین روپے خرچ کئے گئے۔ ہماری حکمت عملی کے ایک حصے کے طور پر ہماری توجہ کم کاروبار اور غیر منافع بخش دکانیں بند کرنے اور بڑی دکانوں کی توسیع پر ہے گی۔ جو کم از کم معیار کے تحت ہیں۔

کمپنی نے اپنی کارپوریٹ سماجی ذمہ داریوں کی سرگرمیاں زیر جائزہ مدت کے دوران بھی جاری رکھیں اور مختلف سکولوں میں پڑھنے والے کم عمر بچوں کو جوتوں کے جوڑے دیے گئے۔ انڈسٹریل سکول بانا پور میں 3 ماہ کے کورس کی تکمیل پر 9 تربیت لینے والوں کو سرٹیفکیٹ اور وظیفے دیئے گئے۔ ملازمین کے بچوں اور بی بی سی پی کے رضا کاروں نے جی ٹی روڈ لاہور پر ماحولیاتی شعور کی سرگرمیوں کا انتظام کیا جس میں ڈرائیور حضرات کو گلیوں اور سڑکوں کو صاف رکھنے کے بارے میں آگاہ کیا گیا۔ کمپنی نے ہمیشہ انسانی وسائل پر وقت اور پیسے کی سرمایہ کاری کو مستقبل کی سرمایہ کاری سمجھا ہے تاکہ ان کے لئے ایک محفوظ اور صحت افزا کام کی جگہ میسر آسکے۔

انتہائی مسابقتی مارکیٹنگ کے ماحول کے باوجود ہم باقی سال کیلئے اپنے امکانات کے بارے میں یقین رکھتے ہیں۔ ہم سال 2018ء کے مقاصد کو حاصل کرنے کیلئے اپنے تمام اسٹیک ہولڈرز کے مسلسل تعاون کے منتظر ہیں۔

منجانب بورڈ

محمد عمران ملک

چیف ایگزیکٹو

بانا پور، لاہور

۲۰۱۸ء

CONDENSED INTERIM BALANCE SHEET - (UNAUDITED)

AS AT 31 MARCH 2018

	Note	(UN - AUDITED) 31 March 2018	(AUDITED) 31 December 2017
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,487,072	1,511,909
Intangible assets		1,386	1,713
Long term investments	6	45,004	45,000
Long term deposits and prepayments		35,789	35,557
		1,569,251	1,594,179
CURRENT ASSETS			
Stores and spare parts		–	–
Stock in trade	7	4,381,065	3,482,354
Trade debts - unsecured		1,659,584	1,563,635
Advances - unsecured		314,636	432,424
Deposits and short term prepayments		200,800	74,386
Other receivables		179,169	721,636
Interest accrued		3,468	1,751
Short term investment		200,000	550,000
Tax refunds due from Government	8	493,823	493,823
Cash and bank balances	9	702,995	610,138
		8,135,540	7,930,147
TOTAL ASSETS		9,704,791	9,524,326
SHARE CAPITAL AND RESERVES			
Authorized share capital		100,000	100,000
Issued, subscribed and paid up capital		75,600	75,600
Reserves			
Capital reserve		483	483
Revenue reserves		7,221,967	7,050,641
		7,222,450	7,051,124
		7,298,050	7,126,724
NON-CURRENT LIABILITIES			
Long term deposits		45,004	45,000
Deferred liability - employee benefits	10	74,542	76,030
Deferred taxation		26,959	40,799
		146,505	161,829
CURRENT LIABILITIES			
Trade and other payables		2,167,197	1,640,756
Short term borrowings	11	–	–
Provision for taxation		93,039	595,017
		2,260,236	2,235,773
CONTINGENCIES AND COMMITMENTS			
	12		
TOTAL EQUITY AND LIABILITIES		9,704,791	9,524,326

The annexed notes from 1 to 21 form an integral part of this interim financial information.

Chief Executive

Director

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

	Note	Jan - Mar 2018	Jan - Mar 2017
(Rupees in '000)			
SALES	13	3,057,368	3,063,513
COST OF SALES	14	1,735,429	1,762,007
GROSS PROFIT		1,321,939	1,301,506
DISTRIBUTION COST		785,285	738,978
ADMINISTRATIVE EXPENSES		264,900	234,487
OTHER EXPENSES		22,379	28,008
OTHER INCOME	15	1,072,564	1,001,473
OPERATING PROFIT		12,282	31,072
FINANCE COST	16	261,657	331,105
PROFIT BEFORE TAXATION		11,132	10,400
PROVISION FOR TAXATION		250,525	320,705
Current		93,039	106,190
Deferred		(13,840)	(8,174)
PROFIT AFTER TAXATION		79,199	98,016
OTHER COMPREHENSIVE INCOME		171,326	222,689
TOTAL COMPREHENSIVE INCOME		-	-
EARNINGS PER SHARE - BASIC AND DILUTED	19	171,326	222,689
		Rs.22.66	Rs.29.46

The annexed notes from 1 to 21 form an integral part of this financial information.

CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

Note	Three month period ended	
	Jan - Mar 2018	Jan - Mar 2017
	(Rupees in '000)	
CASH GENERATED FROM OPERATIONS		
Profit before taxation	250,525	320,705
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation for property, plant & equipment	51,136	47,805
Amortization of intangible assets	327	553
Provision for gratuity	1,628	1,585
Loss on disposal of property, plant and equipment	1,703	1,499
Income from short term investments	(8,428)	(21,965)
Income from long term investments	(632)	(451)
Exchange loss	544	903
Finance cost	11,132	10,400
Income from discounting of supplier invoices	(1,165)	(6,567)
Provision for trade debts and advances - (net)	1,625	3,312
Provision for slow moving and obsolete stock - (net)	36,093	21,787
Recognition/(reversal) of provision for obsolescence stores and spare parts	(144)	(1,064)
	93,819	57,797
Operating profit before working capital changes	344,344	378,502
(Increase) / decrease in current assets:		
Stores & spare parts	-	306
Stock in trade	(898,711)	(944,794)
Trade debts - unsecured	(133,522)	(268,885)
Advances - unsecured	117,788	(7,177)
Deposits and short term prepayments	(126,414)	(136,201)
Other receivables	(5,849)	(1,302)
	(1,046,708)	(1,358,053)
Increase in current liabilities:		
Trade and other payables	531,366	599,447
Cash used in operations	(170,998)	(380,104)
Finance costs paid	(11,132)	(6,278)
Tax paid	(46,701)	(115,180)
Gratuity paid	(3,116)	(1,827)
Interest income received	8,508	18,806
	(52,441)	(104,479)
Long term deposits and prepayments - net	(228)	(5,149)
Net cash used in operating activities	A	(489,732)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(35,656)	(39,969)
Decrease/(Increase) in capital work in progress	5,177	(577)
Purchase of Intangible assets	-	(1,456)
Proceeds from sale of property, plant and equipment	2,476	2,800
Increase in long term investments	(4)	-
Net cash used in investing activities	B	(39,202)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(5,463)	(1,702)
Net cash used in financing activities	C	(1,702)
NET DECREASE IN CASH AND CASH EQUIVALENTS	A+B+C	(530,636)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,156,941
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17	1,626,305

The annexed notes from 1 to 21 form an integral part of this financial information.

Chief Executive

Director

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

	Share capital	Capital reserve	General reserve	Unappropriated profits	Total
	(Rupees in 000)				
Balance as at 01 January 2017	75,600	483	5,634,000	952,511	6,662,594
Total comprehensive income for the three month period ended 31 March 2017	–	–	–	222,689	222,689
Balance as at 31 March 2017	75,600	483	5,634,000	1,175,200	6,885,283
Balance as at 01 January 2018	75,600	483	6,132,000	918,641	7,126,724
Total comprehensive income for the three month period ended 31 March 2018	–	–	–	171,326	171,326
Balance as at 31 March 2018	75,600	483	6,132,000	1,089,967	7,298,050

The annexed notes from 1 to 21 form an integral part of this interim financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

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.

2 STATEMENT OF COMPLIANCE

These condensed interim financial information of the Company for the three month period ended 31 March 2018 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

3 BASIS OF PRESENTATION AND MEASUREMENT

This condensed interim financial information of the Company for the three month period ended 31 March 2018 are unaudited and these should be read in conjunction with the financial statements of the Company for the year ended 31 December 2017.

The financial information have been prepared under the historic cost convention. The financial information are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the annual audited and published financial statements for the year ended 31 December, 2017.

5 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	(UN - AUDITED)			
	31 March 2018		31 March 2017	
	Additions	Disposal (cost)	Additions	Disposal (cost)
	(Rupees in '000)			
Buildings				
- Factory	6,051	-	2,117	-
- Others	-	-	-	-
Plant & Machinery	232	2,145	25	11,262
Gas Installations	23	-	-	-
Office Equipment	-	-	153	-
Furniture, Fixture and Fittings	25,176	14,961	36,193	9,423
Computers	4,174	-	1,481	-
Vehicles	-	1,643	-	-
	<u>35,656</u>	<u>18,749</u>	<u>39,969</u>	<u>20,685</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

	Note	(UN - AUDITED)	(AUDITED)
		31 March 2018	31 December 2017
(Rupees in '000)			
6 LONG TERM INVESTMENTS			
Held to maturity at cost			
PLS Term Deposit Receipts	6.1	45,004	45,000

6.1 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 6.00% (2017: 6.00%) per annum.

7 STOCK IN TRADE

This represents net amount after adjustment for provision against slow moving and obsolete stock amounting to Rs. 85,901 ('000) (2017: Rs. 40,006 ('000))

8 TAX REFUNDS DUE FROM GOVERNMENT

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

	Note	(UN - AUDITED)	(AUDITED)
		31 March 2018	31 December 2017
(Rupees in '000)			
9 CASH AND BANK BALANCES			
Bank balances in			
Current accounts			
- Foreign currency		16,748	16,163
- Local currency		107,880	53,579
		124,628	69,742
Daily profit accounts	9.1	615,669	434,311
	9.2	740,297	504,053
Cash in transit		160,336	104,902
Cash in hand			
- Foreign currency		1,949	366
- Local currency		413	817
		2,362	1,183
		902,995	610,138

9.1 The rate of mark-up on these accounts ranges from 3.75% to 5.50% (2017: 3.88% to 5.50%) per annum.

9.2 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 2018

	(UN - AUDITED)	(AUDITED)
	31 March 2018	31 December 2017
	(Rupees in '000)	
10 DEFERRED LIABILITY- EMPLOYEE BENEFITS		
Opening liability	76,030	72,150
Amount recognized during the period/year	1,628	6,024
Payment made by the Company during the period/year	(3,116)	(4,796)
Experience Adjustment	-	2,652
Closing liability	<u>74,542</u>	<u>76,030</u>

The latest actuarial valuation was carried out as at 31 December 2017.

11 SHORT TERM BORROWINGS

The credit facilities available to the Company from various commercial banks aggregate to Rs. 700 million (2017: Rs. 700 million). These include cash finance facilities of Rs 665 million (2017: Rs. 665 million) and export finance facility of Rs. 35 million (2017: Rs. 35 million).

Mark up on cash finance ranges from 3 months KIBOR plus 0.50% to 1.0% (2017: 3 months KIBOR plus 0.50% to 1.0%) as per agreements with banks. While mark up on export finance is charged at 4.00% (2017: 4.00%) per annum.

In addition, non funded facilities of letters of guarantee and letters of credit amounting to Rs. 495 million (2017: Rs. 495 million) were also provided by these banks. The un-utilized facility for letter of credits and guarantees at year end amounts to Rs. 295 million (2017: Rs. 261 million).

These finances are secured against hypothecation of stock in trade, store and spares and receivables of the Company amounting to Rs. 1,194 million (2017: Rs. 1,194 million).

	(UN - AUDITED)	(AUDITED)
	31 March 2018	31 December 2017
	(Rupees in '000)	
12 CONTINGENCIES AND COMMITMENTS		
12.1 The Company is contingently liable for:		
Counter Guarantees given to banks	15,960	16,512
Indemnity Bonds given to Custom Authorities	51,772	9,800
Claims not acknowledged as debts - under appeal	13,183	13,183
Order by sales tax department	138,851	138,851
Order by sales tax department-under appeal	265,252	265,252
Order by sales tax department-under appeal	237,370	237,370
Order by sales tax department-under appeal	25,820	25,820
Order by income tax department-under appeal	954,859	954,859
Order by income tax department-under appeal	1,027,460	1,027,460
Order by sales tax department-under appeal	80,000	80,000
Order by sales tax department-under appeal	52,134	52,134
Order by sales tax department-under appeal	8,225	8,225
Show cause notice by sales tax department	85,000	85,000
Order by income tax department-under appeal	363,683	363,683
Order by sales tax department-under appeal	60,732	60,732
	<u>3,380,301</u>	<u>3,338,881</u>

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

12.2 Commitments in respect of:

- Capital expenditure	36,181	14,801
- Letters of credit and bank contracts	487,058	513,632
	<u>523,239</u>	<u>528,433</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

	(UN - AUDITED)	
	Three month period ended	
	31 March 2018	31 March 2017
	(Rupees in '000)	
13 NET SALES		
Shoes and accessories		
Local	3,533,476	3,543,585
Export	17,290	17,746
	3,550,766	3,561,331
Sundry articles and scrap material	14,183	26,952
	3,564,949	3,588,283
Less: Sales tax	229,380	248,665
Discount to dealers and distributors	212,274	217,113
Commission to agents/business associates	65,927	58,992
	507,581	524,770
	3,057,368	3,063,513
14 COST OF SALES		
Raw material consumed	742,916	942,952
Stores and spares consumed	2,210	3,405
Fuel and power	26,462	30,689
Salaries, wages and benefits	114,943	127,526
Repairs and maintenance	9,720	11,724
Insurance	3,896	3,734
Depreciation	12,020	11,946
	912,167	1,131,976
Add: Opening goods in process	49,498	40,996
	961,665	1,172,972
Less: Closing goods in process	56,259	63,601
Cost of goods manufactured	905,406	1,109,371
Add: Opening stock of finished goods	3,269,167	2,698,754
Finished goods purchased	1,637,386	1,469,400
	5,811,959	5,277,525
Less: Closing stock of finished goods	4,076,530	3,515,518
	1,735,429	1,762,007

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

		(UN - AUDITED)	
		Three month period ended	
Note	31 March 2018	31 March 2017	
(Rupees in '000)			
15 OTHER INCOME			
Income from financial assets			
Profit on long term investments	632	451	
Profit on short term investment	5,145	18,805	
Profit on bank deposits	3,283	3,160	
15.1	9,060	22,416	
Income from non - financial assets			
Rental Income	2,057	2,089	
Income from discounting of supplier invoices	1,165	6,567	
	3,222	8,656	
	12,282	31,072	

15.1 This represents profit earned on funds maintained with commercial banks undertaking conventional banking services.

		(UN - AUDITED)	
		Three month period ended	
Note	31 March 2018	31 March 2017	
(Rupees in '000)			
16 FINANCE COSTS			
Interest / mark-up on:			
Workers' profit participation fund	1,440	2,779	
Employees / agents' securities and personal accounts	1,910	1,343	
	3,350	4,122	
Bank charges and commission	7,782	6,278	
	11,132	10,400	
17 CASH AND CASH EQUIVALENTS			
Bank balances in			
- Current accounts	124,628	59,137	
- Daily profit accounts	415,669	555,302	
Short term investment	200,000	900,000	
Cash in transit	160,336	111,079	
Cash in hand	2,362	787	
	902,995	1,626,305	

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

18 TRANSACTIONS WITH RELATED PARTIES

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

		(UN - AUDITED)	
		Three month period ended	
		31 March 2018	31 March 2017
		(Rupees in '000)	
Relationship with the Company	Nature of transactions		
Common control companies	Purchase of goods and services	381,572	235,662
	Sale of goods and services	3,304	392
	Trade mark license fee	76,387	76,991
	Management service fee	39,852	34,732
	IT charges	14,939	11,644
Staff Retirement Benefits	Contribution to provident fund trusts	17,035	12,735
Staff Retirement Benefits	Gratuity paid	3,116	1,827
Key management personnel	Remuneration	34,129	22,165

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

		(UN - AUDITED)	
		Three month period ended	
		31 March 2018	31 March 2017
19 EARNINGS PER SHARE - BASIC AND DILUTED			
	Profit after taxation attributable to ordinary share holders (Rupees in '000)	171,326	222,689
	Weighted average number of ordinary shares - Number (in '000)	7,560	7,560
	Earnings per share - Basic (Rs.)	22.66	29.46

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

20. SEGMENT REPORTING

(UN - AUDITED)
 Three month period ended

	Retail		Wholesale		Export		Others		Total	
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
Rupees in ('000)										
Net sales	2,352,050	2,211,922	674,590	808,085	17,290	17,746	13,438	25,760	3,057,368	3,063,513
Inter - segment sales	-	-	-	-	-	-	-	-	-	-
Total Sales	2,352,050	2,211,922	674,590	808,085	17,290	17,746	13,438	25,760	3,057,368	3,063,513
Segment result before unallocated expenses	475,265	451,595	77,532	130,334	1,768	2,217	3,283	6,118	557,898	593,174
Unallocated operating expenses									286,094	265,133
Other expenses									22,379	28,008
Other income									12,282	31,072
Operating profit									261,657	331,105
Finance cost									11,132	10,400
Profit before taxation									250,525	320,705
Taxation									79,199	98,016
Profit after taxation									171,326	222,689

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

	(UN-AUDITED)		(AUDITED)	
	Segment assets		Segment liabilities	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
(Rupees in '000)				
20.1 SEGMENT ASSETS AND LIABILITIES				
Retail	4,263,756	3,570,415	110,794	85,826
Wholesale	2,656,766	2,412,037	19,754	19,253
Export	18,492	8,738	—	—
Unallocated	2,765,777	3,533,136	2,276,192	2,292,523
	<u>9,704,791</u>	<u>9,524,326</u>	<u>2,406,740</u>	<u>2,397,602</u>

21 DATE OF AUTHORIZATION

This interim financial information was authorized for issue by the Board of Directors on 23 April, 2018.

INVESTORS' EDUCATION

In compliance with the Securities and Exchange Commission of Pakistan's SRO 924(1)/2015 dated September 9, 2015, Investors' attention is invited to the following information message:

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