

A composite image featuring four different sneakers floating in the air above a city street. The sneakers are: a pink and white sneaker with yellow accents (top left), a tan sneaker with 'NORTH STAR' branding (top right), a black sneaker with yellow accents (middle left), and a grey and black sneaker with yellow accents (bottom center). The background shows a city street with cars and buildings.

ANNUAL REPORT

2024

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OUR PURPOSE

To inspire every step by crafting footwear that blends exceptional quality, comfort, and style, making life's journeys more meaningful and accessible to all.



OUR STORY

What began as a humble shoemaking venture in 1894 in Zlín, Czech Republic, soon transformed into a global powerhouse in footwear. Founded by Tomáš J. Baťa, the brand quickly expanded across borders, reaching over 70 countries and establishing thousands of retail stores worldwide.

In 1942, the journey in Pakistan began with the opening of the first store in Lahore. From that moment on, the brand became more than just a household name it became the undisputed leader in the country's footwear industry. Over the decades, it has not only shaped fashion trends but also played a significant role in Pakistan's economic landscape. By creating thousands of jobs and driving industrial growth, it continues to be a cornerstone of the nation's retail and manufacturing sectors.

With an extensive network of over 400 stores spread across major cities and towns, the brand remains committed to catering to every customer men, women, and children offering a diverse range of stylish, durable, and comfortable footwear. Beyond just products, the focus has always been on quality and innovation, pushing the boundaries of design, materials, and technology to meet the ever-evolving needs of consumers.

Decades of dedication and excellence have led to remarkable milestones strong brand recognition, groundbreaking product launches, and sustainable business initiatives that continue to set new industry standards. The legacy is built on more than just shoes; it's built on a promise of reliability, craftsmanship, and a vision to step confidently into the future.

As the journey continues, the brand remains steadfast in its commitment to shaping the future of footwear while staying true to its heritage of excellence. The story is far from over it's only just the beginning.



OUR VALUES

The Bata Way: Living Our Values Every Day

At the heart of everything we do lies a deep commitment to our values—principles that have shaped our journey and continue to define who we are. These values are not just words; they are a way of life that guides us in every step we take.

1. Serve with Passion

Shoes have always been more than just a business for us—they're a lifelong passion. This dedication drives us to create the best products and services, keeping us at the forefront of the industry.

2. Exceed Customer Expectations

Every customer is unique, and so are their needs. Our goal is not just to meet those needs but to go above and beyond, delivering experiences that surprise and delight.

3. Be Bold

Innovation has always been in our DNA. We don't just follow trends—we set them. Every day, we challenge the norm, push boundaries, and bring fresh ideas to life.

4. Count on Me

Our founder, Tomáš Bata, believed that true leadership comes from leading by example. We take ownership of our actions, hold ourselves accountable, and make decisions that benefit not just today but the future as well.

5. Improve Lives

We are deeply rooted in the communities we serve. Whether it's our customers, our teams, or the world around us, we strive to create opportunities for growth, connection, and a better tomorrow.

These values aren't just principles—we live them, breathe them, and walk in them every single day. This is the Bata way.





OUR VISION

To inspire and empower individuals to move forward in life with confidence, ambition, and purpose, one step at a time.



OUR MISSION

At Bata, we craft more than just shoes, we create opportunities for people to chart their own path. Through innovation, comfort, and timeless design, we enable movement, progress, and self-expression, ensuring that every step our customers take brings them closer to their goals.

BOARD OF DIRECTORS



J ZENG
CHAIRPERSON



IMRAN MALIK
CHIEF EXECUTIVE
OFFICER



AMJAD FAROOQ
CHIEF FINANCIAL
OFFICER



RASHID RAHMAN MIR
INDEPENDENT
DIRECTOR



FATIMA ASAD KHAN
INDEPENDENT
DIRECTOR



MR. KAMAL MONNOO
INDEPENDENT
DIRECTOR



M MAQBOOL
NON EXECUTIVE
DIRECTOR



AAMIR AMIN
NON EXECUTIVE
DIRECTOR

CORPORATE INFORMATION

Board of Directors

Ms. Jin Zeng
Mr. Muhammad Imran Malik
Mr. Amjad Farooq
Mr. Rearngwut Chuenchomsakun
Mr. Muhammad Maqbool
Mr. Aamir Amin
Mr. Kamal Monnoo
Mr. Rashid Rahman Mir
Ms. Fatima Asad Khan

Chairperson
Chief Executive
Chief Financial Officer

Director
Director
Director
Director
Director
Independent Director
Independent Director
Independent Director

Audit Committee

Mr. Rashid Rahman Mir
Mr. Aamir Amin
Mr. Rearngwut Chuenchomsakun

Chairman
Member
Member

Human Resource and Remuneration Committee

Ms. Fatima Asad Khan
Mr. Muhammad Imran Malik
Mr. Muhammad Maqbool

Chairman
Member
Member

Chief Financial Officer (CFO)

Mr. Amjad Farooq

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
Bank Alfalah Limited
Standard Chartered Bank (Pakistan) Limited

Registered Office

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

Auditors

A.F. Ferguson & Co.
(a member firm of PwC Network) 308-Upper Mall, Shahrah-e-Quaid-e-Azam P.O Box-39, 54000, Lahore.

Share Registrar

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

Legal Advisor

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

Factories

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

Stock Exchange Listing

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

Maraka

26 - Km, Multan Road, Lahore.

Web Presence

<https://www.bata.com.pk/>

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 73rd Annual General Meeting of Bata Pakistan Limited is scheduled to be held at the Registered Office of the Company situated at G.T. Road, Batapur, Lahore on Monday, April 28, 2025 at 10:00 a.m., to transact the following business:

1. To confirm the minutes of the last Annual General Meeting ("AGM") of the Company held on April 24, 2024.
2. To receive, consider, and adopt the Annual Audited Financial Statements of the Company for the year ended on December 31, 2024 together with Chairman's Review, Directors' and Auditors' Reports thereon.

The Annual Audited Financial Statements of the Company for the financial year ended December 31, 2024 is available through QR enable code and web link as given under.

<https://app4.batapkapps.com/bd/frontlegal/page/Financial>



3. To appoint Statutory Auditors of the Company for the year ending on December 31, 2025 and to fix their remuneration. The Board of Directors, based on the recommendation of audit committee, has recommended the re-appointment of retiring Auditors M/s A.F. Ferguson & Co. Chartered Accountants, who being eligible, have offered themselves for re-appointment as Statutory Auditors of the company.
4. To transact any other business with the permission of the Chair.

By order of the Board

Batapur Lahore:
February 27, 2025

Amjad Farooq
Chief Financial Officer

NOTES:

1. Closure of Shares Transfer Books:

The Share Transfer Books of the Company will remain closed from April 22, 2025 to April 28, 2025 (both days inclusive). 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 21, 2025 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 less 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 (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 21, 2025 at the

email 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 to the members through electronic in compliance of section 223(6) of the Companies Act, 2017 and the same is being placed on our website 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 on or before April 07, 2025, and a PDF copy of the Annual Report will be duly shared with them via email.

6. QR Code and Weblink for Annual Audited Accounts:

The Audited Financial Statements of the Company for the year ended December 31, 2024 along with Auditors and Directors Report and Chairman's Review Report thereon have been placed on the Company's website: www.bata.com.pk, which can be downloaded/ viewed through QR code and weblink provided in this notice.

7. Mandatory Submission of CNIC Copies:

With reference to the notification of Securities and Exchange Commission of Pakistan (SECP), SRO 779(I)2011 dated August 18, 2011, the Members/Shareholders who have not yet submitted photocopy 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.

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

9. 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.

10. 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 book entry 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.

11. 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

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

بٹا پاکستان لمیٹڈ

اطلاع برائے سالانہ اجلاس عام

تمام شیئرز ہولڈرز/ممبرز کو اطلاع دی جاتی ہے کہ بٹا پاکستان لمیٹڈ کا 73 واں سالانہ اجلاس عام 28 اپریل 2025 بروز سوموار صبح 10:00 بجے کمپنی کے رجسٹرڈ آفس جی ٹی روڈ، بٹاپور، لاہور میں درج ذیل امور کی انجام دہی کے لیے منعقد کیا جائے گا:

1. مورخہ 24 اپریل 2024 کو ہونے والے سالانہ اجلاس عام ("AGM") کی کارروائی کی تصدیق۔
2. مورخہ 31 دسمبر 2024 کو ختم ہوئے سال کے کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس مع چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، زیر غور لانا اور منظور کرنا۔
- 31 دسمبر 2024 کو مکمل ہونے والے مالی سال کی سالانہ آڈٹ شدہ فائنل اسٹیٹمنٹس درج ذیل QR کوڈ کو سکین کر کے حاصل کی جاسکتی ہیں۔

<https://app4.batapkapps.com/bd/frontlegal/page/Financial>



- 31 دسمبر 2025 کو مکمل ہونے والے مالی سال کے لیے آڈیٹرز کی تقرری اور ان کا معاوضہ طے کرنا۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی تجویز پر ریٹائرڈ ہونے والے آڈیٹر میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے جو اہل ہونے کی وجہ سے اپنی خدمات دوبارہ پیش کرنے کی درخواست کر چکے ہیں۔
4. چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ

امجد فاروق

چیف فائنل آفیسر

بٹاپور لاہور۔

27 فروری، 2025

ہدایات:

1. شیئر منتقلی کتابوں کی بندش

کمپنی کی شیئر منتقلی کتابیں 22 اپریل 2025 تا 28 اپریل 2025 (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار کے دفتر میسرز کارپ لنک (پرائیویٹ) لمیٹڈ K-1 کمرشل، ماڈل ٹاؤن، لاہور کوٹرانسفر کے لئے 21 اپریل 2025 کو کاروبار کے اوقات بند ہونے تک موصول ہونے والی درخواستوں کو، اجلاس میں شامل ہونے کے لئے بروقت تصور 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 کے دفتر پر موصول ہونی چاہئے۔ سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ سرکلر 26 جنوری 2000 کی ہدایات پر عمل کرنا ہوگا۔ پراکسی فارم کمپنی کی ویب سائٹ www.bata.com.pk پر انگریزی اور اردو زبان میں موجود ہیں۔

3. الیکٹرانک ذرائع سے سالانہ اجلاس عام میں شرکت:

سالانہ اجلاس عام میں ویڈیولنک کے ذریعے شرکت کے خواہشمند شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ خود کو رجسٹرڈ کروانے کیلئے اپنی متعلقہ معلومات بشمول نام سکین کمپیوٹرائزڈ شناختی کارڈ (دونوں اطراف)، فوٹو نمبر، ای میل ایڈریس investorcare.pk@bata.com پر 21 اپریل 2025 کو کلوز آف بزنس سے پہلے بھیج دیں۔ مینٹگ کا ویڈیولنک ممبران کے رجسٹرڈ ای میل ایڈریس پہ بھیجا جائے گا۔

4. ممبرز کی شرکت:

(ا) اجلاس میں شرکت کے لیے

- افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ ریگولیشنز کے مطابق اپ لوڈ کی گئی ہیں، وہ سالانہ اجلاس عام میں شرکت کیلئے 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 شخص کے نمونہ دستخط کے، سالانہ اجلاس عام کے وقت پیش کرنا ہوں گے کیا جائے گا (اگر پہلے ہی فراہم نہ کیا گیا ہو)
- (ب) پراکسی کی تقرری کے لیے

- افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر/یا وہ جن کی رجسٹریشن کی تفصیلات سنٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ ریگولیشنز کے مطابق اپ لوڈ کی گئی ہیں، درج ذیل ضروریات کے مطابق پراکسی فارم جمع کرائیں۔
- پراکسی فارم کے دو افراد گواہ ہونے چاہئیں جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں گے۔
- بینیفیشل مالک اور پراکسی کے شناختی کارڈ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ منسلک کی جائیں۔
- پراکسی سالانہ اجلاس عام کے وقت اپنا اصل شناختی کارڈ/اصل پاسپورٹ ظاہر کرے گا۔
- کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع نمونہ دستخط کمپنی میں جمع کروائی جائیں۔ (اگر پہلے ہی فراہم نہ کیا گیا ہوگا)

5. سالانہ رپورٹ:

کمپنی کی سالانہ رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 223(6) پر عمل درآمد کرتے ہوئے الیکٹرانک ذرائع سے ممبران کو بھیجا جا رہا ہے اور ہماری ویب سائٹ www.bata.com.pk پر بھی جاری کی جا رہی ہے۔ ایسے شیئر ہولڈرز جو سالانہ رپورٹ کی الیکٹرانک کاپی بذریعہ ای میل حاصل کرنا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنا ای میل ایڈریس / رضامندی درج ذیل ای میل ایڈریس investorcare.pk@bata.com پر 07 اپریل 2025 کو یا اس سے پہلے بھیجیں، سالانہ رپورٹ کی پی ڈی ایف کاپی بذریعہ ای میل شیئر کی جائے گی۔

6. سالانہ آڈٹ شدہ اکاؤنٹس کے لئے کیو آر کوڈ اور ویب لنک:

31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ آڈیٹرز اور ڈائریکٹرز کی رپورٹ اور اس پر چیمبر مین کی جائزہ رپورٹ کمپنی کی ویب سائٹ www.bata.com.pk پر موجود ہے، جسے نوٹس میں درج کردہ کیو آر کوڈ اور ویب لنک سے ڈاؤن لوڈ کیا جاسکتا یا پڑھا جاسکتا ہے۔

7. کمپیوٹرائزڈ قومی شناختی کارڈ کی نقول جمع کروانا لازمی:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے مورخہ 18 اگست 2011 کے نوٹیفیکیشن SRO 779(1)2011 کے مطابق، جن ممبران / شیئر ہولڈرز نے کمپنی کو تاحال اپنے اصل شناختی کارڈ کی فوٹو کاپی کمپنی جمع نہیں کروائی ہے، ان سے گزارش ہے کہ وہ جلد از جلد براہ راست کمپنی کے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ K-1 کمرشل، ماڈل ٹاؤن، لاہور کو جمع کروادیں۔ ایس ای سی پی کے درج بالا ایس آر او پر عدم تعمیل اور اصل شناختی کارڈ کی کاپی موصول نہ ہونے کی صورت میں کمپنی ڈیوڈنڈ، اگر کوئی ہے، کی منتقلی روکنے پر مجبور ہو سکتی ہے۔

8. ڈیوڈنڈ بینک مینڈیٹ:

کمپنیز ایکٹ 2017 کی شق 242 کے مطابق ممبران سے درخواست کی جاتی ہے کہ وہ کیش ڈیوڈنڈ کی اپنے اکاؤنٹ میں براہ راست منتقلی کے لئے اپنے شناختی کارڈ اور بینک اکاؤنٹ کی تفصیلات مع بینک کا نام، پتہ، برانچ اور انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) فراہم کر دیں۔ تاہم وہ تمام ممبران جنہوں نے ابھی تک اپنے شناختی کارڈ اور بینک اکاؤنٹ کی تفصیلات فراہم نہیں کی ہیں انہیں ایک بار پھر یاد دہانی کروائی جاتی ہے کہ وہ اپنے شناختی کارڈ کی ایک کاپی اور مکمل پُر کردہ 'ڈیوڈنڈ بینک مینڈیٹ فارم' کمپنی کے شیئر رجسٹرار یا کمپنی کو جمع کروائیں۔ اصل شناختی کارڈ اور بینک تفصیلات نہ ہونے کی صورت میں ڈیوڈنڈ کی رقم کمیشن کے بنائے گئے ایکٹ اور ریگولیشنز کے مطابق روک لی جائے گی۔ ڈیوڈنڈ مینڈیٹ فارم کمپنی کی ویب سائٹ www.bata.com.pk پر موجود ہے۔ جن ارکان کے شیئرس ڈی سی اکاؤنٹس میں ہیں انکو ہدایت کی جاتی ہے کہ وہ اپنے بینک مینڈیٹس متعلقہ کھاتہ داروں کو دیں۔

9. غیر دعویٰ شدہ منافع اور شیئرس ٹیلیٹس:

شیئر ہولڈرز کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 244 اور غیر دعویٰ شدہ شیئرز، مضاربہ شمولیت، ڈیوڈنڈز، دیگر انسٹرمنٹس اور غیر تقسیم شدہ ایسٹس ریگولیشنز 2017 کے مطابق کمپنیز کے لئے ایسے کیش ڈیوڈنڈ فیڈرل گورنمنٹ کے کریڈٹ میں اور شیئر کمیشن میں جمع کروانا ہوں گے جو دائیگی کی مقررہ تاریخ سے 3 سال سے زائد مدت کیلئے غیر دعویٰ شدہ ہے / غیر تقسیم شدہ ہیں۔ اس حوالے سے متعلقہ شیئر ہولڈرز کو نوٹس پہلے ہی جاری کئے جا چکے ہیں۔

10. فزیکل سیکیورٹیز کو بک انٹری فارم میں تبدیل کرنا:

کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق ہر لسٹڈ 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 لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ اپنے شیئر ہولڈر کو اپنی فزیکل سیکورٹیز کو بک انٹری فارم میں تبدیل کرنے کے لیے رجوع کریں۔ انویسٹر اکاؤنٹ سروسز کے ساتھ سی ڈی سی شرکت کنندہ سی ڈی سی/ایس ڈی ایس 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۔

11. پتہ کی تبدیلی، زکوٰۃ نہ کالے جانے کا اعلامیہ:

ایسے ممبران جن کے پاس شیئر سرٹیفیکیٹس 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 کروائیں، اگر لاگو ہے۔ ایسے ممبران جن کے پاس شیئر سی ڈی سی/پارٹیسپنٹ اکاؤنٹس میں ہیں ان سے گزارش کی جاتی ہے کہ وہ اپنے نئے پتے اور زکوٰۃ نہ کالے جانے کا بیان سی ڈی سی یا اپنے پارٹیسپنٹس کے پاس درج کروادیں۔

رابطہ کی تفصیلات

بٹا پاکستان لمیٹڈ

جی ٹی روڈ، بٹا پور لاہور، پاکستان

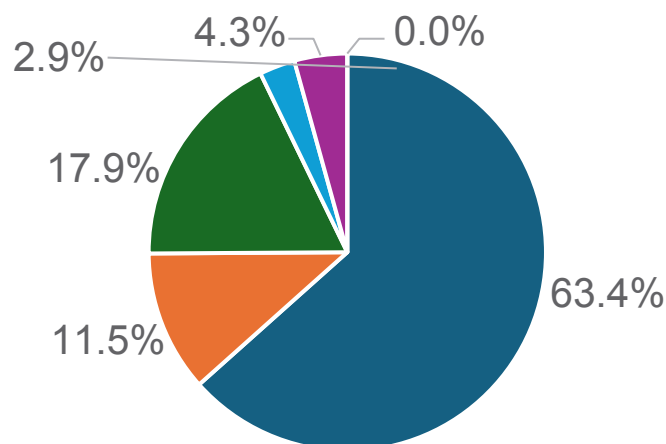
ای میل: investorcare.pk@bata.com

KEY OPERATING HIGHLIGHTS

| Year | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|--------------|-------------------|------------|------------|------------|------------|------------|------------|
| Financial Position | | | | | | | | |
| Authorized capital | Rs. ' 000s | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Paid up capital | Rs. ' 000s | 75,600 | 75,600 | 75,600 | 75,600 | 75,600 | 75,600 | 75,600 |
| Shareholders' equity | Rs. ' 000s | 5,546,125 | 5,682,024 | 5,673,657 | 6,159,421 | 6,372,599 | 7,444,589 | 7,491,327 |
| Total assets | Rs. ' 000s | 14,878,242 | 16,121,674 | 16,342,563 | 15,602,503 | 14,005,481 | 15,878,369 | 10,693,121 |
| Property, plant and equipment | Rs. ' 000s | 2,609,144 | 2,674,127 | 2,293,261 | 1,935,392 | 1,949,867 | 1,866,897 | 1,643,028 |
| Provision for gratuity | Rs. ' 000s | 47,801 | 44,535 | 56,587 | 61,992 | 68,592 | 83,476 | 81,421 |
| Current assets | Rs. ' 000s | 8,728,310 | 10,100,355 | 10,077,458 | 9,505,254 | 7,602,604 | 9,259,645 | 8,970,446 |
| Current liabilities | Rs. ' 000s | 6,556,747 | 7,939,374 | 7,022,900 | 5,806,866 | 3,883,160 | 4,325,671 | 3,051,863 |
| Trading Results | | | | | | | | |
| Sales | Rs. ' 000s | 18,332,461 | 19,262,623 | 17,733,994 | 13,983,497 | 11,710,771 | 17,424,894 | 16,795,231 |
| Gross profit | Rs. ' 000s | 9,014,152 | 9,146,496 | 8,589,000 | 6,475,390 | 4,370,967 | 7,869,944 | 7,525,873 |
| Operating profit | Rs. ' 000s | 2,053,985 | 2,096,174 | 2,160,771 | 1,525,927 | (106,928) | 2,294,479 | 2,307,940 |
| Profit before tax | Rs. ' 000s | 1,384,358 | 1,343,013 | 1,411,074 | 807,279 | (908,049) | 1,504,279 | 2,265,902 |
| Profit after tax | Rs. ' 000s | 850,730 | 916,288 | 874,288 | 546,089 | (627,345) | 1,088,862 | 1,501,409 |
| Distribution | | | | | | | | |
| Interim cash dividend - paid | % | 1,300.00 | 1,200.00 | 1,800.00 | 1,000.00 | - | 900.00 | 900.00 |
| Final cash dividend - proposed/paid | % | - | - | - | - | - | 600.00 | 600.00 |
| Financial Ratios and Values | | | | | | | | |
| Gross profit | % | 49.17 | 47.48 | 48.43 | 46.31 | 37.32 | 45.16 | 44.81 |
| Operating profit | % | 11.20 | 10.88 | 12.18 | 10.91 | (0.91) | 13.17 | 13.74 |
| Profit before tax | % | 7.55 | 6.97 | 7.96 | 5.77 | (7.75) | 8.63 | 13.49 |
| Profit after tax | % | 4.64 | 4.76 | 4.93 | 3.91 | (5.36) | 6.25 | 8.94 |
| Return on equity | % | 15.34 | 16.13 | 15.41 | 8.87 | (9.84) | 14.63 | 20.04 |
| Price earning ratio | Times | 17.94 | 14.29 | 18.71 | 30.06 | (14.36) | 13.84 | 7.78 |
| Dividend yield | % | 4.95 | 6.93 | 4.62 | 4.61 | 9.14 | 7.02 | 9.71 |
| Earnings per share | Rs. | 112.53 | 121.20 | 115.65 | 72.23 | (82.98) | 144.03 | 198.60 |
| Debt : equity ratio | Times | 1.68 : 1 | 1.91:1 | 1.88:1 | 1.53 : 1 | 1.20 : 1 | 1.13 : 1 | 0.00 : 1 |
| Current ratio | Times | 1.33 : 1 | 1.27:1 | 1.43:1 | 1.64 : 1 | 1.97 : 1 | 2.77 : 1 | 2.94 : 1 |
| Average stock turns - value | Times | 1.64 | 1.93 | 2.01 | 2.21 | 2.16 | 2.38 | 2.49 |
| Debtors turnover | Times | 2.06 | 3.01 | 2.55 | 14.36 | 8.45 | 6.65 | 2.21 |
| Average collection period | Days | 177 | 121 | 143 | 25 | 43 | 55 | 165 |
| Property, plant and equipment turnover | Times | 7.03 | 7.20 | 8.38 | 7.20 | 6.02 | 9.33 | 10.22 |
| Break up value per share | Rs. | 733.61 | 751.59 | 750.48 | 814.74 | 819.70 | 984.73 | 990.92 |
| Market price per share | Rs. | 2,018.85 | 1,732.23 | 2,163.29 | 2,171.15 | 1,531.84 | 1,993.06 | 1,545.00 |
| Market capitalization | Rs. ' 000s | 15,262,506 | 13,095,659 | 16,354,472 | 16,413,894 | 11,580,710 | 15,067,534 | 11,680,200 |
| Other information | | | | | | | | |
| Permanent employees | Number | 1,796 | 1,983 | 2,142 | 2,274 | 2,287 | 2,683 | 2,693 |
| Retail outlets | Number | 401 | 444 | 444 | 443 | 444 | 462 | 476 |
| Wholesale depots | Number | 0 | 0 | 0 | 0 | 0 | 11 | 12 |
| Installed capacity | Pairs ' 000s | 18,363 | 18,394 | 18,378 | 18,339 | 18,704 | 19,375 | 20,290 |
| Actual production | Pairs ' 000s | 8,669 | 11,024 | 11,587 | 11,572 | 11,186 | 15,641 | 15,832 |
| Capacity utilization | % | 47.21 | 59.93 | 63.05 | 63.10 | 59.81 | 80.73 | 78.03 |
| Capital expenditure | Rs. ' 000s | 413,537 | 914,738 | 485,373 | 309,746 | 417,237 | 482,170 | 387,501 |

VALUE ADDED AND ITS DISTRIBUTION

- To Buy Materials, Finished Goods and Services
- To Employees Salaries, wages and benefits
- To Government Income Tax, Sales Tax, Custom & Excise Duties, WWF, WPPF, EOBI, Social Security, Professional and Local Taxes
- Finance Cost



Revenue Generated

Sales

Other income

Revenue Distributed

To Buy Materials, Finished Goods and Services

To Employees

Salaries, wages and benefits

To Government

Income Tax, Sales Tax, Custom & Excise Duties, WWF, WPPF, EOBI, Social Security, Professional and Local Taxes

Finance Cost

To Shareholders

Dividend

Retained in Business

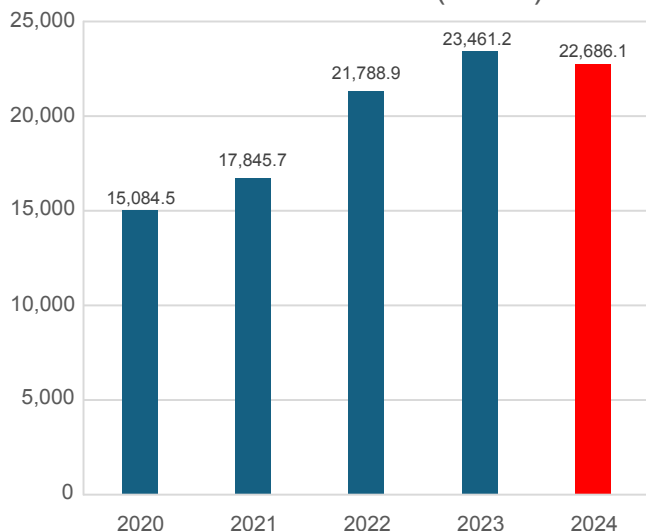
For Retail Expansion and Operations

| | 2024 | | 2023 | |
|---|------------|--------|------------|--------|
| | Rs. '000s | % | Rs. '000s | % |
| Sales | 22,686,096 | | 23,461,217 | |
| Other income | 363,217 | | 527,857 | |
| | 23,049,313 | 100% | 23,989,074 | 100% |
| To Buy Materials, Finished Goods and Services | 14,622,805 | 63.4% | 15,562,253 | 64.9% |
| To Employees Salaries, wages and benefits | 2,658,077 | 11.5% | 2,753,442 | 11.5% |
| To Government Income Tax, Sales Tax, Custom & Excise Duties, WWF, WPPF, EOBI, Social Security, Professional and Local Taxes | 4,116,004 | 17.9% | 4,004,651 | 16.7% |
| Finance Cost | 669,627 | 2.9% | 753,161 | 3.1% |
| To Shareholders Dividend | 982,800 | 4.3% | 907,200 | 3.8% |
| Retained in Business For Retail Expansion and Operations | - | 0.0% | 8,367 | 0.0% |
| | 23,049,313 | 100.0% | 23,989,074 | 100.0% |

OPERATIONAL STATISTICS

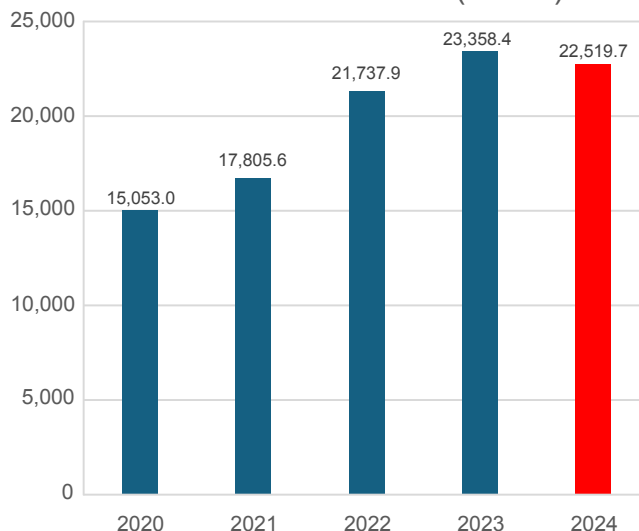
(Rupees in million)

Total Turnover (Gross)



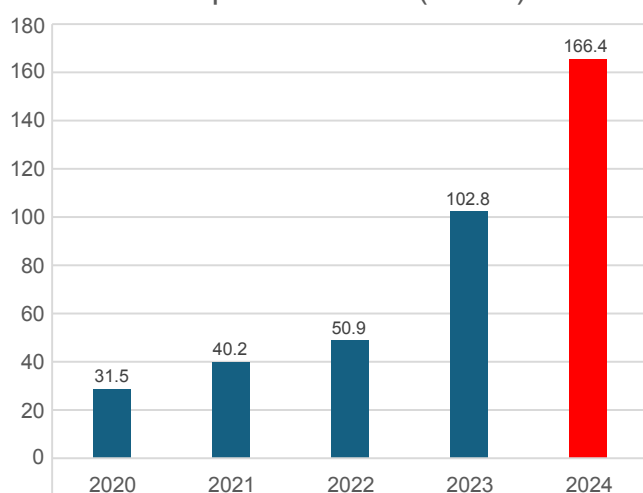
(Rupees in million)

Domestic Turnover (Gross)



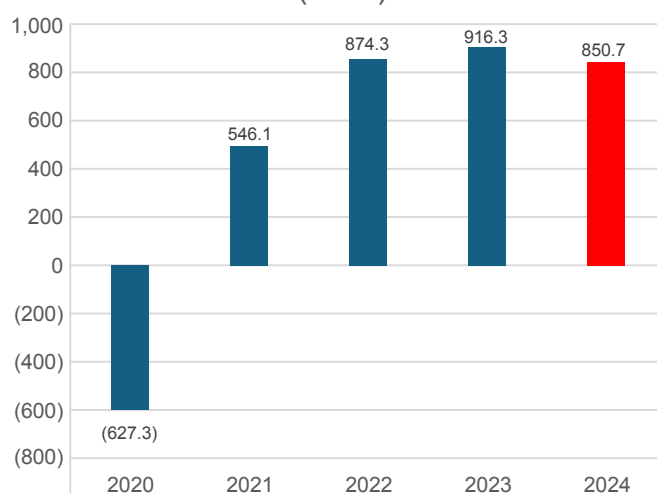
(Rupees in million)

Export Turnover (Gross)



(Rupees in million)

Profit/(Loss) after Tax





CSR

**CORPORATE SOCIAL
RESPONSIBILITY**

BATA PAKISTAN'S CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

At Bata Pakistan, we believe in the power of giving back to the community and making a meaningful impact on society. Through our ****Bata Children's Program (BCP)**** and sustainability-driven initiatives, we are committed to uplifting lives, fostering education, promoting healthcare, and protecting the environment. Here's how we're making a difference:

EMPOWERING YOUNG MINDS – SOS VILLAGE LAHORE X BATA CHILDREN'S PROGRAM

Bata Pakistan took a significant step in shaping the future of young learners by organizing a specialized IT skills development session at ****SOS Village Lahore****. Under the ****Bata Children's Program****, our dedicated mentors engaged these budding tech enthusiasts in hands-on activities, teaching them the fundamentals of coding and digital creativity.

With passion and commitment, we aim to equip children with essential skills for the digital age, opening doors to brighter opportunities. **Together, we are fostering innovation and knowledge, one child at a time.**



PRIORITIZING HEALTH & WELL-BEING – GOVT. BOYS HIGH SCHOOL X BATA CHILDREN'S PROGRAM

At Govt. Boys High School Batapur, Lahore, Bata Pakistan conducted a comprehensive. **Health Awareness Session**, educating students on essential health practices to encourage well-being in the community.

To extend our support beyond the classroom, we also arranged a ****Medical Camp****, providing free diagnoses and essential medicines to the local residents. By prioritizing health education and access to medical care, we continue our mission to enhance lives and create a healthier society.



DRIVING ENVIRONMENTAL AWARENESS – WORLD ENVIRONMENT DAY X BATA CHILDREN'S PROGRAM

We joined hands with the students of **Govt. Girls Middle School Batapur, Lahore** to celebrate **World Environment Day** through an engaging awareness session and hands-on activities focusing on Land Restoration, Desertification, and Drought Resilience.

As part of the global movement, **Generation Restoration**, we proudly participated in the campaign **"Our Land, Our Future,"** inspiring young minds to become environmental stewards. Together, we are shaping a sustainable tomorrow.



EXTENDING A LIFELINE – SUNDAS FOUNDATION X BATA CHILDREN'S PROGRAM

Bata Pakistan, in collaboration with **Sundas Foundation**, organized a **Blood Donation Camp** to support children battling **Thalassemia**. Our dedicated employees from all departments stepped forward with generosity and compassion, contributing 60 bags of blood to aid young patients in need.

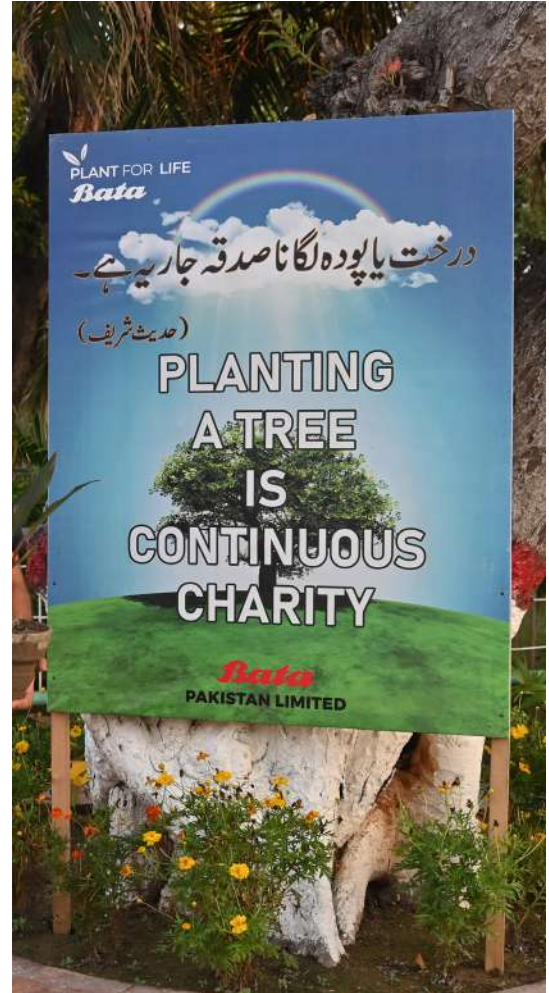
This initiative reflects our unwavering commitment to social responsibility and the power of collective action in making a difference.



SUSTAINABILITY IN ACTION – BATA GO GREEN INITIATIVE

Under our **“Bata Go Green”** initiative, we launched a company-wide effort to promote sustainability by actively engaging employees in **tree plantation and greenery restoration**.

Our commitment to environmental conservation goes beyond words we believe in **action**. By fostering a culture of responsibility, we continue to make strides toward a greener, more sustainable Pakistan.



CELEBRATING WORLD CHILDREN'S DAY X BATA CHILDREN'S PROGRAM

Bata Pakistan, in collaboration with **Sundas Foundation**, organized a **Blood Donation Camp** to support children battling **Thalassemia**. Our dedicated employees from all departments stepped forward with generosity and compassion, contributing 60 bags of blood to aid young patients in need.

This initiative reflects our unwavering commitment to social responsibility and the power of collective action in making a difference.



ACHIEVEMENT
AWARDS



ACHIEVEMENT AWARDS

Bata Wins the Prestigious Global Design Award

In 2024, Bata solidified its position as a leader in the footwear industry by winning the Global Design Award (GDA) for Best Brand in the Shoes/Footwear – Men category. This prestigious accolade recognizes Bata's unwavering commitment to quality, innovation, and customer satisfaction, reaffirming its legacy as a trusted and stylish footwear brand.

Competing against industry giants such as Hush Puppies, Borjan, Walkeaze, Service, Ndure, Logo Shoes, and Urban Sole, Bata distinguished itself through cutting-edge designs, premium craftsmanship, and a customer-first approach.

What Set Bata Apart

Innovation: Bata continues to push the boundaries of footwear design, blending modern trends with advanced comfort technology.

Quality: Superior materials and craftsmanship ensure durability and style, making every pair a long-term investment.

Customer-Centric Approach: A diverse product range, excellent after-sales service, and inclusive sizing cater to a broad customer base.

Sustainability: With increasing eco-conscious efforts, Bata integrates sustainable practices, making a positive impact on the industry.

Winning the GDA Award is more than just a milestone it's a testament to Bata's ongoing dedication to excellence and innovation. As we move forward, Bata remains committed to setting new industry standards, delivering unparalleled footwear experiences, and staying true to its promise of quality and style.



RECREATIONAL ACTIVITIES



Bata

HAJJ LUCKY DRAW 2025



At Bata, we believe in fostering a supportive and uplifting environment for our employees. As part of our commitment to giving back, the **Hajj Lucky Draw 2025** was a remarkable initiative aimed at providing a life-changing opportunity for our team members to embark on their spiritual journey.

Through this initiative, **10 lucky winners** were selected, creating a moment of joy and inspiration across the organization. This activity not only reinforced our values of care and community but also significantly boosted employee morale, making it a truly meaningful and memorable experience for everyone involved.



BREAST CANCER AWARENESS SESSION

Our Bata family united for an empowering **Breast Cancer Awareness Session** led by **Dr. Wajeeha Anjum**, a Clinical Oncologist from **INMOL Hospital**. The session provided crucial insights into early detection and prevention of breast cancer a condition affecting **1 in 9 Pakistani women**.

Dr. Anjum's expertise in **breast and gynecological oncology** offered invaluable knowledge, followed by **free physical examinations** for our team. Seeing our community come together for this vital cause was truly inspiring because at Bata, we believe that early detection saves lives.



COFFEE WITH CM



A platform for **growth, collaboration, and inspiration**, Coffee with the Country Manager brings together store managers from across the country for an open and insightful discussion. In our latest session, **Country Manager Imran Malik**, alongside department heads, engaged with store managers to exchange ideas, share ambitions, and strategize for the future. Discussions covered **local market insights, competition analysis, and innovative approaches** to enhance the **Bata experience**.

This initiative fosters a **culture of open dialogue and continuous improvement**, empowering our store managers our Tigers to lead the charge in surpassing targets and delivering excellence across all regions.



FOUNDER'S DAY 2024 – CELEBRATING 130 YEARS OF EXCELLENCE



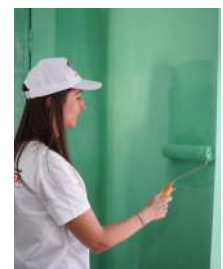
Marking **130 years of Bata**, this year's **Founder's Day** in Pakistan was a heartfelt tribute to the incredible people who drive our success.

At the **Bata Long Service Awards 2024**, we honored the **dedication of our employees and** retirees, recognizing their invaluable contributions to the company's legacy. The event also celebrated the inspiring efforts of our **Bata Children Program** volunteers, whose commitment to community upliftment continues to make a difference.

As part of our **Founder's Day** agenda, **BCP Pakistan** led a **volunteering initiative** at **Government Boys High School Batapur, Lahore**. Under the leadership of **Mr. Imran Malik (MD Bata Pakistan)**, **Luc Valentin (Global CHCO)**, **Stojanka Salatovic (Regional HR Head)**, and the management team, our employees **renovated the school's science lab** and **transformed an empty plot into a beautiful green space**.

The initiative left a lasting impact, with students feeling inspired by the team's presence. The day ended on a high note with an **energetic football match**, where the winning teams were awarded special prizes. Community leaders and school management **appreciated Bata Pakistan's role**, while the children's excitement was evident as they cheered and chanted in celebration.

Here's to **continuing our legacy** of empowering individuals and supporting communities!



CHAIRMAN'S REVIEW REPORT

On Board's overall performance and effectiveness under section 192(4) of the Companies Act, 2017

Bata Pakistan Limited complies with all the requirements set out in the Companies Act, 2017 (the "Act") and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Regulations") 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 criterion has been developed. The Board has recently completed its annual self-evaluation for the year ended December 31, 2024 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 behavior across the Company.



Batapur:
Lahore: February 27, 2025

Ms. Jin Zeng
Chairperson of the Board

چیمبرمین کی جائزہ رپورٹ

کمپنیز ایکٹ 2017 کے سیکشن (4) 192 کے تحت بورڈ کی مجموعی موثر کارکردگی کے حوالے سے

باٹا پاکستان لمیٹڈ بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی تشکیل، طریقہ کار اور میٹنگز کے حوالے سے کمپنیز ایکٹ، 2017 ("ایکٹ") اور سڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019 ("ضوابط") میں بیان کردہ تمام تقاضوں کی تعمیل کرتا ہے۔ جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت ضروری ہے، باٹا پاکستان لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز ("بورڈ") کا سالانہ جائزہ لیتا ہے۔ اس جائزے کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور اثرات کو کمپنی کے لیے مقرر کردہ مقاصد کے تناظر میں دیکھا جاسکے کہ وہ توقعات کے عین مطابق ہیں یا نہیں۔ جن شعبوں میں بہتری کی ضرورت ہے ان پر مناسب غور کیا جاتا ہے اور ایکشن پلان بنائے جاتے ہیں اور ان پر عمل درآمد کیا جاتا ہے۔

بورڈ کی تشخیص کے مقصد کے لیے ایک جامع معیار تیار کیا گیا ہے۔ بورڈ نے حال ہی میں 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے اپنی سالانہ خود جانچ مکمل کی ہے اور میرے مطابق:

اس سال کے لیے منظور شدہ معیار کی بنیاد پر جائزہ کی گئی بورڈ کی مجموعی کارکردگی تسلی بخش تھی۔

تسلی بخش کے طور پر مجموعی تشخیص درج ذیل لازمی امور کی جانچ پر مبنی ہے، جس کا کمپنی کے مقاصد کے حصول میں بورڈ کے کردار پر براہ راست اثر پڑتا ہے:

1- تصور، مقصد اور اقدار:

بورڈ کے اراکین موجودہ تصور، مقصد اور اقدار سے واقف ہیں اور ان کی حمایت کرتے ہیں۔ بورڈ وقتاً فوقتاً مقصد اور تصور کے بیانیے پر نظر ثانی کرتا ہے۔

2- اسٹریٹجک منصوبہ بندی میں شمولیت:

بورڈ کو اسٹریٹجک ہولڈرز (شیئرز، ہولڈرز، صارفین، ملازمین، وینڈرز، بڑے پیمانے پر سوسائٹی) کی واضح سمجھ ہے جن کی کمپنی خدمت کرتی ہے۔ بورڈ کے پاس ایک اسٹریٹجک وژن ہے کہ اگلے تین سے پانچ سالوں میں آرگنائزیشن کو کس طرح تیار ہونا چاہئے۔ مزید برآں، بورڈ کارکردگی کے تمام بڑے شعبوں میں انتظامیہ کے لیے سالانہ اہداف اور ٹارگٹ کا تعین کرتا ہے۔

3- مستعدی:

بورڈ کے اراکین نے تندرستی سے اپنے فرائض سرانجام دیے اور کاروباری حکمت عملیوں، کارپوریٹ مقاصد، منصوبوں، بجٹ، مالیاتی گوشواروں اور دیگر رپورٹس کا اچھی طرح سے جائزہ لیا، تبادلہ خیال کیا اور منظوری دی۔ اسے بورڈ اور کمیٹی کے اجلاسوں سے پہلے واضح اور جامع ایجنڈا اور معاون تحریری مواد ملا۔ بورڈ نے اپنی ذمہ داریوں کو مناسب طریقے سے ادا کرنے کے لیے اکثر ملاقاتیں کیں۔

4- آرگنائزیشن کی کاروباری سرگرمیوں کی نگرانی:

بورڈ انتظامیہ، اندرونی اور بیرونی آڈیٹرز اور دیگر انڈیپنڈنٹ کنسلٹنٹس کی طرف سے پریزنٹیشنز کے ذریعے کمپنی کے مقاصد، اہداف، حکمت عملیوں اور مالیاتی کارکردگی کے حوالے سے باخبر رہا ہے۔ بورڈ نے بروقت ضروری ہدایات دیں اور نگرانی کی۔

5-تنوع اور اشتراک:

بورڈ کے اراکین مؤثر طریقے سے بورڈ میں تنوع لاتے ہیں اور انڈیپنڈنٹ اور نان ایگزیکٹو ڈائریکٹرز کو مشترکہ طور پر تشکیل دیتے ہیں۔ بورڈ کے اہم فیصلوں میں نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز برابر کے شریک تھے۔

6-گورننس اور کنٹرول انوائرنمنٹ:

بورڈ نے ایک شفاف اور مضبوط گورننس کا نظام رائج کر کے مؤثر طریقے سے بہترین رویہ اختیار کیا ہے۔ یہ ایک مؤثر کنٹرول ماحول بنانے، کارپوریٹ گورننس کے بہترین طریقوں کی تعمیل اور پوری کمپنی میں اخلاقی اور منصفانہ رویے کو فروغ دینے سے ظاہر ہے۔



مس جن زینگ

چئیر پرسن بورڈ

باٹالپور:

لاہور: 27 فروری، 2025

DIRECTOR'S REPORT

TO THE MEMBERS



DIRECTORS' REPORT TO THE MEMBERS

We on behalf of the Board of Directors of Bata Pakistan Limited, are pleased to present the Annual Report with the audited financial statements of the Company for the year ended December 31, 2024.

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 (Netherlands) 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 | 2024 | 2023 | Increase / (Decrease) |
|-----------------------------|-------------------|------------|-----------------------|
| | Amount in (000's) | | |
| Turnover | 22,686,096 | 23,461,217 | -3.30% |
| Net Turnover | 18,332,461 | 19,262,623 | -4.83% |
| Gross Profit | 9,014,152 | 9,146,496 | -1.45% |
| Gross Profit % | 49.17% | 47.48% | +1.69bps |
| Distribution Costs | 5,329,984 | 5,578,521 | -4.46% |
| Administrative Expenses | 1,897,994 | 1,808,415 | 4.95% |
| Operating Profit | 2,053,233 | 2,096,174 | -2.05% |
| Profit After Tax | 850,730 | 916,288 | -7.15% |
| Earnings per Share - Rupees | 112.53 | 121.2 | -7.15% |

4. Financial Results and Developments

The Company's business achieved net turnover of Rs. 18.332 billion showing a decline of 4.83% over last year. The gross profit was recorded at Rs. 9.014 billion against last year of Rs.9.146 billion. Operating profit was Rs. 2.053 billion against Rs.2.096 billion of last year. Profit after taxation was Rs. 850.73 million as compared to Rs.916.28 million of last year. The Company achieved earnings per share of Rs. 112.53 against Rs.121.20 of last year.

Our retail division showed a decline of 3% due to tough market conditions. In order to sustain this growth and to provide friendly and modern atmosphere in the stores, an amount of Rs. 282 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 was Rs. 71.39 million. The Board is satisfied that there are no short or long term financial constraints at the close of the year.

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, 2024 was Rs. 112.53 as against Rs.121.2 of the preceding year.

6. Appropriation of Profit

The financial results of the Company are as under:

Year ended December 31, 2024
Rs. ('000)

| | |
|--|-----------|
| Profit before taxation | 1,384,358 |
| Less: Provision for taxation | |
| Current | 294,385 |
| Prior years | 18,374 |
| Deferred | 220,869 |
| | 533,628 |
| Profit after tax | 850,730 |
| Unappropriated profit brought forward from last year | 1,048,941 |
| Experience adjustments - Employee Benefits | (3,829) |
| Profit available for appropriations | 1,895,091 |
| Final dividend 2024 @ Rs. 00.00 per share | - |
| Interim dividend 2024 @ Rs. 130.00 per share | (982,800) |
| Transfer to general reserve | - |
| | (982,800) |
| Unappropriated profit carried forward | 913,042 |

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

In order to promote physical fitness of the students, constructed a badminton court in a local

government school. Built a Water Filtration Plant in school to provide clean & safe drinking water to the students and nearby community. In order to promote healthy culture, annual sports were arranged for the students of underprivileged schools. Donated 1859 pairs of shoes to the underprivileged children studying in various schools in different cities. To commemorate women's accomplishments, raise awareness about gender discrimination and promote global support for women, we celebrated International Women's Day by arranging activities in office, factories and SOS Village Lahore. To impart our role for better environment, Plant for Life campaign was launched with the participation of our employees and their children; and planted 3,000 trees / saplings in Batapur & Maraka along with nearby communities including schools and residential areas. Arranged mentoring sessions at SOS Village Lahore focusing on character building, personality development and enhancing computer skills. Arranged Health Awareness & Medical Camps in schools where students and teachers were examined and provided free medicines. The families of students were also covered and tests of blood sugar, cholesterol, uric acid and hepatitis B & C were conducted with free consultation.

Celebrated World Environment Day with the students of girls' school at Batapur; and explained them the importance of global warming, habitat loss and pollution hazards which was followed by interactive session including different activities performed by the students. A blood donation camp was organized at Batapur in collaboration with Sundas Foundation to save lives of children with Thalassemia which was enthusiastically participated by our employees who donated 60 units of blood for this noble cause. In the wake of Founder's Day celebrations, BCP volunteers renovated Science Lab of Government Boys High School Attoke Awan Lahore by executing masonry and painting jobs.

As part of Founder's Day activities and to promote sports culture amongst students, a football match was arranged between school teams and the players were presented with gifts. Arranged interactive mentoring session for the girl students of a local school emphasizing to build and strengthen their computer skills. In order to bring smiles to the faces of children, a heart-warming gift distribution ceremony was arranged in local church on the eve of Christmas.

9. Environmental Impact

In order to impart our role for better environment, we planted more than 3,000 trees / saplings at Batapur and Branch Factory Maraka.

10. Future Outlook

Despite the tough competition in the market and unretain economic environment, Company remains fully committed and optimistic about the future growth of the business where it tries to present best products along with excellent shopping experience to its walk-in and on-line customers.

11. Internal Financial Controls

The Directors and management are responsible for the Company's system of internal controls and for reviewing annually its

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, 2024 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, 2024 is given in the notes to the annexed financial statements.
- j)** The valuation of investment made by the Provident Fund Trust Rs. 1.547 billion as on December 31, 2024 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 seven (07) male and two (02) female directors with following composition:

Independent directors * 3

Other directors (Executive & Non-Executive) * 6

* This includes two female directors

The Board held five (05) meetings during the year. Attendance by each Director was as follows:

| Directors' Name | | Meetings Attended | Eligible to attend |
|---|--------------------------|-------------------|--------------------|
| Ms. Jin Zeng (Chairperson of the Board) | Non - Executive Director | 3 | 3 |
| Mr. Muhammad Imran Malik | Executive Director | 5 | 5 |
| Mr. Amjad Farooq | Executive Director | 5 | 5 |
| Mr. Rearngwut Chuenchomsakun | Non - Executive Director | 2 | 5 |
| Mr. Muhammad Maqbool | Non - Executive Director | 5 | 5 |
| Mr. Aamir Amin | Non - Executive Director | 5 | 5 |
| Mr. Rashid Rahman Mir | Independent Director | 5 | 5 |
| Mr. Kamal Monnoo | Independent Director | 5 | 5 |
| Ms. Fatima Asad Khan | Independent Director | 4 | 5 |

| | | | |
|---|--------------------------|---|---|
| <u>Resigned during the year-2024</u> | Non - Executive Director | 0 | 2 |
|---|--------------------------|---|---|

Mr. Roberto Longo

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

The Company has already met the criteria specified in the Regulations till December 31, 2024 pertaining to Therefore, no such training program was conducted during the year

15. Remuneration of Other Directors

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 executive and non- executive directors, including salary/fee, perquisites, benefits and performance-linked incentives are disclosed in the annexed financial statements.

16. Remuneration Package of Chief Executive and Directors

The remuneration package of the Chief Executive and other directors is disclosed in Note 43 to the financial statements.

17. Audit Committee

The Audit Committee held four (04) quarterly meetings during the year. Attendance by each member was as follows:

| Existing Committee Members | Non - Executive Director | Meetings Attended | Eligible to attend |
|--|--------------------------|-------------------|--------------------|
| Mr. Rashid Rahman Mir | Chairman | 4 | 4 |
| Mr. Aamir Amin | Member | 4 | 4 |
| Mr. Rearngwut Chuenchomsakun | Member | 1 | 4 |
| Resigned member of the Audit Committee | | Meetings Attended | Eligible to attend |
| Mr. Roberto Longo | Member | 0 | 2 |

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.

18. Human Resource and Remuneration Committee

The HR Committee held three (03) meetings during the year. Attendance by each member was as follows:

| Existing Committee Members | Non - Executive Director | Meetings Attended | Eligible to attend |
|----------------------------|--------------------------|-------------------|--------------------|
| Ms. Fatima Asad Khan | Chairperson | 2 | 2 |
| Mr. Muhammad Imran Malik | Member | 2 | 2 |
| Mr. Muhammad Maqbool | Member | 2 | 2 |

19. 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, 2025.

20. The Pattern of Shareholding

The pattern of shareholding as on December 31, 2024 and its disclosure according to the requirement of Listed Companies (Code Of Corporate Governance) Regulations, 2019 (the Regulations) is annexed to this report.

21. Shariah and Non-Shariah Compliance Status

The SECP has made some amendments in the Fourth Schedule of the Companies Act, 2017 for reporting on Shariah and Non-Shariah related matters vide SRO 1278(I)/2024 dated August 15, 2024, the same has been complied in the financials statement of the company.

22. Environmental, Social and Governance - ESG

The initiatives are taken by the board for the adoption of ESG guidelines by SECP.

23. Addressing Sustainability Risks

Sustainability is crucial for an organization because it helps ensure long-term success while minimizing negative impacts on the environment, society, and the economy. Sustainability also builds a positive brand reputation, which attracts customers, employees, and investors who value

ethical practices and environmental responsibility. Furthermore, it helps organizations mitigate risks associated with climate change, resource scarcity, and regulatory changes. Ultimately, embracing sustainability enables an organization to contribute to global well-being while maintaining resilience and competitiveness in an increasingly eco-conscious market. Bata Pakistan is fully committed to meet its current requirements during the normal course of business activity without endangering the environment and encourage its customers, suppliers, employees and other stakeholders to implement policies that are more ethical and ecological.

The organization has taken the following measures to mitigate sustainability risks:

Bata Pakistan is using Water-based adhesives in its production unit. Water-based adhesives have lower levels of volatile organic compounds (VOCs), reducing air pollution and minimizing harmful effects on both human health and the environment. This makes them a more sustainable alternative to solvent-based adhesives. Moreover, these adhesives are non-toxic and less flammable, which makes them safer to handle. Overall, water-based adhesives are a cleaner, safer, and environmentally responsible option that meets the needs of modern manufacturing and production processes.

The Company has installed 2 MW solar plant for clean and renewable source of power that generates electricity without emitting harmful greenhouse gases (GHGs), such as carbon dioxide (CO₂). This helps mitigate climate change by reducing the reliance on fossil fuels for energy production.

The company arranges periodic plantation drives because tree plantation is vital to achieving sustainability by mitigating climate change, supporting biodiversity, and ensuring the long-term health of both ecosystems and human communities. It's a simple yet powerful tool for a sustainable future.

The company uses incineration method for hazardous waste. Waste incineration, when paired with modern pollution control technologies, can provide several positive impacts, such as reducing waste volume and methane emissions from landfills. It plays a valuable role in sustainable waste management.

The company has safeguarded all its machines by adding additional safeguards. Machine safeguarding is vital for both the safety of employees and the long-term sustainability of a business. By reducing workplace injuries, improving efficiency, minimizing waste, ensuring compliance, and lowering environmental impact, safeguarding helps businesses achieve their sustainability goals. It ensures that operations are not only safe but also responsible and efficient, contributing to the company's overall success in a sustainable manner.

The company arranges safety related trainings on regular basis. Safety training is crucial for sustainability because it protects employees, prevents environmental damage, supports regulatory compliance, conserves resources, and promotes cost efficiency. It helps create a safer, healthier, and more responsible workplace, which is essential for achieving long-term sustainability goals.

The company has banned the use of all plastic items in its premises. Banning plastic provides significant environmental, health, and economic benefits. It helps reduce pollution, protect wildlife, decrease greenhouse gas emissions, and encourage the adoption of sustainable practices. By transitioning away from plastic, we not only address the immediate environmental crisis but also create a foundation for a more sustainable future.

Bata Pakistan has 07 rain water recharge wells in its premises. Rainwater recharge wells are an important tool in sustainable water management, particularly in areas facing water scarcity or those reliant on groundwater. These wells capture and store rainwater, allowing it to recharge underground aquifers, helping restore the water table and ensure a more stable supply of groundwater.

24. Promoting the Diversity, Equity and Inclusion – DEI

Our company is committed to fostering a sustainable and inclusive workplace that promotes the

well-being of all employees. As part of our ongoing efforts, we have taken significant initiatives to enhance diversity, equity, and inclusion within our organization. One of our key steps has been the active recruitment of female staff in our factory, ensuring that women have access to equal employment opportunities. To support their integration, we have provided all necessary facilities, ensuring a comfortable and safe working environment. Additionally, some executive positions have been given to female employees, reinforcing our commitment to gender diversity in leadership roles. In addition to structural improvements, we celebrate various national and international days such as Father's Day, Mother's Day, Women's Day, and Pink Ribbon Day. These celebrations help foster a sense of belonging and appreciation among our employees. Furthermore, we are dedicated to raising awareness about physical and mental health, particularly among women, to ensure they have access to essential resources and support systems.

Beyond inclusion and awareness, we actively focus on attracting and nurturing talented employees. Our recruitment strategies are designed to bring in individuals who not only excel in their roles but also contribute to a culture of innovation and collaboration. Through structured induction programs and continuous professional development, we ensure that all employees have the opportunity to grow and succeed within the organization. Our workplace embraces diversity at all levels, where individuals from various backgrounds, from senior executives to fresh graduates, work together harmoniously. Racism has no place in our company, and we are committed to maintaining an environment of mutual respect and acceptance.

To promote teamwork and engagement, we organize sports tournaments where both male and female staff members can participate and showcase their talents beyond their daily job routines. These events create a positive work environment, encourage a healthy work-life balance, and strengthen camaraderie among employees.

Our company remains dedicated to building an inclusive, dynamic, and supportive workplace where every employee feels valued. By implementing these initiatives, we continue to foster a culture of respect, equality, and sustainability, ensuring a brighter and more prosperous future for our workforce.

25. 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.

26. 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.

27. 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



DIRECTOR

Place: Batapur, Lahore
Date: February 27, 2025



MUHAMMAD IMRAN MALIK
CHIEF EXECUTIVE

ممبران کیلئے ڈائریکٹر رپورٹ

ہمیں بٹا پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

1. بنیادی سرگرمی

کمپنی کی بنیادی سرگرمی ہر قسم کے جوتوں کی تیاری اور فروخت کے ساتھ ایسریز اور ہوزری کی اشیاء کی فروخت ہے۔

2. ہولڈنگ کمپنی

بٹا پاکستان لمیٹڈ کی پیرنٹ کمپنی بافن (نیدر لینڈ) بی وی ہے جو نیدر لینڈ میں واقع ہے، جبکہ ان سب کی پیرنٹ کمپنی کمپاس لمیٹڈ، برمودا ہے۔

3. مالیاتی نتائج

ایک مختصر مالیاتی تجزیہ درج ذیل ہے:

| آپریٹنگ رزلٹس | 2024 | 2023 | کم/بیشی |
|---------------------|------------------|------------|----------|
| | رقم (ہزاروں میں) | | |
| ٹرن اوور | 22,686,096 | 23,461,217 | -3.30% |
| نیٹ ٹرن اوور | 18,332,461 | 19,262,623 | -4.83% |
| مجموعی منافع | 9,014,152 | 9,146,496 | -1.45% |
| مجموعی منافع فیصد | 49.17% | 47.48% | +1.69bps |
| ڈسٹری بیوشن اخراجات | 5,329,984 | 5,578,521 | -4.46% |
| انتظامی اخراجات | 1,897,994 | 1,808,415 | 4.95% |
| آپریٹنگ منافع | 2,053,233 | 2,096,174 | -2.05% |
| ٹیکس کے بعد منافع | 850,730 | 916,288 | -7.24% |
| فی حصص آمدن - روپے | 112.53 | 121.2 | -7.24% |

4. مالیاتی نتائج اور ڈیوٹیمینٹس

کمپنی کا نیٹ ٹرن اور 18.332 بلین روپے رہا جو پچھلے سال کی نسبت 4.83 فیصد کم ہے۔ مجموعی منافع گزشتہ سال 9.146 ارب روپے کے مقابلے میں 9.014 ارب روپے رہا۔ آپریٹنگ منافع گزشتہ سال کے 2.096 بلین روپے کے مقابلے میں 2.053 بلین روپے رہا۔ بعد از ٹیکس منافع پچھلے سال کے 916.28 ملین روپے کے مقابلے میں 850.73 ملین روپے رہا۔ کمپنی کی فی حصص آمدنی گزشتہ سال کے 121.20 روپے کے مقابلے میں 112.53 روپے رہی۔

مشکل کاروباری صورت حال کے پیش نظر ہماری ریٹیل ڈویژن میں 3 فیصد کمی آئی۔ ترقی کی راہ ہموار بنانے اور اسٹورز میں دوستانہ اور جدید ماحول فراہم کرنے کے لیے 282 ملین روپے کی رقم نئے اسٹورز کھولنے اور اہم کاروباری مقامات پر موجودہ اسٹورز کی تزئین و آرائش کے لیے خرچ کیے گئے ہیں۔ توسیعی اقدامات کے دوران ہماری ترجیحات جدید فارمیٹ آف اسٹورز کے قیام کے متعلق تھیں۔

کمپنی کے پاس ایک موثر کیش فلو مینجمنٹ سسٹم ہے جس کے تحت کیش کی آمد اور اخراج کا مستقل بنیادوں پر تخمینہ لگایا جاتا ہے۔ مختصر مدت کی سرمایہ کاری اور بینک ڈپازٹس پر منافع 71.39 ملین روپے تھا۔ بورڈ اس بات سے مطمئن ہے کہ سال کے اختتام پر کوئی مختصر یا طویل مدتی مالی رکاوٹیں نہیں ہیں۔

ہمارے کاروبار کی ترقی کا دار و مدار ان مہارتوں پر ہے جو ہمارے ملازمین کو بہترین تربیت کے ذریعے فراہم کی جاتی ہیں۔ کمپنی نے ٹیکنالوجی اور بزنس ایڈمنسٹریشن کے میدان میں تازہ ترین پیشرفت حاصل کرنے کے لیے اس عرصے کے دوران انسانی وسائل پر کافی وقت اور پیسہ لگایا ہے۔ یہ مستقبل کے ادوار کے لیے جاری عمل ہوگا۔ ہمارے ملازمین کی تربیت کو ہمیشہ مستقبل کے لیے سرمایہ کاری کے طور پر سمجھا جاتا ہے جس کا مقصد انہیں محفوظ اور صحت مند کام کا ماحول فراہم کرنا ہے۔

5. فی حصص آمدن

31 دسمبر 2024 کو ختم ہونے والے سال کے لیے فی حصص آمدنی پچھلے سال کے 121.20 روپے کے مقابلے میں 112.53 روپے تھی۔

6. منافع کا اختصار

کمپنی کے مالیاتی نتائج حسب ذیل ہیں:

31 دسمبر 2024 کو ختم ہونے والا سال

روپے (ہزاروں میں)

1,384,358

| |
|---------|
| 294,385 |
| 18,374 |
| 220,869 |

533,628

850,730

قبل از ٹیکس منافع کمی: ٹیکس معاملات کے باعث

موجودہ

گزشتہ سال

موخر

بعد از ٹیکس منافع

| | |
|-----------|--|
| 1,048,941 | اس سال کی طرف آنے والا غیر موزوں منافع |
| (3,829) | تجربہ ایڈجسٹمنٹ - ملازمین کے فوائد |
| 1,895,091 | قابل استعمال منافع |
| - | 00.00 روپے حصص قدر پر 2024 کا فائنل ڈیوڈنڈ |
| (982,800) | 130.00 روپے فی حصص قدر پر 2024 کا انٹرم ڈیوڈنڈ |
| - | |
| (982,800) | |
| 913,042 | جنرل ریزرو میں ٹرانسفر |

7. بنیادی خطرہ اور غیر یقینی صورتحال

کمپنی بعض موردی خطرات اور غیر یقینی صورتحال سے دوچار ہے۔ تاہم، ہم درج ذیل کو اہم خطرات کے طور پر سمجھتے ہیں:

- ہماری مصنوعات کے زمرے میں اہم مقابلہ؛
 - غیر ملکی زرمبادلہ کی شرحوں اور اجناس کی قیمتوں میں غیر مناسب کمی بیشی؛ اور
 - قانونی چارہ جوئی کے خطرات جس میں کمپنی کے خلاف اہم مقدمات شامل ہیں۔
- کمپنی مذکورہ خطرات کے ممکنہ اثرات کو قابل قبول سطح تک کم کرنے/ختم کرنے کے لیے اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ کام کرتی ہے۔

8. کارپوریٹ سماجی ذمہ داری

طلباء کی جسمانی فٹنس کو فروغ دینے کے لیے مقامی سرکاری سکول میں بیڈمنٹن کورٹ تعمیر کیا۔ طلباء اور قریبی کمیونٹی کو پینے کا صاف اور محفوظ پانی فراہم کرنے کے لیے اسکول میں واٹر فلٹریشن پلانٹ بنایا۔ صحت مند ثقافت کے فروغ کے لیے پسماندہ سکولوں کے طلبہ کے لیے سالانہ کھیلوں کا اہتمام کیا گیا۔ مختلف شہروں کے مختلف سکولوں میں زیر تعلیم غریب بچوں کو جوتوں کے 1859 جوڑے عطیہ کئے۔ خواتین کے کارناموں کو یاد کرنے، صنفی امتیاز کے بارے میں آگاہی پیدا کرنے اور خواتین کے لیے عالمی حمایت کو فروغ دینے کے لیے، ہم نے خواتین کا عالمی دن دفتر، فیکٹر یوں اور SOS ویلج لاہور میں سرگرمیوں کا اہتمام کر کے منایا۔ بہتر ماحول کے لیے اپنا کردار ادا کرنے کے لیے، پلانٹ فار لائف مہم ہمارے ملازمین اور ان کے بچوں کی شرکت سے شروع کی گئی۔ اور بانا پور اور مرا کے 3,000 درخت/پودے لگائے اور قریبی کمیونٹیز بشمول اسکولوں اور رہائشی علاقوں کے ساتھ SOS ویلج لاہور میں رہنمائی کے سیشن کا اہتمام کیا گیا جس میں کردار سازی، شخصیت کی نشوونما اور کمپیوٹر کی مہارتوں کو بڑھانے پر توجہ دی گئی۔ سکولوں میں صحت سے متعلق آگاہی اور میڈیکل کیمپس کا اہتمام کیا جہاں طلباء اور اساتذہ کا معائنہ کیا گیا اور انہیں مفت ادویات فراہم کی گئیں۔ طلباء کے اہل خانہ کو بھی کور کیا گیا اور بلڈ شوگر، کو لیسٹرول، یورک ایسڈ اور پیٹائٹس بی اور سی کے ٹیسٹ مفت مشاورت کے ساتھ کئے گئے۔

باناپور میں گرلز سکول کی طالبات کے ساتھ ماحولیات کا عالمی دن منایا گیا۔ اور انہیں گلوبل وارمنگ، رہائش گاہ کے نقصان اور آلودگی کے خطرات کی اہمیت کے بارے میں بتایا جس کے بعد انٹر ایکٹو سیشن کا انعقاد کیا گیا جس میں طلباء کی جانب سے مختلف سرگرمیاں انجام دی گئیں۔ تھیلیسیمیا میں مبتلا بچوں کی زندگیاں بچانے کے لیے سندس فاؤنڈیشن کے تعاون سے باناپور میں خون کے عطیہ کمپ کا انعقاد کیا گیا جس میں ہمارے ملازمین نے جوش و خروش سے حصہ لیا جنہوں نے اس نیک مقصد کے لیے 60

یونٹ خون کا عطیہ دیا۔ یوم تائیس کی تقریبات کے تناظر میں، بی سی پی کے رضا کاروں نے گورنمنٹ بوائز ہائی سکول اتو کے اعوان لاہور کی سائنس لیب کی تعمیر نو اور پینٹنگ کے کاموں کو انجام دیا۔

یوم تائیس کی سرگرمیوں اور طلباء میں کھیلوں کے کلچر کو فروغ دینے کے لیے اسکول کی ٹیموں کے درمیان فٹ بال میچ کا اہتمام کیا گیا اور کھلاڑیوں کو تحائف پیش کیے گئے۔ ایک مقامی اسکول کی طالبات کے لیے انٹرا کیٹو مینو رنگ سیشن کا اہتمام کیا جس میں ان کی کمپیوٹر کی مہارت کو بڑھانے اور مضبوط کرنے پر زور دیا گیا۔ بچوں کے چہروں پر مسکراہٹیں لانے کے لیے مقامی چرچ میں کرسس کے موقع پر دل کو گرمادینے والے تحفے تقسیم کرنے کی تقریب کا اہتمام کیا گیا۔

9. ماحولیاتی اثرات

بہتر ماحول کے لیے اپنا کردار ادا کرنے کے لیے، ہم نے ہاٹا پورا اور برانچ فیکٹری مراکز میں 3,000 سے زیادہ درخت / پودے لگائے۔

10. مستقبل کی صورتحال

مارکیٹ میں سخت مسابقت اور غیر یقینی معاشی ماحول کے باوجود، کمپنی کا رویہ کاروبار کی مستقبل کی ترقی کے بارے میں پوری طرح پر عزم اور پرامید ہے جہاں وہ اپنے واک ان اور آن لائن صارفین کو بہترین خریداری کے تجربے کے ساتھ بہترین مصنوعات پیش کرنے کی کوشش کرتی ہے۔

11. اندرونی مالیاتی کنٹرول

ڈائریکٹرز اور انتظامیہ کمپنی کے داخلی کنٹرول کے نظام کے لیے ذمہ دار ہیں اور حصص یافتگان کو ان کی سرمایہ کاری پر واپسی فراہم کرنے میں اس کی تاثیر کا سالانہ جائزہ لینے کے لیے ذمہ دار ہیں جو خطرات کے ذمہ دارانہ تشخیص اور انتظام کے مطابق ہے۔ اس میں مالی، آپریشنل اور تعمیل کنٹرولز اور رسک مینجمنٹ کے طریقہ کار اور ان کی تاثیر کا جائزہ لینا شامل ہے۔ ڈائریکٹرز نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے اپنا سالانہ جائزہ اور تشخیص مکمل کر لیا ہے۔

بورڈ اور آڈٹ کمیٹی اندرونی کنٹرول کی ضروریات کو پورا کرنے کے لیے کمپنی کے کنٹرول فریم ورک سے متعلق کمپنی کے اندرونی آڈٹ فنکشن کی رپورٹس کا باقاعدگی سے جائزہ لیتے ہیں۔ کمپنی کا اندرونی آڈٹ فنکشن کنٹرول سرگرمیوں کی سہولیت اور تاثیر کا جائزہ لیتا ہے اور آڈٹ کمیٹی اور بورڈ کو باقاعدہ رپورٹس فراہم کرتا ہے۔

12. لسٹڈ کمپنیوں کے ساتھ تعمیل (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (ریگولیشنز)

31 دسمبر 2024 کو ختم ہونے والے سال کے لیے متعلقہ ضوابط کے تقاضوں کو کمپنی نے اپنایا ہے اور ان کی مکمل تعمیل کی گئی ہے۔ اس سلسلے میں ایک اسٹیٹمنٹ رپورٹ کے ساتھ منسلک ہے۔

13. کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی کے ڈائریکٹر کہتے ہیں کہ:

(a) مالیاتی گوشواروں کے ساتھ ان بیانات کی کمپنیز ایکٹ 2017 اور بین الاقوامی مالیاتی رپورٹنگ کے معیارات کے مطابق تیار کیا گیا ہے، جیسا کہ پاکستان

- میں لاگو ہے۔ یہ بیانات کمپنی کی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو کافی حد تک واضح کرتے ہیں۔
- (b) کمپنی کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
- (c) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اس کے مطابق تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- اکاؤنٹنگ پالیسی میں اگر تبدیلی کی گئی ہو اسے مناسب طریقے سے ظاہر کیا گیا ہے۔
- (d) فنانشل اسٹیٹمنٹس کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جو کہ پاکستان میں لاگو ہوتے ہیں، کی پیروی کی گئی ہے۔
- (e) اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اندرونی آڈٹ ڈیپارٹمنٹ اس کا مسلسل جائزہ لے رہا ہے۔
- (f) ایک جاری خطرے کے پیش نظر کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔
- (g) کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی خارج نہیں ہوا جیسا کہ پاکستان اسٹاک ایکسچینج کے فہرست سازی کے ضوابط میں تفصیل ہے۔
- (h) پچھلے چھ سالوں کا کلیدی آپریننگ اور مالیاتی ڈیٹا اس رپورٹ کے ساتھ منسلک ہے۔
- (i) 31 دسمبر 2024 تک بقایا ٹیکس اور لیویز کے بارے میں معلومات منسلک مالیاتی گوشواروں میں دی گئی ہیں۔
- (j) پراویڈنٹ فنڈ ٹرسٹ کی طرف سے کی گئی سرمایہ کاری کی قدر آڈٹ شدہ کھاتوں کے مطابق 31 دسمبر 2024 تک 1.547 بلین ہے۔
- (k) ڈائریکٹرز، سی ای او، سی ایف او اور کمپنی سیکرٹری، ان کی شریک حیات اور نابالغ بچوں کے ذریعے کمپنی کے شیئرز میں کوئی ٹریڈنگ نہیں کی گئی۔

14. بورڈ کی تشکیل

بورڈ 7 مرد اور 2 خاتون ڈائریکٹرز پر مشتمل جن کا تناسب درج ذیل ہے:

انڈیپنڈنٹ ڈائریکٹرز 3

دیگر ڈائریکٹرز (ایگزیکٹو اور نان ایگزیکٹو) 6

ان میں دو خاتون ڈائریکٹر بھی شامل ہے۔

اس سال بورڈ کی 5 میٹنگز ہوئیں جن میں ڈائریکٹرز کی حاضری درج ذیل ہے:

| ڈائریکٹر کا نام | میٹنگز میں حاضری | میٹنگز جن کو اٹینڈ کر سکتے تھے |
|-------------------------|------------------|--------------------------------|
| جن زیگ (چئیر پرسن بورڈ) | 3 | 3 |
| محمد عمران ملک | 5 | 5 |
| امجد فاروق | 5 | 5 |
| ریئر گلوت چوہینچوسکن | 2 | 5 |
| محمد مقبول | 5 | 5 |
| عامر امین | 5 | 5 |
| راشد رحمان میر | 5 | 5 |
| کمال مونو | 5 | 5 |
| فاطمہ اسد خان | 4 | 5 |

2024 میں مستعفی ہونے والے:

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نان ایگزیکٹو ڈائریکٹر

رابرٹ لانگو

غیر حاضری پر چھٹی ان ڈائریکٹر کو دی گئی جو بورڈ کے کچھ اجلاسوں میں شرکت نہیں کر سکے۔

کمپنی نے پہلے ہی ڈائریکٹرز کے تربیتی پروگرام سے متعلق 31 دسمبر 2024 تک ضابطوں میں بیان کردہ معیار کو پورا کر لیا ہے۔ اس لیے سال بھر میں اس طرح کا کوئی تربیتی پروگرام منعقد نہیں کیا گیا۔

15. دیگر ڈائریکٹرز کا معاوضہ

کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز بشمول انڈیپنڈنٹ ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے میٹنگ فیس کے علاوہ معاوضہ ادا نہیں کرے گی۔ کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفر اور رہائش کے اخراجات کی ادائیگی یا برداشت کرے گی۔ ڈائریکٹرز کی پالیسی کا بورڈ آف ڈائریکٹرز وقتاً فوقتاً جائزہ لے گا اور اس کی منظوری دے گا۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے الگ الگ معاوضے کی مجموعی رقم کی تفصیلات بشمول تنخواہ/فیس، مراعات، فوائد اور کارکردگی سے منسلک مراعات کا ذکر مالیاتی بیانات میں کیا گیا ہے۔

16. چیف ایگزیکٹو اور ڈائریکٹرز کے معاوضے کا پیکج

چیف ایگزیکٹو اور دیگر ڈائریکٹرز کے معاوضے کے پیکج کا ذکر نوٹ 43 میں مالیاتی اسٹیٹمنٹ میں کیا گیا ہے۔

17. آڈٹ کمیٹی

آڈٹ کمیٹی نے اس سال 4 سہ ماہی میٹنگز کیں جن میں ممبران کی حاضری درج ذیل ہے:

| موجودہ کمیٹی ممبران | میٹنگز میں حاضری | میٹنگز جن کو انڈیکٹر کر سکتے تھے |
|-----------------------|------------------|----------------------------------|
| راشد رحمان میر | چیرمین | 4 |
| عامر امین | ممبر | 4 |
| ریئرنگوٹ چوہینچو مسکن | ممبر | 4 |

آڈٹ کمیٹی سے مستعفی ہونے والے ممبر:

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نان ایگزیکٹو ڈائریکٹر

رابرٹ لانگو

آڈٹ کمیٹی نے بورڈ کو پیش کرنے اور ان کی اشاعت سے قبل سہ ماہی، ششماہی اور سالانہ مالیاتی گوشواروں کا جائزہ لیا۔ سی ایف او، ہیڈ آف انٹرئل آڈٹ اور ایکسٹرنل آڈیٹرز کے نمائندے نے میٹنگز میں شرکت کی جہاں اکاؤنٹس اور آڈٹ سے متعلق امور پر تبادلہ خیال کیا گیا۔ آڈٹ کمیٹی نے اندرونی آڈٹ کے نتائج کا بھی جائزہ لیا اور اسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (ریگولیشنز) کے تحت مطلوبہ انٹرئل اور ایکسٹرنل آڈیٹرز کے ساتھ الگ الگ میٹنگز کیں۔ آڈٹ کمیٹی نے ایکسٹرنل آڈیٹرز کے ساتھ ان کے انتظامیہ کو لکھے گئے خط پر بھی تبادلہ خیال کیا۔ بورڈ کی منظوری سے قبل متعلقہ پارٹی ٹرانزیکشنز کو بھی آڈٹ کمیٹی کے سامنے رکھا گیا تھا۔

18. ہیومن ریسورس اور معاوضہ کمیٹی

ہیومن ریسورس کمیٹی نے اس سال 3 میٹنگز کیں جن میں ممبران کی شرکت درج ذیل ہے:

| موجودہ کمیٹی ممبران | میٹنگز میں حاضری | میٹنگز جن کو انینڈ کر سکتے تھے |
|---------------------|------------------|--------------------------------|
| فاطمہ اسد خان | چیر پرسن | 2 |
| محمد عمران ملک | ممبر | 2 |
| محمد مقبول | ممبر | 2 |

19. آڈیٹرز:

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی کی سفارش پر، 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی تجویز پیش کرتا ہے۔

20. شیئر ہولڈنگ کا پیٹرن

31 دسمبر 2024 تک شیئر ہولڈنگ کا پیٹرن اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (ریگولیشنز) کی ضرورت کے مطابق اس کا ذکر اس رپورٹ کے ساتھ منسلک ہے۔

21. شرعی اور غیر شرعی تعمیل کی حیثیت

ایس ای سی پی نے شرعی اور غیر شرعی امور کی رپورٹنگ کے لیے کمپنیز ایکٹ 2017 کے نو رٹھ شیڈول میں ایس آر او 2024/1) 1278 مورخہ 15 اگست 2024 کے ذریعے کچھ ترامیم کی ہیں، کمپنی کی فائنانشل اسٹیٹمنٹ میں بھی اس کی تعمیل کی گئی ہے۔

22. ماحولیاتی، سماجی اور گورننس - ای ایس جی

ایس ای سی پی کی جانب سے ای ایس جی گائیڈ لائنز کو اپنانے کے لیے بورڈ کے ذریعے اقدامات کیے گئے ہیں۔

23. پائیداری کے خطرات کو حل کرنا

پائیداری ایک کمپنی کے لیے بہت اہم ہے کیونکہ یہ ماحول، معاشرے اور معیشت پر منفی اثرات کو کم کرتے ہوئے طویل مدتی کامیابی کو یقینی بنانے میں مدد کرتی ہے۔ پائیداری ایک مثبت برانڈ کی ساکھ بھی بناتی ہے، جو گاہکوں، ملازمین اور سرمایہ کاروں کو اپنی طرف متوجہ کرتی ہے جو اخلاقی طریقوں اور ماحولیاتی ذمہ داری کو اہمیت دیتے ہیں۔ پائیداری کو اپنانا ایک تنظیم کو اس قابل بناتا ہے کہ وہ ایک بڑھتے ہوئے ماحولیات سے متعلق مارکیٹ میں چلک اور مسابقت کو برقرار رکھتے ہوئے ماحول کو خطرے میں ڈالے بغیر اپنی موجودہ ضروریات کو پورا کرنے کے لیے پرعزم ہے اور اپنے صارفین، سپلائرز، ملازمین اور دیگر اسٹیک ہولڈرز کی حوصلہ افزائی کرتا ہے کہ وہ اخلاقی طور پر عمل درآمد کریں۔

کمپنی نے پائیداری کے خطرات کو کم کرنے کے لیے درج ذیل اقدامات کیے ہیں:

ہائپا پاکستان اپنے پیداواری یونٹ میں واٹر میسڈ ایڈیٹو استعمال کر رہا ہے۔ واٹر میسڈ ایڈیٹو میں وولائٹل اورگینک کمپاؤنڈز (VOCs) کی سطح کم ہوتی ہے، جو فضائی آلودگی کو کم کرتے ہیں اور انسانی صحت اور ماحول دونوں پر مضر اثرات کو کم کرتے ہیں۔ یہ انہیں سالوینٹ پر مشتمل واٹر میسڈ ایڈیٹو کا زیادہ پائیدار متبادل بناتا ہے۔ مزید یہ کہ، یہ ایڈیٹو غیر زہریلے اور کم آتش گیر ہوتے ہیں، جو انکو سٹوریج کے حوالے سے زیادہ محفوظ بناتا ہے۔ مجموعی طور پر، واٹر میسڈ ایڈیٹو ایک صاف، محفوظ، اور ماحول کے لحاظ سے ذمہ دار آپشن ہیں جو جدید مینوفیکچرنگ اور پیداواری عمل کی ضروریات کو پورا کرتے ہیں۔

کمپنی نے بجلی کے صاف اور قابل تجدید ذرائع کے لیے 2 میگا واٹ کا سولر پلانٹ نصب کیا ہے جو نقصان دہ گرین ہاؤس گیسوں (GHGs) جیسے کاربن ڈائی آکسائیڈ (CO2) کے اخراج کے بغیر بجلی پیدا کرتا ہے۔ یہ توانائی کی پیداوار کے لیے ایندھن پر انحصار کو کم کر کے موسمیاتی تبدیلیوں کو کم کرنے میں مدد کرتا ہے۔ کمپنی وقتاً فوقتاً شجر کاری مہم کا اہتمام کرتی ہے کیونکہ درخت لگانا موسمیاتی تبدیلیوں کو کم کرنے، حیاتیاتی تنوع کو سپورٹ کرنے اور ماحولیاتی نظام اور انسانی برادریوں دونوں کی طویل مدتی صحت کو یقینی بنا کر پائیداری کے حصول کے لیے بہت ضروری ہے۔ یہ پائیدار مستقبل کے لیے ایک سادہ لیکن طاقتور عمل ہے۔ کمپنی خطرناک فضلہ کو جلانے کیلئے انسیریشن طریقہ استعمال کرتی ہے۔ کچرے کو جلانے کے عمل کو جب آلودگی پر قابو پانے کی جدید ٹیکنالوجیز کے ساتھ جوڑا بنایا جاتا ہے تو کئی مثبت اثرات فراہم کر سکتا ہے، جیسے کہ کچرے کے حجم اور لینڈ فلز سے میتھین کے اخراج کو کم کرنا۔ یہ فضلے کی موثر تلفی کے انتظام میں ایک قابل قدر کردار ادا کرتا ہے۔

کمپنی نے اضافی حفاظتی اقدامات شامل کر کے اپنی تمام مشینوں کی حفاظت کی ہے۔ مشین کی حفاظت ملازمین کی حفاظت اور کاروبار کی طویل مدتی پائیداری دونوں کے لیے ضروری ہے۔ کام کی جگہ پر حادثات کو کم کر کے، کارکردگی کو بہتر بنا کر، فضلہ کو کم سے کم کر کے، تعمیل کو یقینی بنا کر، اور ماحولیاتی اثرات کو کم کر کے، تحفظ کاروبار کو ان کے پائیداری کے اہداف حاصل کرنے میں مدد کرتا ہے۔ یہ اس بات کو یقینی بناتا ہے کہ آپریشنز نہ صرف محفوظ ہیں بلکہ ذمہ دار اور موثر بھی ہیں، جو کمپنی کی مجموعی کامیابی میں پائیدار انداز میں معاون ہیں۔

کمپنی باقاعدگی سے حفاظت سے متعلق تربیت کا اہتمام کرتی ہے۔ حفاظتی تربیت پائیداری کے لیے بہت اہم ہے کیونکہ یہ ملازمین کی حفاظت کرتی ہے، ماحولیاتی نقصان کو روکتی ہے، ضابطے کی تعمیل کو سپورٹ کرتی ہے، وسائل کو محفوظ رکھتی ہے، اور لاگت کی کارکردگی کو فروغ دیتی ہے۔ یہ ایک محفوظ، صحت مند، اور زیادہ ذمہ دار کام کی جگہ بنانے میں مدد کرتا ہے، جو طویل مدتی پائیداری کے اہداف کو حاصل کرنے کے لیے ضروری ہے۔

کمپنی نے اپنے احاطے میں پلاسٹک کی تمام اشیاء کے استعمال پر پابندی لگا دی ہے۔ پلاسٹک پر پابندی لگانے سے اہم ماحولیاتی، صحت اور معاشی فوائد حاصل ہوتے ہیں۔ یہ آلودگی کو کم کرنے، جنگلی حیات کی حفاظت، گرین ہاؤس گیسوں کے اخراج کو کم کرنے اور پائیدار طریقوں کو اپنانے کی حوصلہ افزائی کرنے میں مدد کرتا ہے۔ پلاسٹک سے دور ہو کر، ہم نہ صرف فوری طور پر ماحولیاتی بحران سے نمٹتے ہیں بلکہ ایک زیادہ پائیدار مستقبل کی بنیاد بھی بناتے ہیں۔

ہائپا پاکستان کے احاطے میں بارش کے پانی کے 07 ریپچارج ویل (کنوین) ہیں۔ رین واٹر ریپچارج کنوین پانی کے پائیدار انتظام میں ایک اہم ذریعہ ہیں، خاص طور پر ان علاقوں میں جہاں پانی کی کمی کا سامنا ہے یا وہ لوگ جو ریز مین پانی پر انحصار کرتے ہیں۔ یہ کنوین بارش کے پانی کو ہولڈ کرتے ہیں اور ذخیرہ کرتے ہیں، جس سے یہ ریز مین پانی کو دوبارہ چارج کر سکتا ہے، واٹر ٹیبل کو بحال کرنے اور زمین پانی کی مزید مستحکم فراہمی کو یقینی بنانے میں مدد کرتا ہے۔

24. تنوع، مساوات اور شمولیت کو فروغ دینا۔ ڈی ای آئی

ہماری کمپنی ایک پائیدار اور جامع کام کی جگہ کو فروغ دینے کے لیے پرعزم ہے جو تمام ملازمین کی فلاح و بہبود کو فروغ دیتا ہے۔ اپنی جاری کوششوں کے طور پر، ہم نے اپنی تنظیم کے اندر تنوع، مساوات اور شمولیت کو بڑھانے کے لیے اہم اقدامات کیے ہیں۔ ہمارے اہم اقدامات میں سے ایک ہماری فیکٹری میں خواتین عملے کی فعال بھرتی

ہے، اس بات کو یقینی بنانا کہ خواتین کو روزگار کے مساوی مواقع تک رسائی حاصل ہو۔ ان کی حوصلہ افزائی کیلئے ہم نے ایک آرام دہ اور محفوظ کام کے ماحول کو یقینی بناتے ہوئے تمام ضروری سہولیات فراہم کی ہیں۔ مزید برآں، خواتین ملازمین کو کچھ ایگزیکٹو عہدے دیے گئے ہیں، جو قائدانہ کرداروں میں صنفی تنوع کے لیے ہمارے عزم کو تقویت دیتے ہیں۔

سٹرکچرل بہتری کے علاوہ ہم مختلف قومی اور بین الاقوامی دن مناتے ہیں جیسے کہ فادرز ڈے، مدرز ڈے، خواتین کا دن، اور پنک ربن ڈے۔ یہ تقریبات ہمارے ملازمین کے درمیان تعلق اور تعریف کے احساس کو فروغ دینے میں مدد کرتی ہیں۔ مزید برآں، ہم جسمانی اور ذہنی صحت کے بارے میں آگاہی کے لیے وقف ہیں خاص طور پر خواتین میں کہ اس بات کو یقینی بنانے کے لیے کہ انھیں ضروری وسائل اور سپورٹ سسٹم تک رسائی حاصل ہو۔

شمولیت اور آگاہی کے علاوہ، ہم باصلاحیت ملازمین کو راغب کرنے اور ان کی گروتھ پر توجہ مرکوز کرتے ہیں۔ ہماری ریکروٹمنٹ کی حکمت عملی ایسے افراد کو لانے کے لیے بنائی گئی ہے جو نہ صرف اپنے کردار میں بہترین ہوں بلکہ جدت اور تعاون کے ماحول میں بھی اپنا حصہ ڈالیں۔ منظم انڈکشن پروگراموں اور مسلسل پیشہ ورانہ ترقی کے ذریعے، ہم اس بات کو یقینی بناتے ہیں کہ تمام ملازمین کو تنظیم کے اندر ترقی اور کامیابی کا موقع ملے۔ ہمارے کام کی جگہ ہر سطح پر تنوع کو اپناتی ہے، جہاں مختلف پس منظر سے تعلق رکھنے والے افراد، سینئر ایگزیکٹوز سے لے کر نئے گریجویٹس تک، مل کر ہم آہنگی سے کام کرتے ہیں۔ ہماری کمپنی میں نسل پرستی کی کوئی جگہ نہیں ہے اور ہم باہمی احترام اور قبولیت کے ماحول کو برقرار رکھنے کے لیے پرعزم ہیں۔

ہماری کمپنی ایک جامع متحرک، اور معاون کام کی جگہ کی تعمیر کے لیے وقف ہے جہاں ہر ملازم کو قدر کی نگاہ سے دیکھا جاتا ہے۔ ان اقدامات پر عمل درآمد کرتے ہوئے ہم اپنی افرادی قوت کے لیے ایک روشن اور زیادہ خوشحال مستقبل کو یقینی بناتے ہوئے احترام، مساوات اور پائیداری کے کلچر کو فروغ دیتے رہتے ہیں۔

25. دیگر واقعات

مالی سال کے اختتام جس کے متعلق یہ فائنانشل اسٹیٹمنٹس ہیں اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

26. متعلقہ فریقین کے ساتھ لین دین

متعلقہ فریقوں اور متعلقہ اداروں کے ساتھ لین دین کو آڈٹ کمیٹی کے سامنے رکھا گیا اور اس کی سفارشات پر بورڈ آف ڈائریکٹرز نے منظوری دی۔

27. اعتراف

ہم اس موقع کو اپنے صارفین کے ہماری مصنوعات پر اعتماد، اپنے ملازمین کو ان کی کوششوں کے لیے اور دیگر تمام اسٹیک ہولڈرز کے لیے ان کی مسلسل حمایت کے لیے اظہار تشکر اور تعریف کے طور پر لیتے ہیں۔

بورڈ آف ڈائریکٹرز کی وساطت سے

بہ مقام: بانٹاپور

بتاریخ: 27 فروری، 2025



ڈائریکٹر



محمد عمران ملک

چیف ایگزیکٹو

BATA PAKISTAN LIMITED

Gender pay gap statement under Circular 10 of 2024

Following is gender pay gap calculated for the year ended December 31, 2024:

| | |
|-----------------------------|-------|
| (i) Mean Gender Pay Gap: | (48)% |
| (ii) Median Gender Pay Gap: | (55)% |

The above percentages reflect the gender pay gap of relevant male versus female employees across the organization.



Muhammad Imran Malik

Chief Executive

Date: 27-02-2025

CORPORATE GOVERNANCE



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

Name of Company: Bata Pakistan Limited

Year ended: December 31, 2024

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: Seven (07)

b) Female: Two (02)

2. The composition of the Board is as follows:

| Category | Names |
|--|------------------------------|
| i. Independent Directors | Mr. Rashid Rahman Mir |
| | Mr. Kamal Monnoo |
| ii. Non-Executive Directors | Mr. Muhammad Maqbool |
| | Mr. Rearngwut Chuenchomsakun |
| | Mr. Aamir Amin |
| iii. Executive Directors | Mr. Muhammad Imran Malik |
| | Mr. Amjad Farooq |
| iv. Female Director (Non-Executive) | Ms. Jin Zeng |
| Female Director (Independent) | 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 the following significant policies of the company. The Board has ensured that complete record of particulars of these significant policies along with their date of approval or update is maintained by the company.

- (i) Human resource management including preparation of a succession plan;
- (ii) Permissible fee for non-executive directors including independent directors; and
- (iii) Whistle blowing policy

Regulation 10(4) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, lists

the significant policies that the company may maintain. However, at present, the company has only maintained the aforementioned policies. The company is in the process of developing the other significant policies referenced in the aforementioned regulation in due course.

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 Chairperson and, in her 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. Regulation 18 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, requires that entity shall make appropriate arrangements to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders. In line with this, the company arranged a Director Training program for one of its directors, Mr. Rearngwut Chuenchomsakun (non-executive director), whose training was due this year. However, he did not attend and resigned from his position as a director of the company. Furthermore, during the year, the company appointed a new non-executive director, who will complete the Director's training within the timeframe allowed under the regulations. All other directors of the company have completed the training in prior years.

10. The Board has approved the appointment of the Chief Financial Officer and the Head of Internal Audit, as well as their remuneration and terms and conditions of employment, in compliance with the relevant regulations. However, a casual vacancy for the Company Secretary arose during the year, and the company is in the process of filling this vacancy. It will be filled in due course.

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. Rashid Rahman Mir (Chairman)
2. Mr. Aamir Amin
3. Mr. Rearngwut Chuenchomsakun

b) Human Resource and Remuneration Committee

1. Ms. Fatima Asad Khan (Chairperson)
2. Mr. Muhammad Imran Malik
3. Mr. Muhammad Maqbool

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, 2024

b) Human Resource and Remuneration Committee

Two meetings were held during the financial year ended December 31, 2024

15. The Board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company;

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 (the "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.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36, are stated below and above in clauses 5 and 9:

| Sr. | Requirement | Explanation of Non-Compliance | Regulation No |
|-----|--|---|---------------------------------|
| 1 | Responsibilities of the Board and its members: Adoption of the corporate governance practices." | On June 12, 2024, the Securities and Exchange Commission of Pakistan amended Regulation 10 and introduced Regulation 10A in the Regulations. These changes require the Board to approve an anti-harassment policy for protection against harassment at the workplace and oversee sustainability risks and opportunities, including setting the Company's sustainability strategies and targets and policies to promote diversity, equity and inclusion (DE&I). The management is currently reviewing these amendments and will ensure compliance in due course. | 10(4)(xvi), 10A, and 35(1)(vii) |

| | | | |
|---|--|---|---------------|
| 2 | Constitution of Nomination & Risk Management Committees: | Since there are no Nomination and Risk Management Committees in place (required under non-mandatory provisions of Regulations 29 & 30), their respective terms of reference, as enumerated in the Regulations, have been incorporated in the terms of reference of Human Resource and Remuneration Committee and Audit Committee respectively. | 29(1) & 30(1) |
| 3 | Disclosure of significant policies on website: | <p>Policies, other than the Code of Conduct and Whistleblowing policies, such as Communication and Disclosure, Risk Management, Internal Control, and Corporate Social Responsibility / Sustainability / Environmental, Social and Governance (ESG) policies, do not currently exist in the Company's records and are not uploaded on the Company's website. The Company is in the process of developing these policies, which will be uploaded in due course.</p> <p>In addition to the above, a brief synopsis of the terms of reference for the following Board Committees will also be uploaded in due course:</p> <p>Audit Committee HR and Remuneration Committee</p> | 35(1) (2) |
| 4 | Annual evaluation of Board's own performance | A performance evaluation of the Board's own performance was conducted during the year. However, evaluations for two directors, Mr. Roberto Longo and Mr. Rearngwut Chuenchomsakun, were not conducted due to their resignations. Mr. Roberto Longo resigned in August 2024, while Mr. Rearngwut Chuenchomsakun resigned in January 2025, after the year-end. | 10(3)(v) |



Batapur Lahore:
February 27, 2025

Ms. Jin Zeng
Chairperson of the Board



REVIEW REPORT

TO THE MEMBERS



A.F. FERGUSON & Co.

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 (the Company) for the year ended December 31, 2024 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, 2024.

A.F. Ferguson & Co.
Chartered Accountants

Place: Lahore

Date: March 26, 2025

UDIN: CR202410070eZROwuFOC

A man with curly hair, wearing a bright green long-sleeved shirt and white shorts, is holding up a pair of sneakers. The sneakers are white with blue stripes and green accents. The background is dark and out of focus.

AUDITOR'S REPORT

TO THE MEMBERS



A•F•FERGUSON&Co.

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, 2024, 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 material accounting policy information 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, 2024 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 Matters

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:

| Sr. No. | Key audit matter | How the matter was addressed in our audit |
|---------|--|---|
| | <p>Revenue Recognition</p> <p>(Refer notes 5.15 and 32 to the annexed financial statements)</p> <p>Revenue from sale of goods 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. The Company is engaged in the manufacturing and sale of footwear of all kinds, along with the sale of accessories and hosiery items ('goods') in the local and export markets.</p> <p>Due to revenue being one of the key performance indicators of the Company, a large number of revenue transactions with a large number of customers, and the inherent risk of material misstatement, we consider it to be a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understood and evaluated management controls over revenue and checked their validation; • Performed testing of sample of revenue transactions with underlying documentation including sales invoices; • Performed cut-off procedures on sample basis to ensure revenue has been recognized in the correct period; • Checked on a sample basis, approval of sales prices by the appropriate authority; • Checked on sample basis, approval of discounts given to the customers; • Performed recalculation of commission expense as per Company's policy on a test basis; • Performed analytical procedures to analyze variation in the price and quantity sold during the year; and • Assessed the adequacy and appropriateness of the disclosures made in the financial statements related to revenue. |

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



A.F. FERGUSON & Co.

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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 Khurram Akbar Khan.

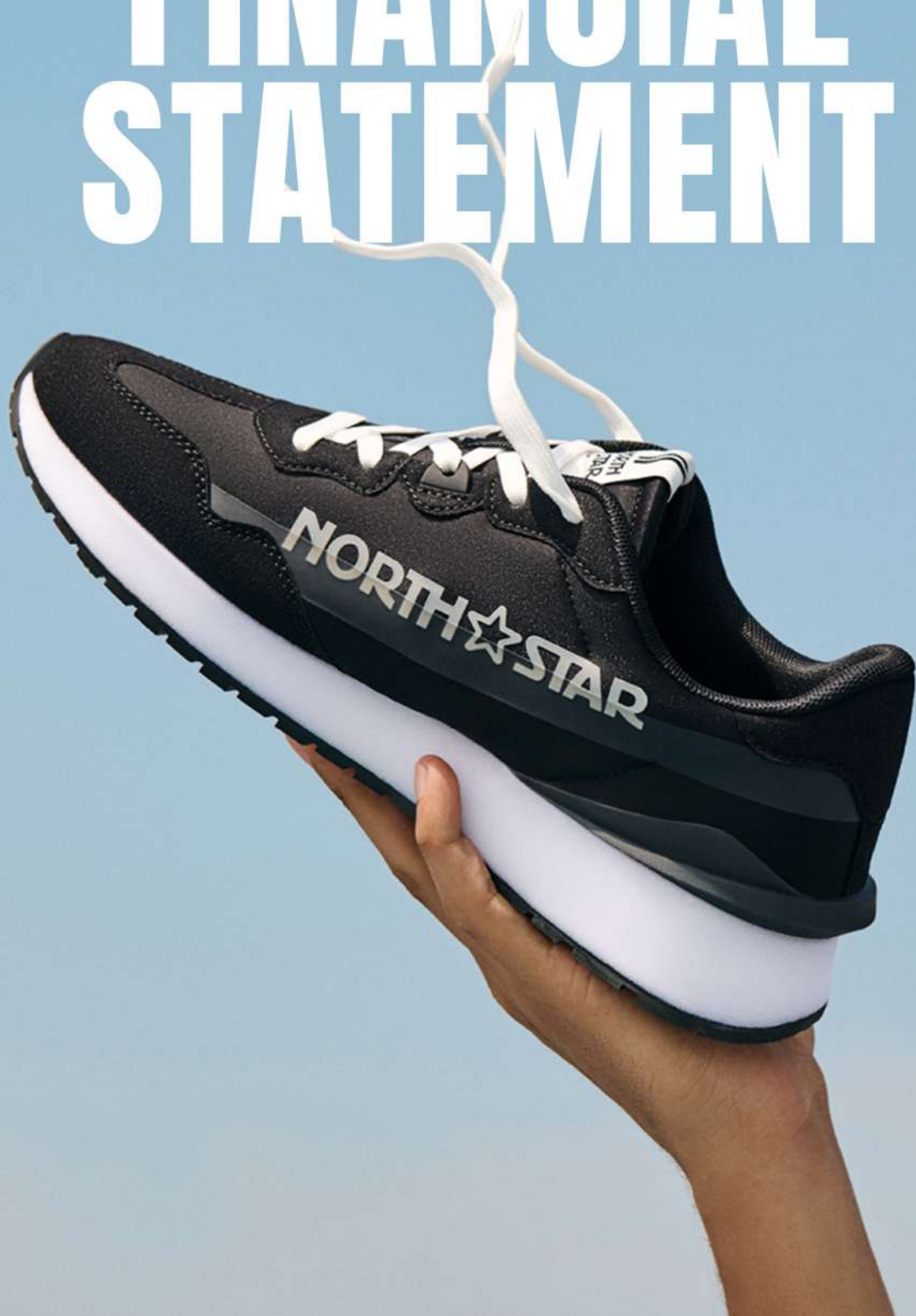
A.F. Ferguson & Co.
Chartered Accountants

Place: Lahore

Date: March 26, 2025

UDIN: AR202410070qOIQWtRcf

FINANCIAL STATEMENT



STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

| | Note | 2024 | 2023 |
|--|------|------------------|------------|
| | | (Rupees in '000) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 2,609,144 | 2,674,127 |
| Right-of-use assets | 7 | 3,039,143 | 2,984,862 |
| Intangible assets | 8 | 173,012 | 243,899 |
| Long term security deposits | 9 | 61,085 | 59,190 |
| Deferred tax asset | 10 | 267,548 | 486,719 |
| | | 6,149,932 | 6,448,797 |
| CURRENT ASSETS | | | |
| Stores and spare parts | 11 | - | - |
| Stock in trade | 12 | 6,004,676 | 5,391,880 |
| Trade debts | 13 | 1,141,770 | 848,554 |
| Advances | 14 | 86,692 | 197,091 |
| Trade deposits and short term prepayments | 15 | 189,666 | 223,835 |
| Other receivables | 16 | 63,235 | 85,116 |
| Income tax receivable net of provision for taxation | 17 | 302,150 | 39,691 |
| Interest accrued | | 551 | 21,240 |
| Short term investments | 18 | 45,065 | 945,011 |
| Tax refunds due from Government | 19 | 350,161 | 350,161 |
| Cash and bank balances | 20 | 544,344 | 1,570,298 |
| | | 8,728,310 | 9,672,877 |
| | | 14,878,242 | 16,121,674 |
| TOTAL ASSETS | | | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | 21.1 | 100,000 | 100,000 |
| Issued, subscribed and paid up share capital | 21.2 | 75,600 | 75,600 |
| Reserves | | | |
| Capital reserve | 22 | 483 | 483 |
| Revenue reserves | 23 | 5,470,042 | 5,605,941 |
| | | 5,470,525 | 5,606,424 |
| Total equity | | 5,546,125 | 5,682,024 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | 24 | 2,677,992 | 2,824,598 |
| Long term deposits | 25 | 21,244 | 23,991 |
| Employee benefits obligations | 26 | 47,801 | 44,535 |
| Long term finances from financial institution - secured | 27 | 28,333 | 34,630 |
| | | 2,775,370 | 2,927,754 |
| CURRENT LIABILITIES | | | |
| Current portion of lease liabilities | 24 | 1,058,808 | 851,483 |
| Current portion of long term finances | 27 | 6,296 | 6,296 |
| Trade and other payables | 28 | 4,312,995 | 5,899,787 |
| Short term borrowings from financial institution - secured | 29 | 333,000 | - |
| Accrued finance cost | | 28,566 | 368 |
| Unpaid dividend | 30 | 739,163 | 682,304 |
| Unclaimed dividend | | 77,919 | 71,658 |
| | | 6,556,747 | 7,511,896 |
| | | | |
| CONTINGENCIES AND COMMITMENTS | | | |
| | | | |
| TOTAL EQUITY AND LIABILITIES | | 14,878,242 | 16,121,674 |

The annexed notes 1 to 53 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, 2024

| | Note | 2024 (Rupees in '000) | 2023 |
|--|------|--------------------------|--------------|
| Revenue from contracts with customers - net | 32 | 18,332,461 | 19,262,623 |
| Cost of sales | 33 | (9,318,309) | (10,116,127) |
| Gross profit | | 9,014,152 | 9,146,496 |
| Distribution costs | 34 | (5,294,971) | (5,557,515) |
| Administrative expenses | 35 | (1,897,994) | (1,808,415) |
| Net impairment loss on financial assets | 13.3 | (35,013) | (21,006) |
| Other expenses | 36 | (95,406) | (191,243) |
| Other income | 37 | 363,217 | 527,857 |
| Finance costs | 38 | (669,627) | (753,161) |
| Profit before income tax | | 1,384,358 | 1,343,013 |
| Income tax | 39 | (533,628) | (426,725) |
| Profit for the year | | 850,730 | 916,288 |
| OTHER COMPREHENSIVE INCOME | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Remeasurement of defined benefit liability - net of tax | | (3,829) | (721) |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Other comprehensive loss for the year | | (3,829) | (721) |
| Total comprehensive income for the year | | 846,901 | 915,567 |
| Earnings per share - basic and diluted (Rupees per share) | 40 | 112.53 | 121.20 |

The annexed notes 1 to 53 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

Balance as at January 01, 2023

Total comprehensive income for the year

Transactions with owners in their capacity as owners
recognised directly in equity:

Interim dividend @ Rupees 120 per share

Balance as at December 31, 2023

Total comprehensive income for the year

Transactions with owners in their capacity as owners
recognised directly in equity:

Interim dividend @ Rupees 130 per share

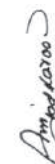
Balance as at December 31, 2024

| Share capital | Capital reserve | Revenue reserves | | Total |
|----------------|-----------------|------------------|------------------------|-----------|
| | | General reserve | Unappropriated profits | |
| Rupees in '000 | | | | |
| 75,600 | 483 | 4,557,000 | 1,040,574 | 5,673,657 |
| - | - | - | 915,567 | 915,567 |
| - | - | - | (907,200) | (907,200) |
| 75,600 | 483 | 4,557,000 | 1,048,941 | 5,682,024 |
| - | - | - | 846,901 | 846,901 |
| - | - | - | (982,800) | (982,800) |
| 75,600 | 483 | 4,557,000 | 913,042 | 5,546,125 |

The annexed notes 1 to 53 form an integral part of these financial statements.



Chief Executive



Chief Financial officer



Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustments for non-cash charges and other items:

Depreciation of property, plant & equipment

Depreciation of right of use assets

Amortization of intangible assets

Provision for gratuity

Loss on disposal of property, plant and equipment

Gain on lease modification

Income from short term investments

Exchange (gain)/loss - net

Interest / markup costs

Impairment loss on trade debts

(Reversal)/provision of slow moving and obsolete stock - net

(Reversal)/provision for obsolescence of raw material - net

Provision for obsolescence of stores and spare parts - net

Operating profit before working capital changes

Effect on cash flow due to working capital changes:**(Increase)/decrease in current assets**

Stores and spare parts

Stock in trade

Trade debts

Advances

Trade deposits and short term prepayments

Other receivables

(Decrease)/increase in current liabilities

Trade and other payables

Cash generated from operations

Finance costs paid

Income tax paid

Gratuity paid

Long term security deposits - net

Net cash (outflow)/inflow from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for property, plant and equipment

Payments for intangible assets

Proceeds from disposal of property, plant and equipment

Investments made during the year

Investments encashed during the year

Interest income received

Net cash outflow from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid

Repayment of long term finances

Payments of lease liabilities (principal)

Net cash outflow from financing activities**Net decrease in cash and cash equivalents**

Cash and cash equivalents at the beginning of the year

Effects of exchange rate changes on cash and cash equivalents

Cash and cash equivalents at the end of the year

Refer note 42.1 for reconciliation of liabilities arising from financing activities.

The annexed notes 1 to 53 form an integral part of these financial statements.

| Note | 2024 | 2023 |
|------|------------------|-------------|
| | (Rupees in '000) | |
| | 1,384,358 | 1,343,013 |
| 6.2 | 406,842 | 346,157 |
| 7 | 1,042,030 | 1,107,477 |
| 8 | 77,714 | 55,661 |
| 26.3 | 12,052 | 10,902 |
| 36 | 14,121 | 4,214 |
| 37 | (102,220) | (189,083) |
| 37 | (71,388) | (185,147) |
| 37 | (47,796) | 84,771 |
| 38 | 669,627 | 675,480 |
| 13.3 | 35,013 | 21,006 |
| 12.2 | (50,194) | 97,239 |
| 12.1 | (7,160) | 16,743 |
| 11.1 | 1,968 | 1,638 |
| | 1,980,609 | 2,047,058 |
| | 3,364,967 | 3,390,071 |
| | (1,968) | (1,638) |
| | (555,442) | (393,864) |
| | (328,229) | (42,151) |
| | 110,399 | 363,959 |
| | 34,169 | (32,760) |
| | 21,881 | 8,311 |
| | (719,190) | (98,143) |
| | (1,538,421) | 1,169,233 |
| | 1,107,356 | 4,461,161 |
| 38 | (641,429) | (675,480) |
| 17 | (575,218) | (609,088) |
| 26.2 | (14,313) | (24,132) |
| | (1,230,960) | (1,308,700) |
| | (4,642) | 933 |
| | (128,246) | 3,153,394 |
| 6.3 | (374,060) | (747,986) |
| | (6,827) | (115,704) |
| | 18,080 | 16,750 |
| | (90,000) | (90,000) |
| | 90,054 | 90,051 |
| | 92,077 | 171,213 |
| | (270,676) | (675,676) |
| 42.1 | (919,680) | (1,163,218) |
| | (6,297) | (84,167) |
| | (933,482) | (1,284,675) |
| | (1,859,459) | (2,532,060) |
| | (2,258,381) | (54,342) |
| | 2,470,298 | 2,515,370 |
| | (573) | 9,270 |
| 42 | 211,344 | 2,470,298 |



Chief Executive



Chief Financial officer



Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1 LEGAL STATUS AND OPERATIONS

Bata Pakistan Limited (the Company) was incorporated in Pakistan as a public company limited by shares under the repealed Companies Act, 1913 (now, Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. 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 7 outlets situated in Azad Kashmir, 8 in Balochistan, 12 in Islamabad Capital Territory, 2 in Gilgit Baltistan, 46 in Khyber Pakhtunkhwa, 261 in Punjab and 65 outlets in Sindh.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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:

- i) International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- ii) 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 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 period beginning on January 01, 2024 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:

(a) Amendment to International Accounting Standard (IAS) 1, 'Non-current liabilities with covenants'

The amendment clarifies how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The amendment also aims to improve the information an entity provides related to liabilities subject to these amendments. The amendment clarifies that a liability should be classified as a current liability if a breach of covenant that gives the lender the right to demand immediate repayment occurs at or prior to the end of the reporting period, unless sufficient relief is granted by the lender before or at the end of the reporting period.

(b) IFRIC Agenda Decision – Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8)

In its July 2024 meeting, the IASB discussed and did not object to an IFRIC agenda decision on 'Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments)'. IFRS 8 Operating Segments requires an entity to disclose specific information about assets, liabilities, and profit or loss by segment. Specifically, IFRS 8 paragraph 23 requires an entity to disclose certain specified items of profit or loss if these are included in the measure of segment profit or loss reviewed by the chief operating decision maker, or are otherwise regularly provided to the chief operating decision maker, even if not included in that measure of segment profit or loss. Some of the requirements in paragraph 23 are very straightforward – for example, 'revenues from external customers' and 'interest expense'. Others, such as the requirement to disclose 'material items of income and expense disclosed in accordance with paragraph 97 of IAS 1', are much more judgmental. The decision clarifies how an entity applies those requirements. The key takeaways are that:

- i) Material items of income and expense that need to be disclosed as specified items are not limited to only unusual or non-recurring items.
- ii) Determining how much detail needs to be included in the segment reporting will be a matter of judgment considering the entity's specific facts and circumstances, the core principle of IFRS 8, and the principles of materiality.
- iii) An entity is not required to disclose by reportable segment each item of income and expense presented in its statement of profit or loss or disclosed in the notes.

The above amendments did not result in any significant changes to these financial statements.

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, 2025 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 IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual period beginning on January 1, 2026)

The amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence derecognised. The previous practice of financial liabilities being derecognized upon issuance of cheques would need to be reconsidered.

(b) Annual improvements to International Financial Reporting Standards – Volume 11 (effective for annual period beginning on January 1, 2026)

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

(c) International Financial Reporting Standard (IFRS) 18, 'Presentation and Disclosure in Financial Statements' (effective for annual period beginning on January 1, 2027)

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is yet to assess the impact of this Standard and amendments to existing standards on its financial statements.

3 BASIS OF MEASUREMENT

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's material accounting policy information is stated in note 5. The preparation of financial statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to final outcomes deviating from estimates and assumptions made. Detailed information about each of these estimates and judgements is included in other notes, together with information about the basis of calculation for each affected line item in the financial statements.

- estimation of provision for taxation - notes 5.2, 10, 17 and 39
- estimation of fair value of contingent liabilities - notes 5.10 and 31
- estimation uncertainties and judgements made in relation to lease accounting - notes 5.4.1 and 24
- estimation of provision for obsolescence of stock in trade - notes 5.8 and 12
- Impairment of financial assets - notes 5.18, 9, 13, 16, 18 and 20

5 MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 EMPLOYEE BENEFITS

5.1.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

5.1.2 Post employment benefits

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

(a) 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:

- Upon voluntary retirement by workers, supervisory, and clerical staff, or upon retirement of such employees at the Company's discretion, or upon their resignation, they will receive three weeks' basic wages/salary for each completed year of service, provided they have served continuously for at least 15 years for workers and 20 years for supervisory and clerical staff, respectively. If an employee continues their service after 20 years, gratuity will be calculated up to 21.74 years based on three weeks' basic salary for each completed year.

- Upon voluntary retirement or resignation of a shop manager, salesman, depot manager, or depot employee, after 20 years of continuous service, they will receive three weeks' basic wages for each completed year of service. If the employee continues their service, gratuity will be calculated up to 20 years based on three weeks' basic salary for each completed year.

b) For employees who are not members of the provident fund scheme:

- For workers, the calculation is based on the highest salary earned within the last twelve months. For other staff, the calculation involves multiplying their current gross salary by the number of completed years of service.

- For sales staff, the calculation involves multiplying the average monthly salary of the last twelve months by the number of completed years of service.

Actuarial valuation of defined benefit plan is conducted annually and the most recent valuation was carried out as of December 31, 2024 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 (Revised)'.

(b) 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.

5.2 INCOME TAX

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

The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted or substantively enacted at the end of the reporting period in accordance with the prevailing law for taxation of income, after taking into account tax credits, rebates and exemptions, if any. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. 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. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

5.3 PROPERTY, PLANT AND EQUIPMENT

5.3.1 Operating fixed assets

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, 2024 has not required any adjustment.

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 year 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 the statement of profit or 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.

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.

Proceeds from the sale of items while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management are not deducted from the cost of an item of property, plant and equipment. Instead, the Company recognizes the proceeds from selling such items, and the cost of producing those items, in the statement of profit or loss.

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 as an income or expense in the statement of profit or loss.

5-3.2 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.

5-4 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. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

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 the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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 the statement of profit or loss if the carrying amount of right of use asset has been reduced to zero.

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.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

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.

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 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 or loss using the straight line method, so as to write off the cost of an asset over its estimated useful life. Amortization is being charged at the annual rates of 25% on computer software and 20% on POS software, on straight line basis.

Useful lives of intangible operating assets are reviewed, at each reporting date 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 or 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.

5.6 INVESTMENTS

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets. All other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

5.7 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.

5.8 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 |

| | | |
|-------------------------|---|--------------------|
| Goods in process | - | at production cost |
|-------------------------|---|--------------------|

Finished goods

| | | |
|----------------|---|---|
| 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 |

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 of 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.

5.9 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, less loss allowance.

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).

5.10 CONTINGENT LIABILITY

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.

Contingent liabilities are generally estimated using:

- The single most likely outcome; or
- A weighted average of all the possible outcomes (the 'expected value' method). This is likely to be the most appropriate method for a large population of similar claims, but can also be applied to a single obligation with various possible outcomes.

5.11 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

5.12 BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification at the reporting date.

5.13 BORROWING COSTS

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

5.14 PROVISIONS

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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, commissions and government levies.

The Company recognized its revenue from the following income streams as follows:

In case of:

| | |
|------------|--|
| Retail: | Revenue is recognised at a point in time when performance obligation is satisfied i.e. at the time of transferring control of retail items to a customer. |
| Wholesale: | Revenue is recognised at a point in time when performance obligation is satisfied i.e. at the time of dispatch of goods from the factory premises. |
| Exports: | Revenue is recognised at a point in time when performance obligation is satisfied i.e. at the time of transferring control to a customer. This is usually when the customer accepts the order. |

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.

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 FINANCE INCOME

Finance income comprises interest income on funds invested (financial assets), dividend income, gain on disposal of financial assets and changes in fair value of investments. Interest income is recognized as it accrues in the statement of profit or loss, using effective interest rate method. Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established.

5.17 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.

5.18 FINANCIAL ASSETS

5.18.1 Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss]; and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

5.18.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

5.18.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i) Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

ii) FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as a separate line item in the statement of profit or loss.

iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value through other comprehensive income. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables, while general 3-stage approach for other financial assets such as deposits, bank balances and other receivables i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Long term security deposits;
- Trade debts;
- Deposits and other receivables;
- Interest accrued;
- Short term investments; and
- Bank

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company recognizes an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

5.19 IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

5.20 FINANCIAL LIABILITIES

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest rate method. Gain and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

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.

5.21 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.

5.22 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised for the Company's right to consideration in exchange for goods or services that it has transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is recognised for the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

5.23 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.

5.24 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.

5.25 SHARE CAPITAL

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

5.26 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.

5.27 ROUNDING OF AMOUNTS

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Rupees unless otherwise stated.

| | Note | 2024 | 2023 |
|--|------|------------------|------------------|
| | | (Rupees in '000) | |
| 6 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 6.2 | 2,597,729 | 2,623,235 |
| Capital work in progress | 6.3 | 11,415 | 50,892 |
| | | <u>2,609,144</u> | <u>2,674,127</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 Akhbar 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

| | Freehold land * | Leasehold land with super structure** | Buildings on freehold land - factory | Buildings on freehold land - others | Plant and machinery | Boilers | Gas installations | Office equipment | Computers | Furniture, fixtures and fittings | Vehicles | Total |
|-----------------------------------|-----------------|---------------------------------------|--------------------------------------|-------------------------------------|---------------------|---------|-------------------|------------------|-----------|----------------------------------|----------|-------------|
| (Rupees in '000) | | | | | | | | | | | | |
| Net carrying value basis | | | | | | | | | | | | |
| Year ended December 31, 2024 | | | | | | | | | | | | |
| Opening net book value (NBV) | 2,508 | 35 | 168,224 | 55,883 | 646,532 | 6,077 | 504 | 3,985 | 269,174 | 1,464,880 | 5,433 | 2,623,235 |
| Additions (at cost) | - | - | 11,230 | 5,059 | 19,206 | - | - | - | 25,553 | 348,466 | 4,023 | 413,537 |
| Disposals (at NBV) | - | - | - | - | - | - | - | - | (2,105) | (30,096) | - | (32,201) |
| Depreciation charge - note 6.4 | - | - | (17,361) | (2,996) | (65,458) | (608) | (50) | (396) | (70,932) | (247,247) | (1,794) | (406,842) |
| Closing net book value (NBV) | 2,508 | 35 | 162,093 | 57,946 | 600,280 | 5,469 | 454 | 3,589 | 221,690 | 1,536,003 | 7,662 | 2,597,729 |
| Gross carrying value basis | | | | | | | | | | | | |
| As at December 31, 2024 | | | | | | | | | | | | |
| Cost | 2,508 | 35 | 360,585 | 125,624 | 1,283,658 | 13,910 | 2,232 | 8,445 | 494,285 | 3,483,804 | 29,225 | 5,804,311 |
| Accumulated depreciation | - | - | (198,492) | (67,678) | (683,378) | (8,441) | (1,778) | (4,856) | (272,595) | (1,947,801) | (21,563) | (3,206,582) |
| Net book value (NBV) | 2,508 | 35 | 162,093 | 57,946 | 600,280 | 5,469 | 454 | 3,589 | 221,690 | 1,536,003 | 7,662 | 2,597,729 |
| Depreciation rate per annum | 0% | 0% | 10% | 5% | 10% | 10% | 10% | 10% | 25% | 15% | 20% | |
| Net carrying value basis | | | | | | | | | | | | |
| Year ended December 31, 2023 | | | | | | | | | | | | |
| Opening net book value (NBV) | 2,508 | 35 | 162,785 | 42,808 | 468,524 | 6,752 | 560 | 2,097 | 167,820 | 1,214,117 | 7,612 | 2,075,618 |
| Additions (at cost) | - | - | 22,916 | 15,586 | 236,681 | - | - | 2,148 | 154,735 | 482,672 | - | 914,738 |
| Disposals (at NBV) | - | - | - | - | (1,940) | - | - | - | (1,067) | (17,204) | (753) | (20,964) |
| Depreciation charge - note 6.4 | - | - | (17,477) | (2,511) | (56,733) | (675) | (56) | (260) | (52,314) | (214,705) | (1,426) | (346,157) |
| Closing net book value (NBV) | 2,508 | 35 | 168,224 | 55,883 | 646,532 | 6,077 | 504 | 3,985 | 269,174 | 1,464,880 | 5,433 | 2,623,235 |
| Gross carrying value basis | | | | | | | | | | | | |
| As at December 31, 2023 | | | | | | | | | | | | |
| Cost | 2,508 | 35 | 349,354 | 120,564 | 1,264,452 | 13,910 | 2,232 | 8,454 | 477,622 | 3,250,490 | 25,202 | 5,514,823 |
| Accumulated depreciation | - | - | (181,130) | (64,681) | (617,920) | (7,833) | (1,728) | (4,469) | (208,448) | (1,785,610) | (10,769) | (2,891,588) |
| Net book value (NBV) | 2,508 | 35 | 168,224 | 55,883 | 646,532 | 6,077 | 504 | 3,985 | 269,174 | 1,464,880 | 5,433 | 2,623,235 |
| Depreciation rate per annum | 0% | 0% | 10% | 5% | 10% | 10% | 10% | 10% | 25% | 15% | 20% | |

* Freehold land represents the area of Batapur factory and Maraka factory.

** 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 125,981 million (2023: Rs 194,592 million), which are in the name of the Company but are in possession of various business associates. These assets are provided under a contract, to run operations of the retail shops to sell Company's merchandise exclusively.

6.3 Capital work in progress

| | 2024 | | | 2023 | | |
|-----------|------------------|-----------|-----------|------------------|-----------|-----------------|
| | (Rupees in '000) | | | (Rupees in '000) | | |
| | Opening balance | Additions | Transfers | Opening balance | Additions | Closing balance |
| Building | 5,648 | 4,859 | (10,507) | - | 5,870 | (222) |
| Furniture | 7,100 | 1,535 | (3,259) | 5,376 | 61,283 | (74,368) |
| Machinery | 4,836 | 9,050 | (10,595) | 3,291 | 20,185 | (20,349) |
| Computer | 33,308 | 23,590 | (54,150) | 2,748 | 145,739 | (45,875) |
| | 50,892 | 39,034 | (78,511) | 11,415 | 217,644 | (323,959) |

6.4 Allocation of depreciation expense

The depreciation charge for the year has been allocated as follows:

| Note | 2024 | 2023 |
|-------------------------|------------------|----------------|
| | (Rupees in '000) | |
| | | |
| Cost of sales | 83,451 | 74,913 |
| Distribution costs | 281,310 | 249,543 |
| Administrative expenses | 42,081 | 21,701 |
| | <u>406,842</u> | <u>346,157</u> |

6.5 Sale of fixed assets

The aggregate book value of operating fixed assets sold during the current year exceeds Rs 5,000,000. However, the book value of each asset sold is not more than Rs 500,000, so the particulars of each asset are not detailed. The disposals during the current year mainly consist of assets abandoned upon vacating retail outlets and assets that have been written off because they are no longer usable.

| 2023 | | | | | | |
|----------------------|---------------|-------|------------|---------------|--------------|-----------------------|
| (Rupees in thousand) | | | | | | |
| | Sold to | Cost | Book value | Sale proceeds | Gain on sale | Mode of sale |
| Vehicle | Outside party | | | | | |
| | Faizan Ahmad | 6,011 | 690 | 5,331 | 4,640 | As per Company policy |
| | | 6,011 | 690 | 5,331 | 4,640 | |

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

7 RIGHT-OF-USE ASSETS

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

| | Note | 2024 | 2023 |
|---|------|------------------|-----------|
| | | (Rupees in '000) | |
| Cost | | | |
| Opening balance as at January 01 | | 8,690,336 | 7,972,699 |
| Additions | | 374,713 | 242,076 |
| Modification adjustments | | (374,616) | (339,347) |
| Effect on ROUA due to renewals | | 1,096,214 | 814,908 |
| Closing balance as at December 31 | | 9,786,647 | 8,690,336 |
| Depreciation | | | |
| Opening balance as at January 01 | | 5,705,474 | 4,597,997 |
| Charge for the year | 34.4 | 1,042,030 | 1,107,477 |
| Closing balance as at December 31 | | 6,747,504 | 5,705,474 |
| Book value as at December 31 | | 3,039,143 | 2,984,862 |
| 8 INTANGIBLE ASSETS | | | |
| Intangible assets - POS and computer software | 8.1 | 173,012 | 242,790 |
| Capital work in progress - computer software | | - | 1,109 |
| | | 173,012 | 243,899 |

8.1 COST

| | Note | Computer software | POS software at retail stores | Total |
|---------------------------------|------|-------------------|-------------------------------|---------|
| | | (Rupees in '000) | | |
| Balance as at January 01, 2024 | | 63,216 | 353,367 | 416,583 |
| Additions during the year | | 1,405 | 6,412 | 7,817 |
| Balance as at December 31, 2024 | | 64,621 | 359,779 | 424,400 |

AMORTIZATION

| | | | | |
|---------------------------------|-----|--------|---------|---------|
| Balance as at January 01, 2024 | | 43,591 | 130,202 | 173,793 |
| Charge for the year | 8.2 | 5,816 | 71,779 | 77,595 |
| Balance as at December 31, 2024 | | 49,407 | 201,981 | 251,388 |
| Book value as at December 31 | | 15,214 | 157,798 | 173,012 |

Amortization rate is 25.00% per annum for computer software and 20.00% per annum for POS software at retail stores.

| | Note | Computer software | POS software at retail stores | Total |
|---------------------------------|------|-------------------|-------------------------------|---------|
| (Rupees in '000) | | | | |
| COST | | | | |
| Balance as at January 01, 2023 | | 48,082 | 239,577 | 287,659 |
| Additions during the year | | 15,134 | 113,790 | 128,924 |
| Balance as at December 31, 2023 | | 63,216 | 353,367 | 416,583 |

AMORTIZATION

| | | | | |
|---------------------------------|-----|--------|---------|---------|
| Balance as at January 01, 2023 | | 40,287 | 77,845 | 118,132 |
| Charge for the year | 8.2 | 3,304 | 52,357 | 55,661 |
| Balance as at December 31, 2023 | | 43,591 | 130,202 | 173,793 |
| Book value as at December 31 | | 19,625 | 223,165 | 242,790 |

Amortization rate is 25.00% per annum for computer software and 20.00% per annum for POS software at retail stores.

| | Note | 2024 | 2023 |
|-------------------------|---|--------|--------|
| (Rupees in '000) | | | |
| 8.2 | The amortization charge for the year has been allocated as follows: | | |
| | | | |
| Distribution costs | 34 | 73,601 | 52,357 |
| Administrative expenses | 35 | 4,113 | 3,304 |
| | | 77,714 | 55,661 |

9 LONG TERM SECURITY DEPOSITS

| | | | |
|-------------------|-----|--------|--------|
| Security deposits | 9.1 | 61,085 | 59,190 |
|-------------------|-----|--------|--------|

- 9.1** These represents the securities given to landlords in respect of leases of shops. The present value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' is not considered material and hence, not recognized.

10 DEFERRED TAX ASSET

The deferred tax asset comprises of temporary differences relating to:

| | Note | 2024 | 2023 |
|--|------|------------------|-----------|
| | | (Rupees in '000) | |
| Deferred tax liability | | | |
| Accelerated tax depreciation | | (205,351) | (230,537) |
| Deferred tax asset | | | |
| Lease liabilities net of right-of-use assets | | 272,086 | 268,136 |
| Employee benefits obligations | | 18,642 | 17,276 |
| Provision for stores and spare parts | | 13,969 | 13,131 |
| Provision for stock in trade | | 39,957 | 61,992 |
| Loss allowance on trade debts | | 58,622 | 44,727 |
| Loss allowance on other receivables | | 5,003 | 4,976 |
| Loss allowance on advances | | 2,703 | 2,688 |
| Liabilities written back | | - | 304,330 |
| Alternative Corporate Tax | 10.1 | 61,917 | - |
| | | 267,548 | 486,719 |

- 10.1** This relates to the accounting year ended December 31, 2024, and is available for adjustment against normal tax liability for the next ten years, after which it will expire. A deferred tax asset on the tax credit available for carry forward has been recognized to the extent that the realization of related tax benefits is available from the reversal of existing taxable temporary differences and future taxable profits. Based on the Company's approved business plan, it is probable that sufficient future taxable profits will be available for the utilization of the deferred tax asset.

| | | <u>Note</u> | <u>2024</u> | <u>2023</u> |
|-------------|---|-------------|-------------------------|-------------|
| | | | (Rupees in '000) | |
| 10.2 | The gross movement in net deferred tax asset during the year is as follows: | | | |
| | Opening balance | | 486,719 | 350,693 |
| | (Charged)/credited to statement of profit or loss | 39 | (220,869) | 135,569 |
| | Credited to other comprehensive income | 10.3 | 1,698 | 457 |
| | Closing balance | | 267,548 | 486,719 |

- 10.3** This represents tax impact of remeasurement of defined benefit obligation recognized in other comprehensive income.

| | | Note | 2024 | 2023 |
|----|----------------------------------|------|------------------|--------|
| 11 | STORES AND SPARE PARTS | | (Rupees in '000) | |
| | Stores | | 2,989 | 3,072 |
| | Spare parts | | 32,828 | 30,777 |
| | | | 35,817 | 33,849 |
| | Less: provision for obsolescence | 11.1 | 35,817 | 33,849 |
| | | | - | - |

| | | Note | 2024 | 2023 |
|-------------|---|------|------------------|-----------|
| | | | (Rupees in '000) | |
| 11.1 | Provision for obsolescence | | | |
| | Opening provision | | 33,849 | 32,211 |
| | Charge for the year | | 1,968 | 1,638 |
| | Closing provision | | 35,817 | 33,849 |
| 12 | STOCK IN TRADE | | | |
| | Raw materials | | | |
| | In hand | | 298,558 | 487,336 |
| | In transit | | 1,787 | 29,781 |
| | | | 300,345 | 517,117 |
| | Less: provision for obsolescence of raw materials | 12.1 | 15,086 | 22,246 |
| | | | 285,259 | 494,871 |
| | Goods in process | | 69,482 | 72,532 |
| | Finished goods | | | |
| | Own production | | 2,190,916 | 2,134,108 |
| | Purchased | | 3,546,387 | 2,827,931 |
| | | | 5,737,303 | 4,962,039 |
| | Less: provision for slow moving and obsolete items of finished goods | 12.2 | 87,368 | 137,562 |
| | <i>Finished goods</i> | | 5,649,935 | 4,824,477 |
| | | | 6,004,676 | 5,391,880 |
| 12.1 | Provision for obsolescence of raw materials | | | |
| | Opening provision | | 22,246 | 5,503 |
| | (Reversal)/charge for the year | | (7,160) | 16,743 |
| | Closing provision | | 15,086 | 22,246 |
| 12.2 | Provision for slow moving and obsolete items of finished goods | | | |
| | Opening provision | | 137,562 | 40,323 |
| | (Reversal)/charge for the year | | (50,194) | 97,239 |
| | Closing provision | | 87,368 | 137,562 |
| 13 | TRADE DEBTS | | | |
| | Due from customers | 13.1 | 1,243,985 | 955,873 |
| | Due from related parties | 13.2 | 48,098 | 7,981 |
| | | | 1,292,083 | 963,854 |
| | Loss allowance | 13.3 | (150,313) | (115,300) |
| | | | 1,141,770 | 848,554 |
| 13.1 | These customers have no recent history of default. | | | |
| 13.2 | Due from related parties | | | |
| | Bata Shoe Company (Kenya) Limited | | 41,182 | - |
| | Bata Shoe Company Bangladesh Limited | | 6,530 | 2,527 |
| | P.T. Sepatu Bata, Indonesia | | 386 | - |
| | Bata Shoe of Thailand Public Company Limited | | - | 5,454 |
| | | | 48,098 | 7,981 |

Maximum aggregate amount due from related parties at the end of any month in the year was Rs 53,923 million (2023: Rs 7,981 million). These are interest free and the aging analysis of trade debts from related parties that are past due is as follows:

| | Note | 2024 | 2023 |
|-------------------------------------|---|------------------|---------|
| | | (Rupees in '000) | |
| Up to 90 days | | 38,648 | 5,705 |
| 91 to 180 days | | 1,317 | 991 |
| 181 to 365 days | | 5,611 | 1,285 |
| Above 365 days | | 2,522 | - |
| | | 48,098 | 7,981 |
| 13.3 | Movement in loss allowance is as follows: | | |
| Opening balance | | 115,300 | 94,294 |
| Charge for the year | | 35,013 | 21,006 |
| Closing balance | | 150,313 | 115,300 |
| 14 | ADVANCES | | |
| Advances to suppliers | | 83,622 | 194,021 |
| Letters of credit - margin | | 10,000 | 10,000 |
| | | 93,622 | 204,021 |
| Less: Impairment loss on advances | | 6,930 | 6,930 |
| | | 86,692 | 197,091 |
| 15 | TRADE DEPOSITS AND SHORT TERM PREPAYMENTS | | |
| Deposits | | | |
| Custom duty and taxes | | 3,439 | 2,302 |
| Letters of guarantee - margin | | 129 | 129 |
| Others | | 17,745 | 6,948 |
| | | 21,313 | 9,379 |
| Short term prepayments | | | |
| Prepaid rent | 15.1 | 16,283 | 79,123 |
| Prepaid sales tax | | 104,509 | 100,480 |
| Other prepaid expenses | | 47,561 | 34,853 |
| | | 168,353 | 214,456 |
| | | 189,666 | 223,835 |
| 15.1 | 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. | | |
| 16 | OTHER RECEIVABLES | | |
| Receivable from employees | | 16,106 | 22,810 |
| Export rebates | | 2,805 | 2,893 |
| Insurance claims | | - | 33 |
| Prepaid rent | | 5,131 | 2,232 |
| Others | 16.1 | 40,777 | 58,732 |
| | | 64,819 | 86,700 |
| Impairment loss on other receivable | | (1,584) | (1,584) |
| | | 63,235 | 85,116 |
| 16.1 | This includes receivable from various courier companies aggregating Rs 39.619 million (2023: Rs 56.736 million) in the ordinary course of business. | | |

| | Note | 2024 | 2023 | |
|---|--|------------------|------------------|-----------|
| | | (Rupees in '000) | | |
| 17 | INCOME TAX RECEIVABLE NET OF PROVISION FOR TAXATION | | | |
| Opening receivable/(payable) | | 39,691 | (7,103) | |
| Advance tax paid during the year | | 575,218 | 609,088 | |
| Adjusted against provision for taxation | 39 | (312,759) | (562,294) | |
| Closing balance | | 302,150 | 39,691 | |
| 18 | SHORT TERM INVESTMENTS | | | |
| This represents term deposit receipts of the following banks: | | | | |
| Habib Metropolitan Bank Limited | | 45,065 | 445,011 | |
| United Bank Limited | | - | 500,000 | |
| | | 45,065 | 945,011 | |
| 18.1 | The range of rates of profits on these term deposits was between 8.5% and 20.85% (2023: 16.10% and 21.25%) per annum. | | | |
| 18.2 | The investment deposits include those earmarked against the balances due to employees held as securities, as stated in note 25. These carry a mark-up at the rate of 8.5% (2023: 20.85%) per annum and have been invested in accordance with the provisions of section 217 of the Companies Act, 2017. | | | |
| 19 | TAX REFUNDS DUE FROM GOVERNMENT | 2024 | 2023 | |
| | | (Rupees in '000) | | |
| Tax refunds due from Government | | 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 Federal Board of Revenue. | | | |
| 20 | CASH AND BANK BALANCES | Note | 2024 | 2023 |
| | | | (Rupees in '000) | |
| Bank balances in: | | | | |
| Current accounts: | | | | |
| - Foreign currency | | | 41,964 | 42,422 |
| - Local currency | | | 404,177 | 477,151 |
| | | | 446,141 | 519,573 |
| Daily profit accounts | 20.1 | | 21,540 | 916,260 |
| Cash in transit | 20.2 | | 72,597 | 127,000 |
| Cash in hand: | | | | |
| - Foreign currency | | | 3,287 | 6,374 |
| - Local currency | | | 779 | 1,091 |
| | | | 4,066 | 7,465 |
| | | | 544,344 | 1,570,298 |
| 20.1 | The rate of mark-up on these accounts ranges from 5.87% to 20.51% (2023: 7.51% to 20.75%) per annum. | | | |
| 20.2 | This includes credit card sales processed through Point of Sale (POS) terminals at year-end, as well as cash receipts that have not yet been deposited into the Company's bank accounts by retail store managers. | | | |

21 SHARE CAPITAL**21.1 Authorized share capital**

| 2024 | 2023 | Note | 2024 | 2023 |
|-----------------------------------|-------------|-------------------------------|-------------------------|-------------|
| (Number of shares in '000) | | | (Rupees in '000) | |
| 10,000 | 10,000 | Ordinary shares of Rs 10 each | 100,000 | 100,000 |

21.2 Issued, subscribed and paid up share capital

| 2024 | 2023 | Note | 2024 | 2023 |
|-----------------------------------|-------------|--|-------------------------|-------------|
| (Number of shares in '000) | | | (Rupees in '000) | |
| 1,890 | 1,890 | Ordinary shares of Rs 10 each fully paid in cash 21.2.1 | 18,900 | 18,900 |
| 300 | 300 | Ordinary shares of Rs 10 each issued for consideration other than cash 21.2.2 | 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 (2023: 5,685,866) ordinary shares of Rs 10 each fully paid up which represents 75.21% (2023: 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

| 2024 | 2023 |
|-------------------------|-------------|
| (Rupees in '000) | |
| Capital reserve | 483 |

22.1 This 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

| 2024 | 2023 |
|------------------------------------|-------------|
| (Rupees in '000) | |
| General reserve: | |
| Opening balance | 4,557,000 |
| Transfer to unappropriated profits | - |
| Closing balance | 4,557,000 |
| Unappropriated profits | 913,042 |
| | 5,470,042 |

24 LEASE LIABILITIES

The Company has lease contracts for retail outlets. These leases generally have lease terms between 3 to 6 years.

| | Note | 2024 | 2023 |
|--|--|------------------|-------------|
| The reconciliation of the carrying amount is as follows: | | (Rupees in '000) | |
| As at January 1 | | 3,676,081 | 4,432,202 |
| Additions during the year | | 286,942 | 142,951 |
| Renewals during the year | | 1,096,214 | 814,908 |
| Accretion of interest | | 605,278 | 664,227 |
| Modification of lease liability | | (476,836) | (528,430) |
| Payments made during the year | | (1,450,879) | (1,849,777) |
| As at December 31 | | 3,736,800 | 3,676,081 |
| Less: Current maturity shown under current liabilities | | 1,058,808 | 851,483 |
| Non-current lease liabilities | | 2,677,992 | 2,824,598 |
| Additions to right-of-use assets | | 374,713 | 242,076 |
| Less: Lease rentals paid at commencement date | | 87,771 | 99,125 |
| | | 286,942 | 142,951 |
| 24.1 The statement of financial position shows the following amounts related to leases: | Note | 2024 | 2023 |
| | | (Rupees in '000) | |
| RIGHT-OF-USE ASSETS | | 3,039,143 | 2,984,862 |
| LEASE LIABILITIES | | | |
| Current portion | | 1,058,808 | 851,483 |
| Non-current portion | | 2,677,992 | 2,824,598 |
| 24.2 The statement of profit or loss shows the following amounts relating to leases: | | | |
| Depreciation charge of right-of-use assets | 34.4 | 1,042,030 | 1,107,477 |
| Finance cost - leases | 38 | 605,278 | 664,227 |
| Expense relating to short term leases | 34 | 514,852 | 456,339 |
| Gain on modification of leases | 37 | 102,220 | 189,083 |
| 25 LONG TERM DEPOSITS | | | |
| Employees' securities and personal accounts | | 21,244 | 23,991 |
| 25.1 | Employees' securities are the deposits made by employees as per their employment terms. An interest rate of 8.5% (2023: 20.85%) per annum is paid on the monthly outstanding balances. As required by section 217 of the Companies Act, 2017, these amounts are invested in Term Deposit Receipts and are classified as short-term investments in note 18. | | |
| 26 EMPLOYEE BENEFITS OBLIGATIONS | Note | 2024 | 2023 |
| | | (Rupees in '000) | |
| 26.1 Provision for gratuity - un-funded defined benefit plan | | 47,801 | 44,535 |

| | Note | 2024 | 2023 |
|--|--|------------------|----------|
| | | (Rupees in '000) | |
| 26.2 | Changes in present value of defined benefit obligations | | |
| Present value of defined benefit obligations as at January 01 | | 44,535 | 56,587 |
| Expense charged in statement of profit or loss | | 12,052 | 10,902 |
| Benefits paid during the year | | (14,313) | (24,132) |
| Remeasurement adjustments charged to other comprehensive income: | | | |
| - Changes in financial assumptions | | 3,876 | (5,683) |
| - Experience adjustments | | 1,651 | 6,861 |
| | | 5,527 | 1,178 |
| Present value of defined benefit obligations as at December 31 | | 47,801 | 44,535 |
| 26.3 | The amount recognized in the statement of profit or loss is as follows: | | |
| Current service cost | | 4,863 | 4,144 |
| Interest cost | | 7,189 | 6,758 |
| Expense charged in statement of profit or loss | | 12,052 | 10,902 |
| 26.4 | Charge for the year has been allocated as follows: | | |
| Cost of sales | 33.4 | 5,763 | 5,213 |
| Distribution cost | 34.1 | 4,652 | 4,209 |
| Administrative expenses | 35.1 | 1,637 | 1,480 |
| | | 12,052 | 10,902 |

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:

| | 2024 | 2023 |
|---|-------------------------|----------------|
| Expected rate of salary increase in future years - per annum | 13.25% | 16.25% |
| Discount rate - per annum | 14.25% | 17.50% |
| Expected mortality rate | SLIC 2001-2005 | SLIC 2001-2005 |
| Average duration of plan | 9 Years | 6 Years |
| 26.6 | Amount | |
| | (Rupees in '000) | |
| Estimated expense to be charged to statement of profit or loss in 2025 | | |
| Current service cost | | 4,439 |
| Interest cost on defined benefit obligation | | 6,269 |
| Amount chargeable to statement of profit or loss | | 10,708 |

26.7 Sensitivity analysis

Significant assumptions for the determination of the defined benefit 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

| | 2024 | 2023 |
|---------------------------|------------------|--------|
| | (Rupees in '000) | |
| Discount rate + 100 bps | 45,862 | 43,352 |
| Discount rate - 100 bps | 49,959 | 45,792 |
| Salary increase + 100 bps | 49,253 | 45,239 |
| Salary increase - 100 bps | 46,506 | 43,867 |

26.8 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.

| 27 | LONG TERM FINANCES FROM FINANCIAL INSTITUTION - SECURED | Note | 2024 | 2023 |
|----|--|------|------------------|---------------|
| | | | (Rupees in '000) | |
| | Long term finances - secured | 27.1 | 34,629 | 40,926 |
| | Less: current portion shown under current liabilities | | 6,296 | 6,296 |
| | | | <u>28,333</u> | <u>34,630</u> |

27.1 The long-term finance facility was obtained from Habib Bank Limited for the import and installation of solar power machinery. Under the arrangement with Habib Bank Limited, the balance principal amount is repayable in 22 equal quarterly installments, ending in May 2030. Interest is payable quarterly in arrears at the rate of the 3-month State Bank of Pakistan (SBP) rate plus 1.5% per annum. The loan is secured by a first hypothecation charge of Rs 106.67 million on all present and future movable fixed assets of the Company and a joint pari-passu charge on present and future movable assets and contingent debts of the Company to the extent of Rs 447 million.

| 28 | TRADE AND OTHER PAYABLES | Note | 2024 | 2023 |
|-------------|---|--------|------------------|------------------|
| | | | (Rupees in '000) | |
| | Trade creditors | 28.1 | 3,550,001 | 5,059,531 |
| | Accrued liabilities | | 354,393 | 425,553 |
| | Contract liabilities | 28.2 | 43,015 | 40,871 |
| | Payable to provident fund trust | | 30,314 | 27,388 |
| | Security deposits | 28.3 | 120,288 | 122,559 |
| | Workers' profit participation fund | 28.4 | 69,052 | 71,910 |
| | Workers' welfare fund | 28.5 | 11,607 | 22,640 |
| | Sales tax payable | | 76,276 | 78,436 |
| | Taxes deducted at source payable | | 6,163 | 11,845 |
| | Other liabilities | 28.6 | 51,886 | 39,054 |
| | | | <u>4,312,995</u> | <u>5,899,787</u> |
| 28.1 | This includes amounts due to the following related parties: | | | |
| | Bata Brands S.A.R.L, Switzerland | 28.1.1 | 854,095 | 2,592,393 |
| | Global Footwear Services, Singapore | | 951,381 | 692,128 |
| | Bata Malaysia | | 583 | 557 |
| | Bata Shoe, Singapore | | 1,498 | 953 |
| | Bata Centre S.R.O | | - | 10,592 |
| | Bata Shoe Of Thailand Public Company Limited. | | 702 | - |
| | P.T. Sepatu Bata, Indonesia | | - | 289 |
| | | | <u>1,808,259</u> | <u>3,296,912</u> |

28.1.1 This includes amounts due under the trademark license fee agreement. During the year ended December 31, 2018, the Company and BATA Brands SA, Switzerland revised the terms of the trademark agreement, increasing the royalty percentage from 2% of net revenue (net of taxes) to 5% of net revenue (subject to applicable tax deductions). Certain minority shareholders have filed a suit against the Company in the High Court of Sindh, claiming that the increase in royalty is unjustified and have claimed damages of Rs 800 million. Initial proceedings of the case are currently underway and based on the opinion of the Company's legal counsel, the management expects an outcome confirming the revisions to the terms of the trademark agreement and quashing the damages.

28.2 This represents contract liabilities of the Company towards various parties. Revenue recognised in the current year that was included in the contract liability balance at the beginning of the year amounts to Rs 40.871 million (2023: Rs 96.565 million).

28.3 This represents the security deposits received from registered agency holders and business associates in accordance with the terms of the contract. These deposits carry interest at the rate of 8.5% (2023: 20.85%) per annum. They are repayable upon termination or completion of the contract and upon the return of any Company property provided to them. As per the agreements signed with these parties, the Company has the right to utilize these amounts for business purposes. Therefore, the amounts are not required to be kept in a separate bank account maintained in a scheduled bank.

28.4 Workers' profit participation fund

| | Note | 2024 | 2023 |
|--|------|---------|---------|
| (Rupees in '000) | | | |
| The reconciliation of carrying amount is as follows: | | | |
| Opening balance | | 71,910 | 75,873 |
| Provision for the year | 36 | 69,052 | 71,910 |
| Interest on funds utilized in Company's business | 38 | 16,457 | 8,583 |
| | | 157,419 | 156,366 |
| Less: Payments during the year | | 88,367 | 84,456 |
| Closing balance | | 69,052 | 71,910 |

28.5 Workers' welfare fund

The reconciliation of carrying amount is as follows:

| | | | |
|--------------------------------|----|--------|--------|
| Opening balance | | 22,640 | 26,700 |
| Provision for the year | 36 | 12,232 | 30,349 |
| | | 34,872 | 57,049 |
| Less: Payments during the year | | 23,265 | 34,409 |
| Closing balance | | 11,607 | 22,640 |

28.6 Other liabilities

This represents the following:

| | | | |
|-----------------------------|--|--------|--------|
| Group insurance claims | | 7,679 | 6,242 |
| Payable to former employees | | 31,204 | 22,971 |
| Miscellaneous | | 13,003 | 9,841 |
| | | 51,886 | 39,054 |

29 Short term borrowings from financial institutions - secured

| | | | |
|-----------------------------|------|---------|---|
| Running musharakah facility | 29.1 | 333,000 | - |
|-----------------------------|------|---------|---|

29.1 The running musharakah facility available from Meezan Bank Limited aggregates to Rs 400 million (2023: Nil) at an interest rate of 1-month Karachi Inter-Bank Offered Rate ('KIBOR') plus 0.5% (2023: Nil) per annum. The facility is secured against a first joint pari passu charge on all present and future current assets of the Company, including but not limited to stocks and book debts, with a 25% risk margin. The mark-up rate charged during the year on the outstanding balance ranges from 15.36% to 18.14% per annum (2023: Nil).

29.2 Credit facilities other than the above facility of Rs 400 million available to the Company from various commercial banks aggregate to Rs 1,835 million (2023: Rs 2,235 million). These include:

- Non-funded facilities of letters of guarantee and letters of credit amounting to Rs 455 million (2023: Rs 455 million); and
- Cash finance facilities of Rs 1,380 million (2023: Rs 1,780 million).

In addition to the above, the Company can avail further cash finance facilities from the unutilized non-funded facilities from various commercial banks amounting to Rs 458,568 million (2023: Rs 458,568 million). This also includes Rs 35 million (2023: Rs 35 million) in respect of export finance facilities. The mark-up on cash finance ranges from the 3-month KIBOR plus 0.40% to 1.0% (2023: 3-month KIBOR plus 0.40% to 1.0%) as per agreements with the banks. Meanwhile, the mark-up on export finance is charged at the SBP rate plus 1.00% (2023: SBP rate plus 1.00%) per annum.

These finances are secured against the hypothecation of stock-in-trade, stores and spare parts, and receivables of the Company amounting to Rs 2,580.333 million (2023: Rs 2,580.333 million).

30 UNPAID DIVIDEND

This represents dividend payable to Bafin B.V. (Nederland), which is pending approval from State Bank of Pakistan as at December 31, 2024.

31 CONTINGENCIES AND COMMITMENTS

| | Note | 2024 | 2023 |
|--|---------|------------------|------------------|
| 31.1 | | (Rupees in '000) | |
| Contingent tax liabilities | | | |
| The Company is contingently liable for: | | | |
| Order for sales tax | 31.1.1 | 64,202 | 64,202 |
| Order for income tax | 31.1.2 | 954,859 | 954,859 |
| Order for sales tax | 31.1.3 | 52,134 | 52,134 |
| Show cause notice for sales tax against which stay order has been obtained | 31.1.4 | 85,097 | 85,097 |
| Order for sales tax | 31.1.5 | 60,732 | 60,732 |
| Order by Collector of Customs | | - | 23,975 |
| Order for income tax | 31.1.6 | 13,259 | 13,259 |
| Order for income tax | 31.1.7 | 4,985 | 4,985 |
| Order for sales tax | 31.1.8 | 90,315 | 90,315 |
| Order for sales tax | 31.1.9 | 48,046 | 48,046 |
| Order for income tax | 31.1.10 | 153,974 | 153,974 |
| Order for sales tax | 31.1.11 | 1,918,062 | 1,918,062 |
| Order for sales tax | 31.1.12 | 118,134 | 118,134 |
| Order for income tax | 31.1.13 | 92,095 | 92,095 |
| Order for sales tax | 31.1.14 | 2,880 | 1,827,399 |
| Order for sales tax | | - | 36,427 |
| Order for sales tax | 31.1.15 | 30,058 | 30,058 |
| Order for income tax | 31.1.16 | 32,109 | - |
| | | <u>3,720,941</u> | <u>5,573,753</u> |

31.1.1 The Assistant Commissioner Inland Revenue (ACIR) issued an order on September 30, 2011, raising a demand of Rs 201.252 million for the tax periods from July 2007 to December 2008. This demand was due to the non-payment of retail tax on sales made through retail outlets and inadmissible input tax adjustments claimed against retail supplies. The Company appealed to the Commissioner Inland Revenue (Appeals) [CIR(A)], however, the appeal was decided against the Company.

The Company then filed a complaint with the Federal Tax Ombudsman (FTO), who decided in favor of the Company on January 11, 2012, and ordered the Commissioner Inland Revenue (CIR) to vacate the order. The Company filed an appeal with the CIR(A) to dispose of the original order. The CIR(A) ruled that since the FTO decided in favor of the Company, no further action was needed.

The Company then appealed to the Appellate Tribunal Inland Revenue (ATIR) for the cancellation of the impugned order, which is still pending adjudication. Additionally, the Deputy Commissioner Inland Revenue (DCIR) raised an additional demand of Rs 64.202 million on June 25, 2012, for the period from July 2007 to October 2008, related to sales tax previously refunded to the Company. The case was referred to the concerned ACIR/DCIR for enforcement of the order. The Company filed an appeal with the CIR(A), which is also pending adjudication.

Based on the opinion of the tax advisor, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.

- 31.1.2** The Additional Commissioner Inland Revenue (AdCIR) raised a demand of Rs 954.859 million via an order dated June 28, 2013, for the tax year 2011. The assessing officer added back certain expenses, disallowed a certain amount of tax credit, and assessed that the Company had suppressed turnover amounting to Rs 1,427.436 million.

Being aggrieved, the Company preferred an appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)], which was decided in favor of the Company via an order dated October 2, 2013, by deleting all the add-backs except for the difference in the amount of tax credit calculated under section 65B of the Income Tax Ordinance, 2001.

The Tax Department, being aggrieved, filed an appeal against the order of CIR(A) with the Appellate Tribunal Inland Revenue (ATIR). The ATIR, via an order dated April 11, 2019, decided the appeal in favor of the Company. The Department filed a reference petition before the 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 favorable outcome, and therefore, no provision has been recorded in these financial statements.

- 31.1.3** The Deputy Commissioner Inland Revenue (DCIR) raised two separate demands via 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 periods from October 2013 to July 2014 and August 2014 to September 2014, respectively. Being aggrieved, the Company preferred appeals with the Commissioner Inland Revenue (Appeals) [CIR(A)], who remanded both cases back to the adjudicating officer for a fresh decision after allowing the appellant to produce relevant records. 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 the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.

- 31.1.4** The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice dated April 20, 2015, stating that the adjustment of input sales tax of Rs 85.097 million for the tax periods from February 2014 to January 2015, related to the Trade Mark License fee and Management Service Fee claimed by the Company in the Punjab Revenue Authority (PRA), is inadmissible and recoverable from the Company along with a default surcharge. A comprehensive reply has been submitted; however, no decision has been made by the DCIR. The vires of the show cause notice have also been challenged in the Lahore High Court, which granted a stay against the proceedings in its order dated August 27, 2015, in WP 23456/2015. The petition is still pending in the High Court. Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.

- 31.1.5** The Assistant Commissioner, Sindh Revenue Board (SRB), raised a demand via an order dated September 1, 2016, amounting to Rs 60.732 million on account of non-payment of sales tax on trademark license fees and management service fees for the period from July 2011 to December 2012. Being aggrieved, the Company filed an appeal before the Commissioner (Appeals) Sindh Revenue Board, who decided the matter in favor of the Company via an order dated February 10, 2019. The SRB filed an appeal against the order before the Appellate Tribunal Sindh Revenue Board, which remanded the case back to the assessing officer for fresh investigation via an order dated August 8, 2019. Subsequently, no further action has been initiated by the relevant officer of the Sindh Revenue Board since the date of the Appellate Tribunal Sindh Revenue Board order. Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.

- 31.1.6** The Deputy Commissioner Inland Revenue (DCIR) raised a demand pertaining to Income Tax for the tax year 2009 on account of certain issues. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who, via an order dated October 18, 2019, decided the appeal in favor of the Company by deleting the majority of the add-backs, except for the proration of expenses and additions made on account of advances to employees and suppliers. The Company, however, being aggrieved, filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the additions not deleted by the CIR(A). The Tax Department also filed an appeal against the order of CIR(A) with the ATIR.

Further, on August 30, 2022, the taxation officer gave effect to the CIR(A) order, reducing the tax demand from Rs 34.270 million to Rs 13.259 million. Being aggrieved by the appeal effect order, the Company preferred an appeal to the CIR(A), who remanded the case back to the assessing officer on May 18, 2023. The department has not initiated any proceedings in this regard till now. Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.

- 31.1.7** The Deputy Commissioner Inland Revenue (DCIR) raised a demand via an order dated March 02, 2020, pertaining to the tax year 2017, amounting to Rs 24.863 million on account of certain issues. These issues primarily include the disallowance of certain salaries due to non-deduction of withholding tax, disallowance of provident fund contributions, and 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) [CIR(A)], who, via an 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 CIR(A). Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.
- 31.1.8** The ACIR issued a demand order on February 28, 2020, amounting to Rs 90.316 million for sales tax charged during the period from January 2019 to September 2019, due to the failure to charge further tax on supplies made to unregistered persons. The Company, being aggrieved, appealed to the CIR(A), who remanded the case back to the ACIR to provide another opportunity for the Company to be heard. Still aggrieved, the Company filed an appeal with the ATIR, which also remanded the case back to the assessing officer. Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.
- 31.1.9** The Additional Commissioner Inland Revenue (ACIR) raised a demand via an order dated March 10, 2020, amounting to Rs 48.046 million in respect of sales tax for the period from January 2019 to August 2019. This was based on the assertion that the Company failed to maintain value addition at the rate of 4% as per the provisions of the 'Eight Schedule' of the Sales Tax Act, 1990. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who remanded the case back to the ACIR to afford the Company another opportunity to be heard. The Company, still aggrieved, filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which also remanded the case back to the assessing officer. The Company then filed an appeal before the Lahore High Court (LHC), which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.
- 31.1.10** The Additional Commissioner Inland Revenue (ACIR) raised a demand via an order dated April 16, 2021, pertaining to the tax year 2015, amounting to Rs 153.974 million on account of certain issues, primarily including the proration of expenses and the disallowance of certain expenses. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], which was decided in favor of the Company via an order dated January 31, 2022. Thereafter, the tax department filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) on March 26, 2022, which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.
- 31.1.11** The Deputy Commissioner Inland Revenue (DCIR) raised a demand pertaining to the tax periods from July 2020 to October 2020 and December 2020 to August 2021 via an order dated January 17, 2022, amounting to Rs 1,918.062 million. This was on account of claiming credit notes in violation of the provisions of sections 2(20), 3(1), 3(2)(aa), 6, 7, 9, 22, and 26 of the Sales Tax Act, 1990, and the provisions of Chapter III of the Sales Tax Rules, 2006 made thereunder.

Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals), which was decided in favor of the Company via an order dated March 18, 2022. The Department filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the said order, and subsequent to the year-end, on January 2, 2025, the ATIR decided the matter in favor of the Department by restoring the demand of DCIR to the extent of Rs 1,731.288 million. The remaining amount of Rs 186.773 million, relating to the tax periods of July 2021 and August 2021, was found not recoverable.

Being aggrieved with the order of ATIR, a reference application has been filed in the Lahore High Court. Furthermore, to resolve the matter under dispute, the Company has also filed an application with the Federal Board of Revenue (FBR) for the constitution of an Alternative Dispute Resolution Committee (ADRC). Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.

31.1.12 The Deputy Commissioner Inland Revenue (DCIR) raised a demand via an order dated April 29, 2022, amounting to Rs 1,200.458 million on account of suppression of sales, short payment of sales tax against incorrect declaration of sales/supplies made to wholesalers as retail sales, non-payment of further tax, and illegal adjustment of input tax in violation of the Sales Tax Act, 1990. Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who decided the appeal in favor of the Company via an order dated June 15, 2022, by deleting the demand of sales tax of Rs 1,082.324 million. However, the charge related to non-payment of further tax of Rs 118.134 million was remanded back to the assessing officer. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.

31.1.13 The Additional Commissioner Inland Revenue (AdCIR) raised a demand via an order dated June 30, 2022, amounting to Rs 92.095 million on various issues, such as the allocation of expenses between export and local sales, the claim of initial/normal depreciation, amortization of advertisement and promotional expenses, and the provision of Workers' Profit Participation Fund (WPPF). Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who decided the case in favor of the department. Against this order, the Company filed a second appeal before the Appellate Tribunal Inland Revenue (ATIR), as the learned CIR(A) had committed factual and legal infirmities which were intended to be contested before the learned ATIR. The appeal is currently pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.

31.1.14 The Deputy Commissioner Inland Revenue (DCIR) issued an order on June 19, 2023 (received on August 16, 2023), raising a demand of Rs 1,827.399 million, including penalty, in respect of tax periods from January 2017 to December 2017. This demand was on account of inadmissible input tax adjustment claimed against retail supplies and services, short payment of sales tax, suppression of sales (difference between sales tax return and income tax return), and other violations of various sections of the Sales Tax Act, 1990.

Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals), who decided the appeal in favor of the Company via an order dated April 5, 2024, reducing the amount of demand to Rs 2.880 million. The Company, still aggrieved, filed an appeal with the Appellate Tribunal Inland Revenue (ATIR). The Department also filed an appeal before the ATIR against the aforementioned order. Both appeals are pending adjudication as of the reporting date.

Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.

31.1.15 The Deputy Commissioner of Inland Revenue (DCIR) issued an order on November 27, 2023, demanding Rs 30.058 million for the tax year 2021. The claim alleges that sales tax was not withheld and deposited on payments made for advertisement services received, under section 3(7) read with Sr. No. 5 of the Eleventh Schedule of the Sales Tax Act, 1990.

Being aggrieved, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals), who decided the appeal in favor of the Company via an order dated April 23, 2024, and disposed of the case on the grounds that the demand was unlawful and unjustified. The Department, being aggrieved, has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the said order, which is pending adjudication as of the reporting date.

Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.

31.1.16 The Additional Commissioner of Inland Revenue (ACIR), through an order dated September 18, 2024, raised a demand amounting to Rs 32.109 million for the tax year 2021. The demand was made by invoking the provisions of section 122(5A) of the Income Tax Ordinance, 2001, addressing various issues, including the incorrect calculation of Minimum Tax under section 113 of the Income Tax Ordinance, 2001, claims of initial allowance, exchange loss, inadmissible claims of donation/charity, and illegal adjustment of tax deducted at the import stage at a rate of 5.5%.

Aggrieved by the order, the Company filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) in Lahore on October 12, 2024, which is currently pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favorable outcome, and therefore, no provision has been recorded in these financial statements.

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
- Claims not acknowledged as debts - under appeal

| | 2024 | 2023 |
|--|------------------|---------------|
| | (Rupees in '000) | |
| | | |
| | 2,042 | 2,042 |
| | 22,085 | 22,265 |
| | <u>24,127</u> | <u>24,307</u> |

31.3 Commitments**31.3.1** Commitments in respect of:

| | | |
|--------------------------------------|--------|---------|
| Capital expenditure | 6,162 | 66,414 |
| Letters of credit and bank contracts | 21,035 | 356,192 |
| | 27,197 | 422,606 |

| | Note | 2024 | 2023 |
|---|------|-------------------------|------------|
| 32 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET | | (Rupees in '000) | |
| SALES: | | | |
| Shoes and accessories: | | | |
| Local | | 22,474,984 | 23,275,789 |
| Export | | 166,443 | 102,843 |
| | | 22,641,427 | 23,378,632 |
| Sundry articles and scrap material | | 44,669 | 82,585 |
| | | 22,686,096 | 23,461,217 |
| Less: | | | |
| Sales tax | | 3,407,450 | 3,166,730 |
| Discounts to dealers and distributors | | 590,173 | 545,424 |
| Commission to agents / business associates | | 356,012 | 486,440 |
| | | 4,353,635 | 4,198,594 |
| | | 18,332,461 | 19,262,623 |
| 33 COST OF SALES | | | |
| Cost of goods manufactured | 33.1 | 5,806,703 | 6,939,241 |
| Finished goods purchased | | 4,337,064 | 3,521,041 |
| Add: opening stock of finished goods | | 4,824,477 | 4,480,321 |
| | | 14,968,244 | 14,940,603 |
| Less: closing stock of finished goods | 12 | 5,649,935 | 4,824,476 |
| | | 9,318,309 | 10,116,127 |
| 33.1 Cost of goods manufactured | | | |
| Raw materials consumed | | | |
| Opening stock | | 494,871 | 530,656 |
| Add: purchases | | 4,441,275 | 5,721,842 |
| | | 4,936,146 | 6,252,498 |
| Less: closing stock | | 285,259 | 494,871 |
| | | 4,650,887 | 5,757,627 |
| Store and spares consumed | | 26,368 | 27,938 |
| Fuel and power | | 185,277 | 219,603 |
| Salaries, wages and benefits | 33.4 | 749,191 | 707,873 |
| Repairs and maintenance | 33.5 | 83,270 | 89,272 |
| Insurance | | 25,209 | 33,527 |
| Depreciation on operating fixed assets | 6.4 | 83,451 | 74,913 |
| | | 5,803,653 | 6,910,753 |
| Add: opening goods in process | | 72,532 | 101,020 |
| | | 5,876,185 | 7,011,773 |
| Less: closing goods in process | | 69,482 | 72,532 |
| | | 5,806,703 | 6,939,241 |

- 33.2** This includes (reversal)/charge of provision for slow moving and obsolete items for finished goods amounting to Rs (50.194) million (2023: Rs 97.239 million).
- 33.3** This includes (reversal)/charge of provision for obsolescence of raw materials amounting to Rs (7.160) million (2023: Rs 16.743 million).
- 33.4** Included in salaries, wages and benefits is an amount of Rs 20.338 million (2023: Rs 19.496 million) and Rs 5.763 million (2023: Rs 5.213 million) in respect of contribution to provident fund trust and provision for gratuity respectively.
- 33.5** Included in repairs and maintenance is the charge of provision for obsolescence of stores and spare parts amounting to Rs 1.968 million (2023: Rs 1.638 million).

34 DISTRIBUTION COSTS

| | | | |
|-----------------------------------|------|------------------|------------------|
| Salaries and benefits | 34.1 | 993,469 | 1,127,663 |
| Freight | | 434,025 | 437,642 |
| Advertising and sales promotion | | 304,359 | 351,932 |
| Rent | 34.2 | 514,852 | 456,339 |
| Insurance | | 33,643 | 44,759 |
| Trademark license fee | 34.3 | 910,807 | 962,615 |
| Fuel and power | | 571,504 | 549,491 |
| Repairs and maintenance | | 82,990 | 175,768 |
| Entertainment | | 29,406 | 32,219 |
| Business and property taxes | | 11,130 | 5,709 |
| Depreciation | 34.4 | 1,323,340 | 1,357,020 |
| Amortization on intangible assets | 8.2 | 73,601 | 52,357 |
| Miscellaneous | | 11,845 | 4,001 |
| | | <u>5,294,971</u> | <u>5,557,515</u> |

- 34.1** Included in salaries and benefits is an amount of Rs 35.500 million (2023: Rs 37.385 million) and Rs 4.652 million (2023: Rs 4.209 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, a related party, situated in Avenue d'Ouchy 6, 1006 Lausanne, Switzerland.

- 34.4** This represents depreciation expense relating to:

| | Note | 2024 | 2023 |
|------------------------|------|------------------|------------------|
| | | (Rupees in '000) | |
| Operating fixed assets | 6.4 | 281,310 | 249,543 |
| Right of use assets | 7 | 1,042,030 | 1,107,477 |
| | | <u>1,323,340</u> | <u>1,357,020</u> |

| 35 | ADMINISTRATIVE EXPENSES | Note | 2024 | 2023 |
|------|---|------|------------------|-----------|
| | | | (Rupees in '000) | |
| | Salaries and benefits | 35.1 | 855,267 | 848,355 |
| | Employee welfare | | 60,150 | 69,551 |
| | Fuel and power | | 35,184 | 27,684 |
| | Telephone and postage | | 31,208 | 29,450 |
| | Insurance | | 24,152 | 30,786 |
| | Travelling | | 142,753 | 154,207 |
| | Repairs and maintenance | | 221,687 | 143,726 |
| | Printing and stationery | | 27,306 | 32,960 |
| | Donations and subscription | 35.2 | 15,705 | 12,197 |
| | Legal and professional charges | 35.3 | 29,220 | 27,316 |
| | Business and property taxes | | 7,265 | 3,944 |
| | Management service fee | 35.4 | 389,640 | 393,325 |
| | Depreciation on operating fixed assets | 6.4 | 42,081 | 21,701 |
| | Amortization on intangible assets | 8.2 | 4,113 | 3,304 |
| | Miscellaneous | | 12,263 | 9,909 |
| | | | 1,897,994 | 1,808,415 |
| 35.1 | Included in salaries and benefits is an amount of Rs 35.700 million (2023: Rs 37.003 million) and Rs 1.637 million (2023: Rs 1.480 million) in respect of contribution to provident fund trust and provision for gratuity respectively. | | | |
| 35.2 | None of the directors of the Company, nor any of their spouses, have any interest in the donees. Furthermore, no donation exceeding Rs 1 million has been made to any donee in the current or prior year. | | | |
| 35.3 | Auditors' remuneration | | 2024 | 2023 |
| | | | (Rupees in '000) | |
| | Legal and professional charges include the following in respect of auditor's remuneration for: | | | |
| | Statutory audit | | 4,266 | 3,878 |
| | Review of interim financial statements | | 2,215 | 2,014 |
| | Audit of foreign reporting package | | 1,309 | 1,190 |
| | Other reviews and certifications | | 913 | 830 |
| | Out of pocket expenses | | 390 | 355 |
| | | | 9,093 | 8,267 |
| 35.4 | Management service fee represents amounts payable to Global Footwear Services, related party, in respect of management services. | | | |
| 36 | OTHER EXPENSES | Note | 2024 | 2023 |
| | | | (Rupees in '000) | |
| | Workers' profit participation fund | 28.4 | 69,052 | 71,910 |
| | Workers' welfare fund | 28.5 | 12,232 | 30,349 |
| | Exchange loss | | - | 84,771 |
| | Loss on disposal of fixed assets | | 14,122 | 4,213 |
| | | | 95,406 | 191,243 |
| 37 | OTHER INCOME | | | |
| | | | | |
| | Income from short term investments | | 71,388 | 185,147 |
| | Income from bank deposits | | 129,368 | 142,212 |
| | Rental income | | 12,445 | 11,415 |
| | Gain on lease modification | | 102,220 | 189,083 |
| | Exchange gain | | 47,796 | - |
| | | | 363,217 | 527,857 |

| 38 | FINANCE COSTS | Note | 2024 | 2023 |
|------|--|------|------------------|-----------|
| | | | (Rupees in '000) | |
| | Interest / mark-up on: | | | |
| | Lease liabilities | 24.2 | 605,278 | 664,227 |
| | Workers' profit participation fund | 28.4 | 16,457 | 8,583 |
| | Long term finances | | 29,579 | 2,670 |
| | | | 651,314 | 675,480 |
| | Bank charges and commission | | 18,313 | 77,681 |
| | | | 669,627 | 753,161 |
| | | | | |
| 39 | INCOME TAX | | 2024 | 2023 |
| | | | (Rupees in '000) | |
| | Current tax | | | |
| | - For the year | | 294,385 | 427,478 |
| | - Prior years | | 18,374 | 134,816 |
| | | 17 | 312,759 | 562,294 |
| | Deferred tax | 10.2 | 220,869 | (135,569) |
| | | | 533,628 | 426,725 |
| | | | | |
| 39.1 | Relationship between tax expense and accounting profit | | 2024 | 2023 |
| | | | % | |
| | Applicable tax rate as per Income Tax Ordinance, 2001 | | 29.00 | 29.00 |
| | Tax effect of: | | | |
| | Super tax | | 10.37 | 12.33 |
| | Income subject to minimum tax and presumptive tax regime | | - | (0.19) |
| | Prior years tax | | (0.61) | (9.31) |
| | Permanent differences and others | | (0.21) | (0.06) |
| | | | 9.55 | 2.77 |
| | Effective tax rate | | 38.55 | 31.77 |

40 EARNINGS PER SHARE - BASIC AND DILUTED

Basic earnings per share are calculated by dividing net profit 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 shares data used in the basic and diluted earnings per share computations:

| | Note | 2024 | 2023 |
|---|------|------------------|---------|
| | | (Rupees in '000) | |
| Profit for the year - (Rupees in '000) | | 850,730 | 916,288 |
| Weighted average number of ordinary shares (in thousand) | 21.2 | 7,560 | 7,560 |
| Earnings per share - basic and diluted (Rupees per share) | | 112.53 | 121.20 |

There is no dilutive effect on the basic earnings per share of the Company.

41 SEGMENT REPORTING

Segment result and profit reconciliation

| | Rupees in ('000) | | | | | | | | | |
|---|------------------|------------------|-----------------|----------------|---------------|---------------|---------------|---------------|------------------|------------------|
| External sales | 16,078,864 | 16,534,085 | 2,048,264 | 2,551,529 | 166,443 | 102,843 | 38,890 | 74,166 | 18,332,461 | 19,262,623 |
| Inter segment sales | - | - | - | - | - | - | - | - | - | - |
| Total revenue | 16,078,864 | 16,534,085 | 2,048,264 | 2,551,529 | 166,443 | 102,843 | 38,890 | 74,166 | 18,332,461 | 19,262,623 |
| Cost of sales | (7,298,219) | (7,765,328) | (1,867,044) | (2,248,267) | (138,432) | (56,017) | (14,614) | (46,515) | (9,318,309) | (10,116,127) |
| Gross profit | 8,780,645 | 8,768,757 | 181,220 | 303,262 | 28,011 | 46,826 | 24,276 | 27,651 | 9,014,152 | 9,146,496 |
| Distribution cost | (4,703,695) | (4,836,587) | (186,591) | (184,351) | (9,433) | (8,269) | - | - | (4,899,719) | (5,029,207) |
| Net impairment loss on financial assets | - | - | (35,013) | (21,006) | - | - | - | - | (35,013) | (21,006) |
| Administrative expenses | (150,200) | (138,993) | (12,721) | (14,171) | (1,702) | (1,360) | - | - | (164,623) | (154,524) |
| | (4,853,895) | (4,975,580) | (234,325) | (219,528) | (11,135) | (9,629) | - | - | (5,099,355) | (5,204,737) |
| Segment results | 3,926,750 | 3,793,177 | (53,105) | 83,734 | 16,876 | 37,197 | 24,276 | 27,651 | 3,914,797 | 3,941,759 |
| Unallocated operating expenses | | | | | | | | | (2,128,623) | (2,182,199) |
| Other expenses | | | | | | | | | (95,406) | (191,243) |
| Other income | | | | | | | | | 363,217 | 527,857 |
| Finance costs | | | | | | | | | (669,627) | (753,161) |
| Profit before income tax | | | | | | | | | 1,384,358 | 1,343,013 |
| Income tax | | | | | | | | | (533,628) | (426,725) |
| Profit for the year | | | | | | | | | 850,730 | 916,288 |
| Other disclosures | | | | | | | | | | |
| Segment assets | | | | | | | | | | |
| Unallocated assets | 10,131,192 | 8,920,809 | 1,950,614 | 1,696,028 | 16,189 | 32,895 | - | - | 12,097,995 | 10,649,732 |
| | | | | | | | | | 2,780,247 | 5,471,942 |
| | | | | | | | | | 14,878,242 | 16,121,674 |
| Segment liabilities | | | | | | | | | | |
| Unallocated liabilities | 3,969,085 | 3,766,329 | 29,622 | 29,457 | - | - | - | - | 3,998,707 | 3,795,786 |
| | | | | | | | | | 5,333,410 | 6,643,864 |
| | | | | | | | | | 9,332,117 | 10,439,650 |
| Capital expenditure | | | | | | | | | | |
| Unallocated | 243,201 | 538,000 | - | - | - | - | - | - | 243,201 | 538,000 |
| | | | | | | | | | 170,336 | 376,738 |
| | | | | | | | | | 413,537 | 914,738 |
| Depreciation of operating fixed assets | | | | | | | | | | |
| Unallocated | 291,380 | 247,901 | - | - | - | - | - | - | 291,380 | 247,901 |
| | | | | | | | | | 115,462 | 98,256 |
| | | | | | | | | | 406,842 | 346,157 |
| Amortization of intangible assets | | | | | | | | | | |
| Unallocated | 72,989 | 52,357 | - | - | - | - | - | - | 72,989 | 52,357 |
| | | | | | | | | | 4,606 | 3,304 |
| | | | | | | | | | 77,595 | 55,661 |

42 CASH AND CASH EQUIVALENTS

Short term investments having maturity less than three months
Short term borrowings - secured
Cash and bank balances

| Note | 2024 | 2023 |
|------|------------------|-----------|
| | (Rupees in '000) | |
| | - | 900,000 |
| 29 | (333,000) | - |
| 20 | 544,344 | 1,570,298 |
| | 211,344 | 2,470,298 |

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

| Particulars | December 31, 2023 | Recognized during the year | Non-Cash flows | | | December 31, 2024 |
|--------------------|----------------------|-------------------------------|--------------------------------|---------|----------------|----------------------|
| | | | Cash flows (Rupees in '000) | Accrual | Other changes* | |
| | | | | | | |
| Unclaimed dividend | 71,658 | - | (237,444) | 243,705 | - | 77,919 |
| Unpaid dividend | 682,304 | - | (682,304) | 739,163 | - | 739,163 |
| Long term finances | 40,926 | - | (6,297) | - | - | 34,629 |
| Lease liabilities | 3,676,081 | 286,942 | (933,482) | 605,278 | 101,981 | 3,736,800 |
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* Other changes include non-cash movements, including accrued interest expense which will be presented as operating cashflows in the statement of cash flows at the time of payment.

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

42.2**43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

The aggregate amounts charged in the financial statements for the year in respect of remuneration, including all benefits to Chief Executive, Directors and Executives of the Company are as follows:

| | Chief Executive | | Directors | | Executives | |
|--|------------------|--------|-----------|--------|------------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | (Rupees in '000) | | | | | |
| Managerial remuneration | 41,981 | 40,107 | 14,536 | 17,568 | 211,033 | 230,503 |
| Provident fund contribution | - | - | 1,592 | 2,282 | 20,298 | 21,955 |
| Performance Bonus | 33,435 | 39,922 | 1,381 | 5,253 | 6,102 | 11,837 |
| Perquisites and allowances: | | | | | | |
| Housing | 300 | 300 | 256 | 908 | 28,656 | 37,203 |
| Leave passage | 1,392 | 1,236 | - | - | - | - |
| Conveyance | - | - | 165 | 810 | 9,524 | 33,418 |
| Medical allowance / expense reimbursed | 259 | 116 | 129 | 310 | 15,934 | 15,978 |
| Utilities | 9,739 | 2,956 | 50 | 329 | 2,290 | 2,606 |
| Others | 2,261 | 1,875 | 2,999 | 1,944 | 62,706 | 31,681 |
| | 89,367 | 86,512 | 21,108 | 29,404 | 356,543 | 385,181 |
| Number of persons | 1 | 1 | 1 | 2 | 80 | 92 |

43.1

During the year, the Company paid meeting fee amounting to Rs 1.600 million (2023: Rs 9,988 million) to its non-executive directors. The number of non-executive directors is 4 (2023: 4).

43.2

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

44 FINANCIAL RISK MANAGEMENT

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 framework. 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: currency risk, price risk, and cash flow and fair value interest rate risk. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

44.1.1 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 primarily with respect to the United States Dollar (USD), Singaporean Dollar (SGD), UAE Dirham (AED), Pound sterling (GBP), Czech Koruna (CZK) and Euro (EUR). 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:

| | 2024 | 2023 |
|---|------------------|------------------|
| | (Rupees in '000) | |
| Financial assets | | |
| Trade debts - Export customers | | |
| US Dollar | 48,069 | 5,497 |
| Pound Sterling | - | 10,550 |
| Cash in hand | | |
| US Dollar | 1,899 | 4,456 |
| Euro | 1,368 | 1,896 |
| UAE Dirham | - | 1 |
| Czech Koruna | 20 | 21 |
| Cash at bank | | |
| US Dollar | 41,964 | 42,422 |
| | <u>93,320</u> | <u>64,843</u> |
| Financial liabilities | | |
| Trade and other payables - Foreign suppliers | | |
| US Dollar | 856,355 | 2,614,813 |
| Euro | - | 10,666 |
| Singapore Dollar | 953,044 | 696,490 |
| | <u>1,809,399</u> | <u>3,321,969</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.

| | 2024 | 2023 | 2024 | 2023 |
|-------------------------|------------------------------------|------------------------------------|-----------------------------|-----------------------------|
| | (Rupees in '000) | | | |
| | Percentage Change in Exchange Rate | Percentage Change in Exchange Rate | Effect on Profit Before Tax | Effect on Profit Before Tax |
| | | | + / - | + / - |
| Variation in USD to PKR | 5.00% | 5.00% | 47,414 | 133,359 |
| Variation in SGD to PKR | 5.00% | 5.00% | 47,652 | 34,825 |

The following significant exchange rates have been applied:

| | Average rate | | Year-end spot rate | |
|-------|--------------|----------|--------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| | (Rupees) | (Rupees) | (Rupees) | (Rupees) |
| USD 1 | 278.53 | 280.36 | 278.55 | 281.89 |
| SGD 1 | 208.56 | 208.72 | 204.91 | 213.27 |

44.1.2 Price risk

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.

44.1.3 Cash flow and fair value interest rate risk

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, short term investments, other deposits and borrowings.

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

| | 2024 | 2023 |
|--|--------------------|--------------------|
| | (Rupees in '000) | |
| Fixed rate instruments | | |
| Financial assets | | |
| Short term investments | 45,065 | 945,011 |
| Financial Liabilities | | |
| Long term deposits - employees' securities | (21,244) | (23,991) |
| Security deposits - agents | (120,288) | (122,559) |
| Lease liabilities - retail shops | (3,736,800) | (3,676,081) |
| Net liability exposure | (3,833,267) | (2,877,620) |

| | 2024 | 2023 |
|---------------------------------------|------------------|----------------|
| | (Rupees in '000) | |
| Floating rate instruments: | | |
| Financial assets | | |
| Bank balance in daily profit accounts | 21,540 | 916,260 |
| Financial liabilities | | |
| Long term finances - secured | (34,629) | (40,926) |
| Short term borrowings - secured | (333,000) | - |
| Net (liability)/asset exposure | (346,089) | 875,334 |

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 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 demonstrates the sensitivity to a reasonably possible change interest rate, with all other variables held constant, on the Company's profit before tax.

| | 2024 | 2023 |
|---------------------------------|------------------|---------|
| | (Rupees in '000) | |
| Increase in basis points by 100 | (3,461) | 8,753 |
| Decrease in basis points by 100 | 3,461 | (8,753) |

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 security deposits, trade debts, deposits, other receivables 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. Financial assets detailed in note 44.5 to these financial statements are subject to credit risk.

44.2.1 Out of the total trade receivables, 67.38% (2023: 60.59%) is concentrated in ten customers.

44.2.2 Impairment of financial assets

The Company's financial assets are subject to the expected credit losses model. While bank balances, debt investments carried at amortised cost, deposits and other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial and hence, has not been recognized.

Trade debts

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before December 31, 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade debts. The Company has identified the Gross Domestic Product and the Consumer Price Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at December 31, 2024 and December 31, 2023 was determined as follows:

December 31, 2024

| | Expected loss rate | Trade debts | Loss allowance |
|-----------------|-------------------------------|-----------------------------|---------------------------|
| | % | (Rupees in thousand) | |
| Trade debts | | | |
| Up to 30 days | 0% | 257,450 | - |
| 31 to 60 days | 0% | 220,005 | - |
| 61 to 90 days | 0% | 155,546 | - |
| 91 to 180 days | 0% | 444,193 | - |
| 181 to 360 days | 50% | 129,152 | 64,576 |
| Above 360 days | 100% | 85,737 | 85,737 |
| | | <u>1,292,083</u> | <u>150,313</u> |

December 31, 2023

| | Expected loss rate | Trade debts | Loss allowance |
|-----------------|-------------------------------|-----------------------------|---------------------------|
| | % | (Rupees in thousand) | |
| Trade debts | | | |
| Up to 30 days | 0.00% | 395,567 | - |
| 31 to 60 days | 0.00% | 132,916 | - |
| 61 to 90 days | 0.00% | 101,487 | - |
| 91 to 180 days | 0.00% | 190,510 | - |
| 181 to 360 days | 50.00% | 56,149 | 28,075 |
| Above 360 days | 100.00% | 87,225 | 87,225 |
| | | <u>963,854</u> | <u>115,300</u> |

Generally, default is triggered when more than 360 days have passed. There were no defaulting parties of outstanding trade debts from export sales.

44.2.3 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired (mainly term deposits and bank balances) can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

| Party | Ratings | | | Carrying amount | |
|--|---------|-----------|------------|-----------------|-----------|
| | Agency | Long term | Short term | 2024 | 2023 |
| (Rupees in '000) | | | | | |
| Habib Metropolitan Bank Limited | PACRA | AA+ | A1+ | 45,752 | 497,816 |
| United Bank Limited | VIS | AAA | A1+ | - | 500,000 |
| Habib Bank Limited | VIS | AAA | A1+ | 442,119 | 798,910 |
| MCB Bank Limited | PACRA | AAA | A1+ | 1,759 | 167,228 |
| Bank Al-Habib Limited | PACRA | AAA | A1+ | 14,604 | 92,504 |
| National Bank of Pakistan | PACRA | AAA | A1+ | 801 | 3,006 |
| United Bank Limited | VIS | AAA | A1+ | 3,166 | 177,553 |
| Meezan Bank Limited | VIS | AAA | A1+ | 1,051 | 98,093 |
| Allied Bank Limited | PACRA | AAA | A1+ | 2,447 | 33,726 |
| Bank Alfalah Limited | PACRA | AAA | A1+ | 1,002 | 6,094 |
| Standard Chartered Bank (Pakistan) Limited | PACRA | AAA | A1+ | 45 | 5,914 |
| | | | | 512,746 | 2,380,844 |

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, 2024, the Company has borrowing limits available from financial institutions as disclosed in note 29, and cash and bank balances as disclosed in note 20. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

Management monitors the forecasts of the Company's cash and cash equivalents (note 42 to these financial statements) on the basis of expected cash flow. This is generally carried out in accordance with the practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

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

| 2024 | | | | | |
|---------------------------------|------------------|-----------------------|--------------|--------------|-----------------------------|
| (Rupees in '000) | | | | | |
| | Less than 1 year | Between 1 and 2 years | 2 to 5 years | Over 5 years | Total contractual cashflows |
| Long term deposits | 21,244 | - | - | - | 21,244 |
| Long term finances | 6,296 | 6,296 | 18,890 | 3,147 | 34,629 |
| Trade and other payables | 4,312,995 | - | - | - | 4,312,995 |
| Unpaid dividend | 739,163 | - | - | - | 739,163 |
| Unclaimed dividend | 77,919 | - | - | - | 77,919 |
| Lease liabilities | 1,523,569 | 1,240,075 | 2,241,429 | 189,493 | 5,194,566 |
| Short term borrowings - secured | 333,000 | - | - | - | 333,000 |
| | 7,014,186 | 1,246,371 | 2,260,319 | 192,640 | 10,713,516 |
| | | | | | 9,255,750 |

| | 2023 | | | | | |
|------------------------------|------------------|-----------------------|--------------|--------------|-----------------------------|-----------------|
| | (Rupees in '000) | | | | Total contractual cashflows | |
| | Less than 1 year | Between 1 and 2 years | 2 to 5 years | Over 5 years | | Carrying amount |
| Long term deposits | 23,991 | - | - | - | 23,991 | 23,991 |
| Long term finances - secured | 6,296 | 6,296 | 18,890 | 9,444 | 40,926 | 40,926 |
| Trade and other payables | 5,899,787 | - | - | - | 5,899,787 | 5,899,787 |
| Unpaid dividend | 682,304 | - | - | - | 682,304 | 682,304 |
| Unclaimed dividend | 71,658 | - | - | - | 71,658 | 71,658 |
| Lease liabilities | 1,621,434 | 1,310,413 | 2,050,811 | 161,764 | 5,144,422 | 3,676,081 |
| | 8,305,470 | 1,316,709 | 2,069,701 | 171,208 | 11,863,088 | 10,394,747 |

44.4 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. 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 the reporting date, there were no level 1, 2 or 3 assets or liabilities during prior or current year.

| 44.5 Financial instruments by categories | At amortised cost | |
|--|-------------------|------------|
| | 2024 | 2023 |
| | (Rupees in '000) | |
| Assets | | |
| Long term security deposits | 61,085 | 59,190 |
| Trade debts | 1,141,770 | 848,554 |
| Deposits | 17,874 | 7,077 |
| Letters of credit - margin | 10,000 | 10,000 |
| Other receivables | 63,235 | 85,116 |
| Interest accrued | 551 | 21,240 |
| Short term investments | 45,065 | 945,011 |
| Cash and bank balances | 544,344 | 1,570,298 |
| | 1,883,924 | 3,546,486 |
| Liabilities | | |
| Long term deposits | 21,244 | 23,991 |
| Trade and other payables | 4,106,882 | 5,674,085 |
| Unpaid dividend | 739,163 | 682,304 |
| Unclaimed dividend | 77,919 | 71,658 |
| Lease liabilities | 3,736,800 | 3,676,081 |
| Short term borrowings - secured | 333,000 | - |
| Long term finances - secured | 34,629 | 40,926 |
| | 9,049,637 | 10,169,045 |

44.6 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

45 CAPITAL 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:

- a) 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
- b) to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company could 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 equity. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalents. Total equity is calculated as 'equity' as shown in the statement of financial position.

| | <u>Note</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|------------------|-------------|
| | | (Rupees in '000) | |
| The gearing ratio as at reporting date is as follows: | | | |
| Net debt | | | |
| Borrowings - notes 27 and 29 | | 367,629 | 40,926 |
| Less: Liquid investments - note 18 | | 45,065 | 945,011 |
| Cash and bank balances - note 20 | | 544,344 | 1,570,298 |
| | | (221,780) | (2,474,383) |
| Total equity | | 5,546,125 | 5,682,024 |

The Company is in net cash position as at reporting date.

The Company is not subject to any externally-imposed capital requirements. In accordance with the terms of agreements with the lenders of long term finances (as referred to in note 27 to these financial statements), the Company is required to comply with certain financial covenants. The Company has complied with these covenants throughout the reporting period.

46 TRANSACTIONS WITH RELATED PARTIES

46.1 The related parties include the related parties on the basis of common directorship, holding company, group companies, key management personnel and post employment benefit plans. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Related party transactions carried out during the year are as follows:

| | | | 2024 | 2023 |
|------------------------------------|--|--|------------------|---------|
| | | | (Rupees in '000) | |
| Relationship with the Company | Nature of transactions | | | |
| (i) Group companies | Purchase of goods and services | | 1,107 | 8,606 |
| | Sale of goods and services | | 113,698 | 10,329 |
| | Reimbursement of expenses | | 4,950 | 5,859 |
| | Trademark license fee | | 910,807 | 962,615 |
| | Service charges | | 196,031 | 132,821 |
| | Management service fee | | 389,640 | 393,325 |
| (ii) Holding company | Dividend paid | | 682,304 | 921,110 |
| (iii) Key Management Personnel | Remuneration - note 46.2 | | 467,018 | 501,097 |
| | Dividend paid | | 0.622 | 0.576 |
| (iv) Post employment benefit plans | Expense charge in respect of contributory provident fund | | 91,536 | 93,884 |
| | Expense charge in respect of defined benefit plan | | 17,579 | 12,080 |
| | | | | |

46.2 This represents remuneration of the Chief Executive, executive director, other directors and certain executives that are included in the remuneration disclosed in note 43 to these financial statements.

46.3 The Company continues to have a policy, whereby, all transactions with related parties and common control companies (group companies) are carried out at mutually agreed terms and conditions. Following are the related parties with whom the Company had entered into transactions or has 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 | Nederland | Parent Company | 75.21% |
| 2 | Bata Brands S.A. Switzerland | Switzerland | Group company | Nil |
| 3 | Bata Shoe (Singapore) Pte. Ltd. | Singapore | Group company and common directorship | Nil |
| 4 | Bata (Thailand) Limited | Thailand | Group company and common directorship | Nil |
| 5 | Empresas Comerciales S.A Bata Peru | Peru | Group company | Nil |
| 6 | Global Footwear Services Pte. Ltd. | Singapore | Group company and common directorship | Nil |
| 7 | Bata Centre S.R.O | Switzerland | Group company | Nil |
| 8 | Bata Shoe Company (Bangladesh) Ltd. | Bangladesh | Group company | Nil |
| 9 | Bata Shoe Company (Kenya) Ltd. | Kenya | Group company | Nil |
| 10 | Ms. Jin Zeng | N/A | Director | Nil |
| 11 | Mr. Muhammad Imran Malik | N/A | Director | 0.00001% |
| 12 | Mr. Amjad Farooq | N/A | Director | Nil |
| 13 | Mr. Rearngwut Chuenchomsakun | N/A | Director | 0.00001% |
| 14 | Mr. Muhammad Maqbool | N/A | Director | 0.00001% |
| 15 | Mr. Aamir Amin | N/A | Director | Nil |
| 16 | Mr. Rashid Rahman Mir | N/A | Director | Nil |
| 17 | Mr. Kamal Monnoo | N/A | Director | 0.00001% |
| 18 | Ms. Fatima Asad Khan | N/A | Director | 0.00001% |
| 19 | Mr. Roberto Longo | N/A | Ex-Director | Nil |
| 20 | Company's Employees Gratuity Fund | N/A | Post Employment Benefit Plan | Nil |
| 21 | Company's Employees Provident Fund | N/A | Post Employment Benefit Plan | Nil |

47 CAPACITY AND ACTUAL PRODUCTION

| | Number of shifts worked | | Installed capacity based on actual shifts worked | | Actual production | |
|---------------------------|-------------------------|--------|--|--------|-------------------|--------|
| | | | Pairs in '000 | | Pairs in '000 | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Footwear in pairs | | | | | | |
| Cemented | 1 | 1 | 3,032 | 2,946 | 2,061 | 2,284 |
| Polyurethane | 1 to 3 | 1 to 3 | 4,820 | 4,633 | 2,877 | 3,206 |
| Thongs | 1 to 2 | 1 to 2 | 3,531 | 3,744 | 879 | 1,762 |
| Directly injected plastic | 3 | 3 | 4,442 | 4,555 | 1,591 | 2,278 |
| Sandak | 3 | 3 | 2,538 | 2,516 | 1,261 | 1,494 |
| | | | 18,363 | 18,394 | 8,669 | 11,024 |

- 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.

48 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

| | Note | 2024 | 2023 |
|---|------|------------------|------------|
| | | (Rupees in '000) | |
| Description | | | |
| Statement of Financial Position | | | |
| Short term borrowings as per islamic mode | 29 | 333,000 | - |
| Accrued finance cost on conventional loan | 28 | 18,722 | 367 |
| Short term investments - Shariah compliant | 18 | 45,065 | 945,011 |
| Bank balances - Shariah compliant | | 1,051 | 98,093 |
| Statement of Profit or Loss | | | |
| Revenue earned from a shariah-compliant business segment | 32 | 18,332,461 | 19,262,623 |
| Profit earned from Shariah-compliant bank balances/deposits | 37 | 3,942 | 4,757 |
| Profit paid on Islamic mode of financing | | 9,845 | - |

| | Note | 2024 | 2023 |
|--|------|------------------|---------|
| Source and detailed break up of other income | | (Rupees in '000) | |
| <i>Other income earned from shariah compliant:</i> | | | |
| | 37 | | |
| Income from bank deposits | | 3,942 | 4,757 |
| Rental income | | 12,445 | 11,415 |
| Gain on lease modification | | 102,220 | 189,083 |
| Exchange gain | | 47,796 | - |
| <i>Other income earned from non - shariah compliant:</i> | | | |
| Income from bank deposits | | 125,426 | 124,611 |
| Income from short term investments | | 71,388 | 185,147 |

The Company has business relationship with Islamic banks in ordinary course of business. Disclosures other than above are not applicable to the Company.

49 NUMBER OF PERSONS EMPLOYED

| | 2024 | 2023 |
|--|-------|-------|
| Number of persons employed as at year end | 1,796 | 1,983 |
| Average number of persons employed during the year | 1,894 | 2,052 |

50 PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

51 EVENTS AFTER THE REPORTING PERIOD

There are no subsequent events after the reporting period other than those mentioned elsewhere in these financial statements.

52 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 27, 2025 by the Board of Directors of the Company.

53 CORRESPONDING FIGURES

Corresponding figures have been re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant re-arrangements have been made except for the following:

| | |
|--|---------|
| 'Accrued finance cost' previously presented under 'Trade and other payables', now presented as a financial statement line item 'Accrued finance cost' | 368 |
| 'Provision for taxation' previously shown as a separate line item on the face of statement of financial position, now netted off with 'Income tax receivable net of provision for taxation' | 427,478 |


 Chief Executive


 Chief Financial officer


 Director

PATTERN OF SHAREHOLDING



Pattern of Shareholding As on December 31, 2024

The Companies Act, 2017 {Section 227(2)(f)}

1.1 Name of the Company: **Bata Pakistan Limited**

2.1. Pattern of holding of the shares held by the shareholders as at December 31, 2024

| 2.2. No. of Shareholders | From | To | Total Shares Held |
|--------------------------|-----------|-----------|-------------------|
| 856 | 1 | 100 | 27,761 |
| 343 | 101 | 500 | 83,065 |
| 53 | 501 | 1,000 | 38,905 |
| 46 | 1,001 | 5,000 | 92,574 |
| 4 | 5,001 | 10,000 | 23,110 |
| 3 | 10,001 | 15,000 | 36,460 |
| 1 | 15,001 | 20,000 | 15,023 |
| 2 | 20,001 | 25,000 | 42,020 |
| 2 | 25,001 | 30,000 | 51,792 |
| 2 | 70,001 | 75,000 | 147,952 |
| 1 | 95,001 | 100,000 | 99,674 |
| 1 | 130,001 | 135,000 | 130,864 |
| 1 | 1,080,001 | 1,085,000 | 1,084,934 |
| 1 | 5,685,001 | 5,690,000 | 5,685,866 |
| 1316 | | | 7,560,000 |

| 2.3 Categories of shareholders | Share held | Percentage |
|---|------------|------------|
| 2.3.1 Directors, Chief Executive Officer, and their spouse and minor children | 6 | 0.0001% |
| 2.3.2 Associated Companies, undertakings and related parties. (Parent Company) | 5,685,866 | 75.2099% |
| 2.3.3 NIT and ICP | 1,150,335 | 15.2161% |
| 2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions. | 611 | 0.0081% |
| 2.3.5 Insurance Companies | 263,714 | 3.4883% |
| 2.3.6 Modarabas and Mutual Funds | 0 | 0.0000% |
| 2.3.7 Shareholders holding 10% or more | 6,836,687 | 90.4324% |
| 2.3.8 General Public | | |
| a. Local | 321,606 | 4.2540% |
| b. Foreign | 200 | 0.0026% |
| 2.3.9 Others (to be specified) | | |
| Joint Stock Companies | 5,470 | 0.0724% |
| Pension Funds | 117,674 | 1.5565% |
| Other Company | 14,518 | 0.1920% |

BATA PAKISTAN LIMITED

Categories of Shareholding required under Code of Corporate Governance (CCG) 2019
as at December 31, 2024

| Sr. No. | Name | No. of Shares Held | Percentage |
|---------|------|--------------------|------------|
|---------|------|--------------------|------------|

Associated Companies, Undertakings and Related Parties (Name Wise Detail):

| | | | |
|---|--------------------------|-----------|----------|
| 1 | BAFIN (NETHERLANDS) B.V. | 5,685,866 | 75.2099% |
|---|--------------------------|-----------|----------|

Mutual Funds (Name Wise Detail)

| | |
|---|---|
| - | - |
|---|---|

Directors and their Spouse and Minor Children (Name Wise Detail):

| | | | |
|---|------------------------------|---|---------|
| 1 | MR. MUHAMMAD IMRAN MALIK | - | - |
| 2 | MR. AMJAD FAROOQ | - | - |
| 3 | MS. JIN ZENG | 1 | 0.0000% |
| 4 | MR. REARNGWUT CHUENCHOMSAKUN | 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. RAHSID ALI RAHMAN MIR | 1 | 0.0000% |
| 9 | MR. AAMIR AMIN | - | - |

Executives:

| | |
|---|---|
| - | - |
|---|---|

Public Sector Companies & Corporations:

| | |
|---|---|
| - | - |
|---|---|

Banks, Development Finance Institutions, Non Banking Finance

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

| | |
|---------|---------|
| 381,999 | 5.0529% |
|---------|---------|

Shareholders holding (05) five percent or more voting interest in the listed company (Name Wise Detail)

| S. No. | NAME | Holding | %Age |
|--------|--|-----------|----------|
| 1 | BAFIN (NETHERLANDS) B.V. | 5,685,866 | 75.2099% |
| 2 | NATIONAL INVESTMENT TRUST LIMITED (CDC) | 26,696 | |
| 3 | NATIONAL INVESTMENT TRUST LIMITED - ADMINISTRATION FUIND (CDC) | 21,000 | |
| 4 | CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC) | 1,084,934 | |
| 5 | CDC TRUSTEE NIT ISLAMIC EQUITY FUND (CDC) | 5,120 | |
| 6 | CDC - TRUSTEE NIT-EQUITY MARKET OPPRTUNITY FUND (CDC) | 12,460 | |
| 7 | NATIONAL BANK OF PAKISTAN (CDC) | 611 | |
| | | 1,150,821 | 15.2225% |

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

| S.No | NAME | SALE | PURCHASE |
|------|------|------|----------|
| 1 | NIL | - | - |

PATTERN OF SHAREHOLDING AS AT 31 DECEMBER 2024**CATEGORIES OF SHAREHOLDERS****1. DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN**

| | | Number of shares held | % AGE |
|---|------------------------------|--------------------------|----------------|
| 1 | MR. MUHAMMAD IMRAN MALIK | - | - |
| 2 | MR. AMJAD FAROOQ | - | - |
| 3 | MS. JIN ZENG | 1 | 0.0000% |
| 4 | MR. REARNGWUT CHUENCHOMSAKUN | 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. RAHSID ALI RAHMAN MIR | 1 | 0.0000% |
| 9 | MR. AAMIR AMIN | - | - |
| | | 6 | 0.0001% |

2. ASSOCIATED COMPANIES**Associated Companies, Undertakings and Related Parties (Parent Company)**

| | | | |
|---|--------------------------|------------------|-----------------|
| 1 | BAFIN (NETHERLANDS) B.V. | 5,685,866 | 75.2099% |
|---|--------------------------|------------------|-----------------|

3. NIT & ICP

| | | | |
|---|--|------------------|-----------------|
| 1 | IDBP (ICP UNIT) | 125 | 0.0017% |
| 2 | NATIONAL INVESTMENT TRUST LIMITED (CDC) | 26,696 | 0.3531% |
| 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% |
| 5 | CDC TRUSTEE NIT ISLAMIC EQUITY FUND (CDC) | 5,120 | 0.0677% |
| 6 | CDC - TRUSTEE NIT-EQUITY MARKET OPPRTUNITY FUND (CDC) | 12,460 | 0.1648% |
| | | 1,150,335 | 15.2161% |

4. BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING**FINANCE INSTITUTIONS**

| | | | |
|---|---------------------------------|------------|----------------|
| 1 | NATIONAL BANK OF PAKISTAN (CDC) | 611 | 0.0081% |
| | | 611 | 0.0081% |

5. INSURANCE COMPANIES

| | | | |
|---|--|----------------|----------------|
| 1 | ADAMJEE LIFE ASSURANCE COMPANY LIMITED (CDC) | 21,020 | 0.2780% |
| 2 | ADAMJEE LIFE ASSURANCE COMPANY LTD- AMMANAT FUND (CDC) | 2,220 | 0.0294% |
| 3 | ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF (CDC) | 130,864 | 1.7310% |
| 4 | EAST WEST INSURANCE CO.LTD (CDC) | 200 | 0.0026% |
| 5 | EFU GENERAL INSURANCE LIMITED. (CDC) | 25,096 | 0.3320% |
| 6 | HABIB INSURANCE CO.LIMITED. (CDC) | 6,000 | 0.0794% |
| 7 | STATE LIFE INSURANCE CORP. OF PAKISTAN. (CDC) | 74,052 | 0.9795% |
| 8 | DAWOOD FAMILY TAKAFUL LIMITED (CDC) | 4,262 | 0.0564% |
| | | 263,714 | 3.4883% |

6. FOREIGN COMPANIES**0 0.0000%****7. MODARABA & MUTUAL FUND****0 0.0000%****8. PENSION FUND**

| | | | |
|---|---|----------------|----------------|
| 1 | TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEE PENSION FUND (CDC) | 99,674 | 1.3184% |
| 2 | TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND (CDC) | 13,000 | 0.1720% |
| 3 | TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF PENSION FUND (CDC) | 5,000 | 0.0661% |
| | | 117,674 | 1.5565% |

9. JOINT STOCK COMPANIES

| | | | |
|---|---------------------------------------|-------|---------|
| 1 | FATEH INDUSTRIES LIMITED | 160 | 0.0021% |
| 2 | AMER SECURITIES (PVT.) LIMITED (CDC) | 1,023 | 0.0135% |
| 3 | IGI FINEX SECURITIES LIMITED (CDC) | 1 | 0.0000% |
| 4 | MAPLE LEAF CAPITAL LIMITED (CDC) | 1 | 0.0000% |
| 5 | MEMON SECURITIES (PVT.) LIMITED (CDC) | 540 | 0.0071% |
| 6 | NAEEM'S SECURITIES (PVT) LTD (CDC) | 50 | 0.0007% |

| | | | |
|----|---|--------------|----------------|
| 7 | NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC) | 20 | 0.0003% |
| 8 | NH SECURITIES (PVT.) LIMITED. (CDC) | 135 | 0.0018% |
| 9 | PAFUM CORPORATION (PRIVATE) LIMITED (CDC) | 400 | 0.0053% |
| 10 | SAMIRA FABRICS (PRIVATE) LIMITED (CDC) | 1,957 | 0.0259% |
| 11 | SAMIRA FABRICS (PRIVATE) LIMITED (CDC) | 57 | 0.0008% |
| 12 | SARFRAZ MAHMOOD (PRIVATE) LTD (CDC) | 25 | 0.0003% |
| 13 | SERVICE SALES CORPORATION (PRIVATE) LIMITED (CDC) | 100 | 0.0013% |
| 14 | SOFCOM (PRIVATE) LIMKITED (CDC) | 300 | 0.0040% |
| 15 | LIZAZ PROPERTIES (PRIVATE) LIMITED (CDC) | 1 | 0.0000% |
| 16 | RAFUM CORPORATION (PRIVATE) LIMITED (CDC) | 700 | 0.0093% |
| | | 5,470 | 0.0724% |

10. OTHER COMPANIES

| | | | |
|---|--|---------------|----------------|
| 1 | TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST (CDC) | 3,498 | 0.0463% |
| 2 | CHEVRON PAKISTAN LUBRICANTS (PVT.) LTD. EPF (CDC) | 580 | 0.0077% |
| 3 | GETZ PHARMA (PRIVATE) LIMITED EMPLOYEES PROVIDEWNT FUND (CDC) | 2,060 | 0.0272% |
| 4 | TRUSTEE- GUL AHMED TEXTILE MILLS LTD. EMP. PROVIDENT FUND (CDC) | 2,880 | 0.0381% |
| 5 | TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND (CDC) | 2,000 | 0.0265% |
| 6 | TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND (CDC) | 3,500 | 0.0463% |
| | | 14,518 | 0.1920% |

11. SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)

200 0.0026%

SHARES HELD BY THE GENERAL PUBLIC (LOCAL)

321,606 4.2540%

321,806 4.2567%

TOTAL:

7,560,000 100.000%

1. SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

| SR.NO | NAME | SHARES | %AGE |
|-------|--|------------------|-----------------|
| 1 | BAFIN (NETHERLANDS) B.V. | 5,685,866 | 75.2099% |
| 2 | NATIONAL INVESTMENT TRUST LIMITED (CDC) | 26,696 | |
| 3 | NATIONAL INVESTMENT TRUST LIMITED - ADMINISTRATION FUIND (CDC) | 21,000 | |
| 4 | CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC) | 1,084,934 | |
| 5 | CDC TRUSTEE NIT ISLAMIC EQUITY FUND (CDC) | 5,120 | |
| 6 | CDC - TRUSTEE NIT-EQUITY MARKET OPPRTUNITY FUND (CDC) | 12,460 | |
| 7 | NATIONAL BANK OF PAKISTAN (CDC) | 611 | |
| | | 1,150,821 | 15.2225% |
| | | 6,836,687 | 90.4324% |

2. SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

| SR.NO | NAME | SHARES | %AGE |
|-------|--|------------------|-----------------|
| 1 | BAFIN (NETHERLANDS) B.V. | 5,685,866 | 75.2099% |
| 2 | NATIONAL INVESTMENT TRUST LIMITED (CDC) | 26,696 | |
| 3 | NATIONAL INVESTMENT TRUST LIMITED - ADMINISTRATION FUIND (CDC) | 21,000 | |
| 4 | CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC) | 1,084,934 | |
| 5 | CDC TRUSTEE NIT ISLAMIC EQUITY FUND (CDC) | 5,120 | |
| 6 | CDC - TRUSTEE NIT-EQUITY MARKET OPPRTUNITY FUND (CDC) | 12,460 | |
| 7 | NATIONAL BANK OF PAKISTAN (CDC) | 611 | |
| | | 1,150,821 | 15.2225% |
| | | 6,836,687 | 90.4324% |

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 | - | - |

FORM OF PROXY

73rd ANNUAL GENERAL MEETING



The 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 73rd Annual General Meeting of the Company to be held on April 28, 2025 and at any adjournment thereof.

Signature: _____

Date: _____

Rs.10/- Revenue Stamp

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 less 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.

Bata[®]

AFFIX
CORRECT
POSTAGE

The Company Secretary
BATA PAKISTAN LIMITED
P.O.BATAPUR
LAHORE.

کمپنی سیکرٹری
بانا پاکستان لمیٹڈ
بانا پور، لاہور

میں / ہم _____
ساکن _____ بحیثیت ممبر بانا پاکستان لمیٹڈ _____ عام حصص کا مالک مستمی / مستماة _____
ساکن _____ کو جس کا فوئیو ای ڈی سی اکاؤنٹ نمبر _____ یا اس کی عدم دستیابی کی صورت میں _____
مستمی / مستماة _____ ساکن _____
کو بطور پراکسی مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے کمپنی کے 73 واں سالانہ عام اجلاس جو کہ مورخہ 28 اپریل 2025ء کو منعقد ہو رہا ہے اس میں اور اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے، بات کرے اور ووٹ ڈالے۔

10/- روپے کے ریونیو شامپ

دستخط: _____ تاریخ: _____

گواہان:

(2) نام: _____

(1) نام: _____

پتہ: _____

پتہ: _____

شناختی کارڈ / پاسپورٹ نمبر: _____

شناختی کارڈ / پاسپورٹ نمبر: _____

دستخط: _____

دستخط: _____

نوٹ:

- 1- اجلاس میں شرکت کرنے اور ووٹ دینے کا حق دار 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 سینیورٹی 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 ریزولوشن / 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 چیک منیں۔
- 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۔

Bata

پوری ٹکٹ
لگانے کے بعد

جناب کمپنی سیکرٹری صاحب
بٹا پاکستان لمیٹڈ
بٹا پور لاہور

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