

ANNUAL  
REPORT

2021

*Bata*





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# OUR VISION

To make great shoes accessible to everyone.



# OUR MISSION

We help people look and feel good by continuously focusing on product quality, innovation and value. We aim to become the customer's destination of choice by offering a personal shopping experience to create long standing customer relationships.

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

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



# MESSAGE FROM THE CEO



**Muhammad  
IMRAN MALIK**

As we look back on the past year, it's evident that we encountered numerous challenges. However, with resolute leadership and unwavering teamwork, we not only persevered but emerged even stronger. It is with great pride that I address you today, fully aware that as a united force, we have navigated through turbulent waters and are now positioned for progress. At Bata, our commitment to customer centricity is steadfast. We understand that our success hinges on the satisfaction and well-being of our customers. Therefore, we have dedicated ourselves to enhancing the retail experience through store innovation and product excellence. Ensuring the well-being of our customers remains our top priority, alongside our unwavering dedication to the welfare and advancement of our employees. In addition to our corporate initiatives, we have embraced our social responsibility through the SOS under the BCP program. We firmly believe that investing in education and the welfare of children is an investment in the future of our nation.

Furthermore, our commitment to environmental sustainability is evident through our eco-projects, including extensive plantation efforts, Solar energy and the establishment of water filtration plants. By prioritizing the well-being of both our community and our environment, we are actively contributing to a brighter, more sustainable future. As we look ahead, our focus remains resolute on driving progress and fostering a culture of innovation and inclusivity. Together, we will continue to overcome obstacles and seize growth opportunities. I extend my heartfelt gratitude to each member of the Bata family for their dedication and resilience throughout the past year. Thank you for your unwavering support as we embark on this journey toward a brighter future.

Sincerely,  
**Imran Malik**  
CEO, Bata

# CORPORATE INFORMATION

## Board of Directors

Mr. Roberto Longo	Chairman	Director
Mr. Muhammad Imran Malik	Chief Executive	Director
Mr. Amjad Farooq	Chief Financial Officer	Director
Mr. Rearngwut Chuenchomsakun		Director
Mr. Muhammad Maqbool		Director
Mr. Aamir Amin		Director
Mr. Kamal Monnoo		Independent Director
Mr. Rashid Rahman Mir		Independent Director
Ms. Fatima Asad Khan		Female / Independent Director

## Audit Committee

Mr. Rashid Rahman Mir	Chairman
Mr. Roberto Longo	Member
Mr. Aamir Amin	Member
Mr. Rearngwut Chuenchomsakun	Member

## Human Resource and Remuneration Committee

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

## Chief Financial Officer (CFO)

Mr. Amjad Farooq

## Company Secretary

Mr. Haroon Shoukat

## 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.

## Legal Advisor

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

## Stock Exchange Listing

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

## Web Presence

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

## Bankers

Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Bank Al Habib Limited  
National Bank of Pakistan Limited  
United Bank Limited  
Meezan Bank Limited  
Allied Bank Limited  
Bank Alfalah Limited  
Standard Chartered Bank (Pakistan) Limited

## Registered Office

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

## Share Registrar

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

## Factories

Batapur,  
G. T. Road,  
P.O. Batapur, Lahore.  
Maraka,  
26 - Km, Multan Road, Lahore.

## Liaison Office Karachi

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

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN TO ALL SHAREHOLDERS/MEMBERS** that the 72nd Annual General Meeting of Bata Pakistan Limited will be held on Wednesday, April 24, 2024 at 10:00 a.m. at the Registered Office of the Company situated at G.T. Road, Batapur, Lahore to transact the following business:

1. To confirm the minutes of the Extraordinary General Meeting (“EOGM”) held on September 22, 2023.
2. To receive, consider, and adopt the Annual Audited Accounts of the Company for the year ended on December 31, 2023 together with Directors’ and Auditors’ Reports thereon.
3. To appoint auditors and fix their remuneration for the year ending on December 31, 2024. The Board of Directors upon recommendation of audit committee has recommended M/s A.F. Ferguson & Co. Chartered Accountants, being eligible for re-appointment as auditors of the company for the year ending December 31, 2024.
4. To transact any other business with the permission of the Chairman.

By order of the Board

Batapur Lahore:  
February 27, 2024

Haroon Shoukat  
Company Secretary

## NOTES:

### 1. Closure of Shares Transfer Books:

The Share Transfer Books of the Company will remain closed from April 18, 2024 to April 24, 2024 (both days included). Transfer requests on prescribed format, received at the office of the Share Registrar of the Company, M/s. Corplink (Pvt.) Ltd. 1-K Commercial, Model Town, Lahore on or before the close of business on April 17, 2024 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](http://www.bata.com.pk) (in English and Urdu Language).

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

The shareholder of the Company desirous of attending the meeting through video link etc. may inform the Company and provide their details including name, CNIC scan (both sides), folio number, cell phone number and email address before close of business on April 17, 2024 at the email [investorcare.pk@bata.com](mailto:investorcare.pk@bata.com). The video link of meeting shall be sent to the members on their registered email addresses.



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

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

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

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

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

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

The Company's Annual Report is also being circulated 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](http://www.bata.com.pk). Those shareholders who also wish to obtain an electronic copy of the annual report via email are requested to send their email address/consent at the following email address: [investorcare.pk@bata.com](mailto:investorcare.pk@bata.com) on or before April 03, 2024, 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 Annual Audited Financial Statements of the Company for the year ended December 31, 2023 along with Auditors' and Directors' Report and Chairman's Review Report thereon have been placed on the Company's website: [www.bata.com.pk](http://www.bata.com.pk), which can be downloaded/ viewed from the following QR code and weblink: <https://app4.batapkapps.com/bd/frontlegal/page/Financial>



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

With reference to the notification of Securities and Exchange Commission of Pakistan (SECP), SRO 779(1)2011 dated August 18, 2011, the Members/ Shareholders who have not yet submitted 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](http://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**

Company Secretary  
Bata Pakistan Limited  
G.T Road, Batapur Lahore, Pakistan  
Email: [investorcare.pk@bata.com](mailto:investorcare.pk@bata.com)

## 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 کریں۔ 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۔ کو فوری طور پر کمپنی کے شیئر رجسٹرار یا کمپنی کو براہ راست 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](http://www.bata.com.pk) پر موجود ہے۔ جن ارکان کے شیئری ڈی سی ای اکاؤنٹس میں ہیں انکو ہدایت کی جاتی ہے کہ وہ اپنے بینک مینڈیٹس متعلقہ کھاتہ داروں کو دیں۔

## 9. غیر وصولی شدہ منافع اور شیئرسرٹیفکیٹس:

شیئر ہولڈرز کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 244 اور غیر دعویٰ شدہ شیئرز، مضاربہ شمولیت، ڈیوڈنڈز، دیگر انسٹرومنٹس اور غیر تقسیم شدہ اسٹش ریگولیشنز 2017 کے مطابق کمپنیز کے لئے ایسے کیش ڈیوڈنڈ فیڈرل گورنمنٹ کے کریڈٹ میں اور شیئر کمیشن میں جمع کروانا ہوں گے جو داینگی 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 سکیورٹیز کو بک انٹری فارمز 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 مطوع 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 ہولڈرز کو اپنی فزیکل سکیورٹیز کو بک انٹری فارم میں تبدیل کرنے کے لیے رجوع کریں۔

انویسٹرا کاؤنٹ سروسز کے ساتھ سی ڈی سی شرکت کنندہ سی ڈی سی/ای 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 سکیورٹیز کو بک انٹری فارم میں تبدیل کریں۔

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

ایسے ممبران جن کے پاس شیئرسرٹیفکیٹس 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 کاتے جانے کے بارے میں بیان جمع کروائیں، اگر لاگو ہے۔ ایسے ممبران جن کے پاس شیئری ڈی سی/پارٹنیشنڈ اکاؤنٹس میں ہیں ان سے گزارش کی جاتی ہے کہ وہ اپنے نئے پتے اور زکوٰۃ نہ کاتے جانے کا بیان سی ڈی سی یا اپنے پارٹنیشنڈ کے پاس درج کروادیں۔

رابطہ کی تفصیلات

کمپنی سیکریٹری

بانا پاکستان لمیٹڈ

جی ٹی روڈ، بانا پورلاہور

پاکستان

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

#### 4. ممبرز کی شرکت:

(i) اجلاس میں شرکت کے لیے

i. 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۔

ii. 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

i. 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۔

ii. پراکسی فارم کے دو افراد گواہ ہونے چاہئیں جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں گے۔

iii. بینیفیشیل مالک اور پراکسی کے شناختی کارڈ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ منسلک کی جائیں۔

iv. پراکسی سالانہ اجلاس عام کے وقت اپنا اصل شناختی کارڈ/اصل پاسپورٹ ظاہر کرے گا۔

v. 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 کو 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](http://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](mailto:investorcare.pk@bata.com) پر 03 اپریل 2024 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 2023 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ آڈیٹڈ اور ڈائریکٹرز کی رپورٹ اور اس پر چھپرے میں کی جائزہ رپورٹ کمپنی کی ویب سائٹ [www.bata.com.pk](http://www.bata.com.pk) پر رکھی گئی ہے، جسے درج ذیل کیو آر کوڈ اور ویب لنک سے ڈاؤن لوڈ کیا جاسکتا یا پڑھا جاسکتا ہے:

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



#### 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 نقول کاپی کمپنی جمع نہیں کروائی ہے، ان سے گزارش ہے کہ وہ جلد از جلد براہ راست کمپنی کے شیئر رجسٹرار میسرز کارپ انک (پرائیویٹ) لمیٹڈ K-1 کمرشل، ماڈل ٹاؤن، لاہور کو جمع کروادیں۔ ایس ای سی پی کے درج بالا ایس آرا پر عدیم قیام 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۔

# سالانہ اجلاس عام کی اطلاع

تمام شیئر ہولڈرز/ممبرز کو اطلاع دی جاتی ہے کہ بانا پاکستان لمیٹڈ کا 72 واں سالانہ اجلاس عام 24 اپریل 2024 بروز بدھ صبح 10:00 بجے کمپنی کے رجسٹرڈ آفس جی ٹی روڈ، بانا پور، لاہور میں درج ذیل امور کی انجام دہی کے لیے منعقد کیا جائے گا:

1. مورخہ 22 ستمبر 2023 کو ہونے والے غیر معمولی اجلاس عام ("EOGM") کی کارروائی کی تصدیق۔
2. مورخہ 31 دسمبر 2023 کو ختم ہونے والے سال کے کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، زیر غور لانا اور منظور کرنا۔
3. 31 دسمبر 2024 کو مکمل ہونے والے مالی سال کے لیے آڈیٹرز کی تقرری اور ان کا معاوضہ طے کرنا۔ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے میسرز اے ایف فرگون اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کے اہل ہونے کی سفارش کی ہے۔
4. چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بجگم بورڈ

بانا پور لاہور:  
27 فروری، 2024

بارون شوکت  
کمپنی سیکریٹری

ہدایات:

1. **شیئر منتقلی کتابوں کی بندش**  
کمپنی کی شیئر منتقلی کتابیں 18 اپریل 2024 تا 24 اپریل 2024 (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار کے دفتر میسرز کارپ لنک (پرائیویٹ) لمیٹڈ 1-K کمرشل، ماڈل ٹاؤن، لاہور کوٹراؤنٹرف کے لئے 17 اپریل 2024 کو کاروبار کے اوقات بند ہونے تک موصول ہونے والی درخواستوں کو، اجلاس میں شامل ہونے کے لئے بروقت تصوریوں کی۔
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 کاؤنٹ 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](http://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 کمیونٹرائزڈ شناختی کارڈ (دونوں اطراف)، فولیو نمبر، ای میل ایڈریس [investorcare.pk@bata.com](mailto:investorcare.pk@bata.com) پر 17 اپریل 2024 کو کلوز آف بزنس سے پہلے بھیج دیں۔ میٹنگ کا ویڈیولنک ممبران ان کے رجسٹرڈ ای میل ایڈریس پہ بھیجا جائے گا۔

# Key Operating Highlights

Year		2023	2022	2021	2020	2019	2018	2017
<b>Financial Position</b>								
Authorized capital	Rs. ' 000s	<b>100,000</b>	100,000	100,000	100,000	100,000	100,000	100,000
Paid up capital	Rs. ' 000s	<b>75,600</b>	75,600	75,600	75,600	75,600	75,600	75,600
Shareholders' equity	Rs. ' 000s	<b>5,682,024</b>	5,673,657	6,159,421	6,372,599	7,444,589	7,491,327	7,126,724
Total assets	Rs. ' 000s	<b>16,549,152</b>	16,342,563	15,602,503	14,005,481	15,878,369	10,693,121	9,524,326
Property, plant and equipment	Rs. ' 000s	<b>2,674,127</b>	2,293,261	1,935,392	1,949,867	1,866,897	1,643,028	1,511,909
Provision for gratuity	Rs. ' 000s	<b>44,535</b>	56,587	61,992	68,592	83,476	81,421	76,030
Current assets	Rs. ' 000s	<b>10,100,355</b>	10,077,458	9,505,254	7,602,604	9,259,645	8,970,446	7,930,147
Current liabilities	Rs. ' 000s	<b>7,939,374</b>	7,022,900	5,806,866	3,883,160	4,325,671	3,051,863	2,235,773
<b>Trading Results</b>								
Sales	Rs. ' 000s	<b>19,262,623</b>	17,733,994	13,983,497	11,710,771	17,424,894	16,795,231	15,496,810
Gross profit	Rs. ' 000s	<b>9,146,496</b>	8,589,000	6,475,390	4,370,967	7,869,944	7,525,873	6,620,836
Operating profit	Rs. ' 000s	<b>2,096,174</b>	2,160,771	1,525,927	(106,928)	2,294,479	2,307,940	2,220,158
Profit before tax	Rs. ' 000s	<b>1,343,013</b>	1,411,074	807,279	(908,049)	1,504,279	2,265,902	2,180,270
Profit after tax	Rs. ' 000s	<b>916,288</b>	874,288	546,089	(627,345)	1,088,862	1,501,409	1,524,466
<b>Distribution</b>								
Interim cash dividend - paid	%	<b>120.00</b>	1,800.00	1,000.00	–	900.00	900.00	800.00
Final cash dividend - proposed/paid	%	–	–	–	–	600.00	600.00	600.00
<b>Financial Ratios and Values</b>								
Gross profit margin	%	<b>47.48</b>	48.43	46.31	37.32	45.16	44.81	42.72
Operating profit margin	%	<b>10.88</b>	12.18	10.91	(0.91)	13.17	13.74	14.33
Before tax profit margin	%	<b>6.97</b>	7.96	5.77	(7.75)	8.63	13.49	14.07
After tax profit margin	%	<b>4.76</b>	4.93	3.91	(5.36)	6.25	8.94	9.84
Return on equity	%	<b>16.13</b>	15.41	8.87	(9.84)	14.63	20.04	21.39
Price earning ratio	Times	<b>14.29</b>	18.71	30.06	(14.36)	13.84	7.78	12.16
Dividend yield	%	<b>6.93</b>	4.62	4.61	9.14	7.02	9.71	5.71
Earnings per share	Rs.	<b>121.2</b>	115.65	72.23	(82.98)	144.03	198.60	201.65
Debt : equity ratio	Times	<b>1.91 : 1</b>	1.88 : 1	1.53 : 1	1.20 : 1	1.13 : 1	0.00 : 1	0.00 : 1
Current ratio	Times	<b>1.27 : 1</b>	1.43 : 1	1.64 : 1	1.97 : 1	2.77 : 1	2.94 : 1	3.55 : 1
Average stock turns - value	Times	<b>1.93</b>	2.01	2.21	2.16	2.38	2.49	2.78
Debtors turnover	Times	<b>3.01</b>	2.55	14.36	8.45	6.65	2.21	2.84
Average collection period	Days	<b>121</b>	143	25	43	55	165	129
Property, plant and equipment turnover	Times	<b>7.20</b>	8.38	7.20	6.02	9.33	10.22	10.25
Break up value per share	Rs.	<b>751.59</b>	750.48	814.74	819.70	984.73	990.92	942.69
Market price per share	Rs.	<b>1,732.23</b>	2,163.29	2,171.15	1,531.84	1,993.06	1,545.00	2,452.27
Market capitalization	Rs. ' 000s	<b>13,095,659</b>	16,354,472	16,413,894	11,580,710	15,067,534	11,680,200	18,539,161
<b>Other information</b>								
Permanent employees	Number	<b>1,983</b>	2,142	2,274	2,287	2,683	2,693	2,421
Retail outlets	Number	<b>444</b>	444	443	444	462	476	435
Wholesale depots	Number	<b>0</b>	0	0	0	11	12	12
Installed capacity	Pairs ' 000s	<b>18,394</b>	18,378	18,339	18,704	19,375	20,290	20,329
Actual production	Pairs ' 000s	<b>11,024</b>	11,587	11,572	11,186	15,641	15,832	16,932
Capacity utilization	%	<b>59.93</b>	63.05	63.10	59.81	80.73	78.03	83.29
Capital expenditure	Rs. ' 000s	<b>914,738</b>	485,373	309,746	417,237	482,170	387,501	311,326
<b>Contribution to the National Exchequer</b>	Rs. ' 000s	<b>4,004,651</b>	3,500,728	2,633,142	2,251,024	3,101,414	2,662,527	2,486,279

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*Surprisingly*  
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# CORPORATE **SOCIAL** RESPONSIBILITY



# SOS Village Renovation x Bata Children's Program

Under the visionary leadership of CEO Muhammad Imran Malik, Bata Corporation embarked on a transformative journey dedicated to the renovation of SOS Village, a pivotal initiative aimed at fostering educational opportunities for children. Recognizing the profound impact of education on the trajectory of young lives, CEO Imran Malik's unwavering commitment to societal betterment propelled Bata's endeavour to serve as a beacon of hope within the community.

This ambitious task marked a significant milestone in Bata Corporation's corporate social responsibility efforts, demonstrating a steadfast dedication to enriching the lives of children and nurturing their growth as individuals. With the firm belief that education is the cornerstone of a brighter future, CEO Malik spearheaded the initiative with a strategic focus on empowering children through access to quality education and holistic development opportunities.



# World Children's Day x Bata Children's Program



On World Children's Day, a purposeful celebration took place at Government Boys High School, Attoke Awan, Lahore, as two esteemed organizations, Bata Children's Program and SOS Children's Village, joined hands to commemorate the significance of the day. Against the backdrop of this collaborative effort, the event served as a beacon of advocacy and action, aimed at championing the welfare and well-being of children within the community.

Throughout the day, a series of engaging activities were meticulously curated to raise awareness about prevalent diseases and health-related issues affecting children. These activities culminated in the establishment of a dedicated medical camp, where children and families alike had the opportunity to access essential healthcare services and engage in meaningful discussions surrounding their health concerns.

Amidst an atmosphere abuzz with enthusiasm and purpose, participants actively immersed themselves in the various activities, eagerly contributing to discussions and sharing insights into their health-related challenges. Through interactive workshops, informative sessions, and hands-on demonstrations, attendees were empowered with knowledge and resources to prioritize their mental and physical well-being.



# Roshan Rahain x BATA



to conduct in-school activities in  
**30+ schools**  
reached out to  
**2000+ students**

In a strategic collaboration that served as a testament to their commitment to innovation and community engagement, BFirst By Bata joined forces with "Roshan Rahain" to launch a pioneering shoe campaign titled "Bacteria Ki Chutti Karao." This groundbreaking initiative not only aimed to introduce Pakistan's first antibacterial shoe by Bata but also prioritized imparting essential hygiene practices among the nation's youth.

With meticulous planning and execution, Bata proactively reached out to over 30 schools, spanning various regions, to directly engage with more than 2000 students. Through interactive sessions and educational workshops, students were empowered with the knowledge and tools necessary to enhance their personal hygiene routines. Central to the campaign's success was the comprehensive approach adopted by BFirst By Bata and "Roshan Rahain," which seamlessly integrated the promotion of innovative footwear with a broader emphasis on health and well-being.

By leveraging their combined expertise, the partners delivered impactful messaging on the importance of maintaining clean and hygienic habits, thereby fostering a culture of wellness within local communities. Throughout the engagement, students eagerly participated in a diverse range of activities designed to reinforce key hygiene concepts and showcase the unique features of Bata's antibacterial shoe. Their enthusiasm and active involvement underscored the resonance of the campaign's message, affirming its relevance and impact on young minds.



# Education Initiative at SOS Village

Bata's commitment to fostering educational opportunities and holistic development among underserved communities took a significant stride forward with the launch of its innovative education initiative for children at SOS Village. This pioneering program, designed to empower young minds with essential life skills and technological proficiency, exemplifies Bata's unwavering dedication to social responsibility and community enrichment.

At the heart of the initiative was a meticulously crafted idea that helped to cultivate character, instill problem-solving capabilities, nurture decision-making acumen, and impart crucial computer skills among the children of SOS Village. Recognizing the transformative power of education in shaping the trajectory of young lives, Bata Corporation embarked on this endeavour with a steadfast resolve to empower the next generation with the tools they need to thrive in an increasingly complex and interconnected world.

Through a series of interactive workshops, engaging seminars, and hands-on training sessions, children at SOS Village are provided with invaluable opportunities to enhance their cognitive abilities, hone their analytical skills, and expand their technological proficiency. By fostering a supportive learning environment conducive to growth and exploration, Bata Corporation aims to equip these young learners with the confidence and competence needed to navigate the challenges of the modern age with resilience and resourcefulness.





# ACHIEVEMENT AWARDS

# Brand Of the Year Award - Innovations in Footwear

Bata, a global leader in the footwear industry, has been honoured with the prestigious "Brand of the Year Award" in recognition of its relentless pursuit of innovation in footwear design and manufacturing. The award, bestowed upon Bata by esteemed industry experts and stakeholders, serves as a testament to the company's unwavering commitment to excellence and its ability to push the boundaries of creativity and innovation within the footwear sector.

At the heart of Bata's success lies a culture of innovation that permeates every aspect of its operations, from product development to customer experience. Through a relentless focus on research and development, coupled with a keen understanding of evolving consumer preferences and market trends, Bata has consistently introduced groundbreaking footwear solutions that redefine industry standards and elevate the consumer experience.

From pioneering technologies that enhance comfort and performance to cutting-edge design concepts that marry style with functionality, Bata's innovative approach to footwear has garnered widespread acclaim and admiration from consumers and industry peers alike. By continuously pushing the envelope and challenging conventional norms, Bata has cemented its position as a trailblazer in the footwear landscape, setting new benchmarks for excellence and inspiring others to follow suit.

The "Brand of the Year Award" not only recognizes Bata's past achievements but also serves as a catalyst for future innovation and growth. Empowered by this prestigious accolade, Bata remains steadfast in its commitment to pushing the boundaries of footwear innovation, driving meaningful change, and delivering unparalleled value to consumers around the world.



# RECREATIONAL ACTIVITIES





# Coffee with CM



Bata Pakistan recently arranged a dynamic event, uniting shop managers in an exclusive and enlightening Coffee with CM session. Under the guidance of Bata Pakistan's esteemed Country Manager, Muhammad Imran Malik, this gathering served as a platform for an in-depth exploration of the company's vision and strategies, fostering a spirit of collaboration and unity among attendees.

The Coffee with CM session epitomized Bata Pakistan's commitment to nurturing a culture of transparency, inclusivity, and continuous learning within its ranks. By providing a platform for open dialogue and constructive exchange, the event reinforced the company's dedication to empowering its workforce and harnessing collective intelligence to overcome challenges and seize opportunities.

The event unfolded against the backdrop of an ambiance charged with anticipation and energy, as shop managers from across the region convened to partake in this unique opportunity for dialogue and exchange. Led by the visionary leadership of Muhammad Imran Malik, the conversation transcended mere business discussions, evolving into a shared exploration of aspirations and ambitions. Through a blend of insightful anecdotes and strategic insights, the Country Manager elucidated Bata Pakistan's overarching vision and delineated the roadmap for collective success.



# Breast Cancer Awareness

Bata Pakistan took a proactive stance against breast cancer by hosting a poignant and informative awareness event under the theme "No one faces breast cancer alone." Collaborating with renowned Clinical Oncologist, Dr. Wajeeha Anjum, the company orchestrated a compelling session at its premises aimed at enlightening female staff members on the critical aspects of early detection and treatment.

Against the backdrop of the company's commitment to employee welfare and community engagement, the event served as a testament to Bata Pakistan's dedication to fostering a culture of health and well-being within its workforce. Through a blend of educational presentations, interactive discussions, and personal anecdotes, Dr. Wajeeha Anjum provided invaluable insights into the importance of early detection, dispelling myths and misconceptions surrounding breast cancer.

The session, attended by female staff members from various departments, provided a safe and supportive environment for individuals to share their concerns, seek guidance, and empower themselves with knowledge. Emphasizing the significance of self-love and proactive health management, the event underscored Bata Pakistan's unwavering commitment to prioritizing the holistic well-being of its employees.

As participants absorbed the wealth of information shared by Dr. Wajeeha Anjum, a sense of empowerment and solidarity permeated the gathering, reinforcing the notion that no one should face breast cancer alone.



# Birthdays at Bata

At Bata's office, birthdays are not just another day on the calendar—they are an opportunity to celebrate the individuals who contribute to our collective success and drive the company forward. Recognizing the importance of fostering a culture of appreciation and camaraderie, Bata goes the extra mile to ensure that each staff member's special day is marked with joy, recognition, and a genuine sense of value.

As part of our commitment to creating a workplace environment where every employee feels valued and respected, we have established a tradition of commemorating birthdays in a manner that fosters connection and camaraderie. From personalized greetings and heartfelt messages to small tokens of appreciation, every effort is made to make each staff member feel special and cherished on their birthday.

At the heart of our birthday celebrations lies a genuine commitment to recognizing the unique contributions and talents of each individual within our organization. By taking the time to acknowledge and celebrate milestones such as birthdays, we reaffirm our belief in the importance of fostering a workplace culture that prioritizes employee well-being, happiness, and fulfillment.

# Long Service Awards

The pillars of Bata Pakistan's workforce were celebrated at the Long Service Awards where employees who had been a part of the family for 25 years and more were glorified for their dedication and service.



## Value Added and Its Distribution

To Buy Material, Finished Goods and Services

**64.9%**

To Employees Salaries, Wages and Benefits

**11.5%**

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

**16.7%**

Finance Cost

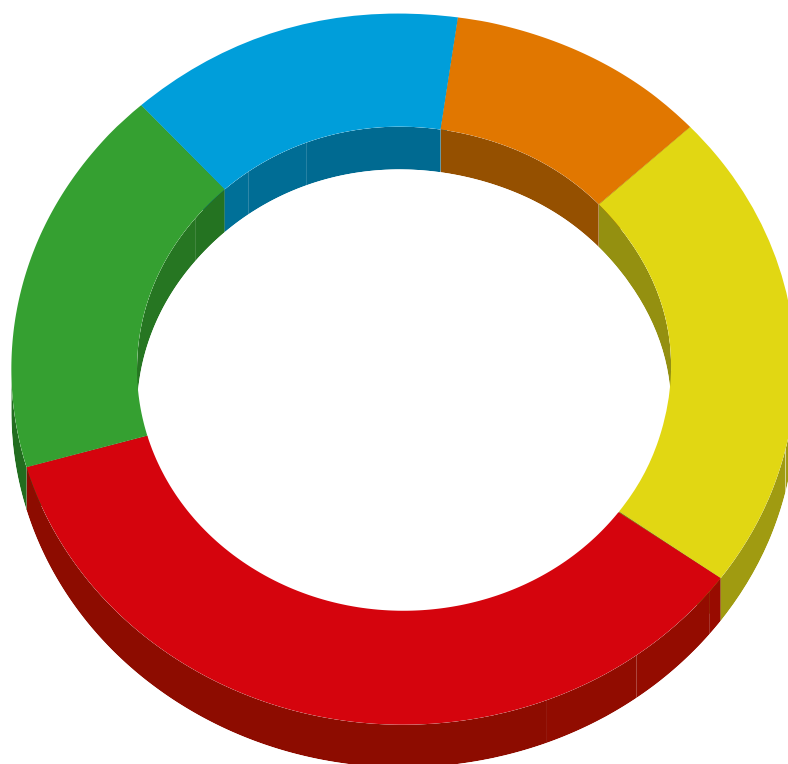
**3.1%**

To Shareholders Dividend

**3.8%**

Retained in Business for Retail Expansion and Operations

**0.0%**



### 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

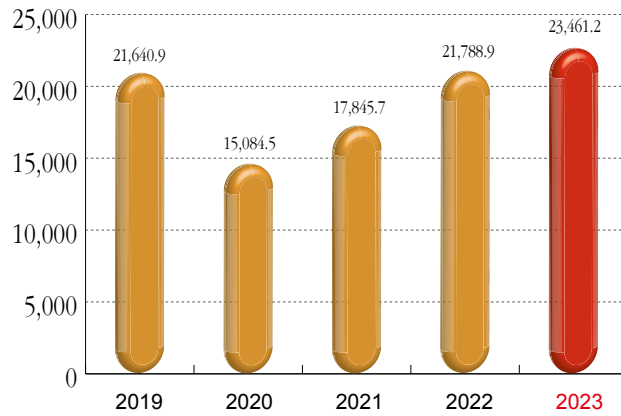
For Retail Expansion and Operations

	2023		2022	
	Rs. '000s	%	Rs. '000s	%
Sales	23,461,217		21,788,892	
Other income	527,857		259,767	
	<u>23,989,074</u>	100%	<u>22,048,659</u>	100%
To Buy Materials, Finished Goods and Services	15,562,253	64.9%	13,824,840	65.3%
To Employees Salaries, wages and benefits	2,753,442	11.5%	2,612,594	12.2%
To Government Income Tax, Sales Tax, Custom & Excise Duties, WWF, WPPF, EOBI, Social Security, Professional and Local Taxes	4,004,651	16.7%	3,500,728	14.5%
Finance Cost	753,161	3.1%	749,697	5.1%
To Shareholders Dividend	907,200	3.8%	1,360,800	2.9%
Retained in Business For Retail Expansion and Operations	8,367	0.0%	-	0.0%
	<u>23,989,074</u>	100.0%	<u>22,048,659</u>	100.0%

# Operational Statistics

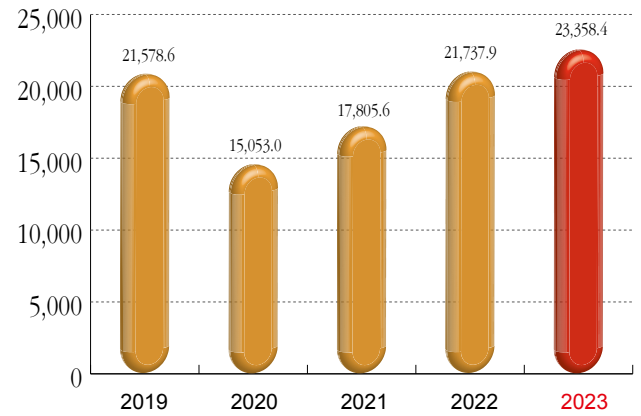
(Rupees in million)

### Total Turnover (Gross)



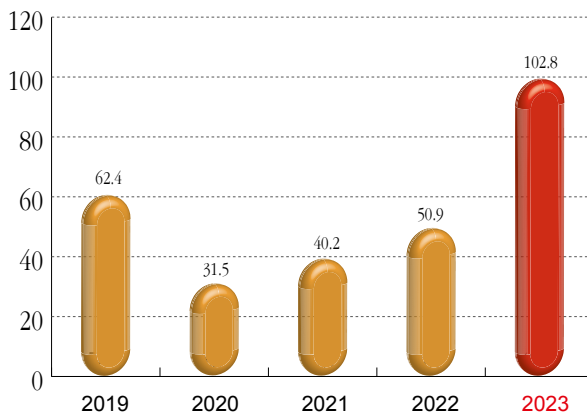
(Rupees in million)

### Domestic Turnover (Gross)



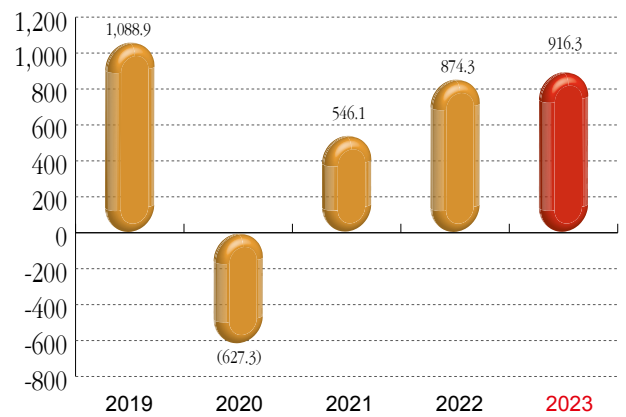
(Rupees in million)

### Export Turnover (Gross)



(Rupees in million)

### Profit / (Loss) after Tax



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

For the Purpose of Board evaluation, a comprehensive criteria has been developed. The Board has recently completed its annual self-evaluation for the year ended December 31, 2023 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, 2024

**ROBERTO LONGO**  
CHAIRMAN

## چیئر مین کی جائزہ رپورٹ

کینیڈا ایکٹ 2017 کے سیکشن (4) 192 کے تحت بورڈ کی مجموعی کارکردگی پر

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اجلاس طریقہ کار اور کمپوزیشن کے حوالے سے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 اور کینیڈا ایکٹ 2017 میں سیٹ کردہ تمام مندرجات پر پانچ سالوں میں عمل درآمد کرتا ہے۔ کوڈ آف کارپوریٹ گورننس کی ضرورت کے مطابق پانچ سالوں میں کمپنیز (دی "کمپنی") کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ انجام دیا جا رہا ہے۔ اس جائزے کا مقصد یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی کمپنی کے طے کردہ مقاصد اور توقعات کے مطابق ہے۔ ان باتوں کو زیر غور لایا جا رہا ہے جہاں بہتری کی ضرورت ہے اور منصوبوں کی تشکیل اور عمل درآمد کیا جا رہا ہے۔

بورڈ کے جائزے کا مقصد کیلئے ایک جامع معیار بنایا گیا ہے۔ بورڈ نے 31 دسمبر 2023 کو ختم ہونے والے سال کیلئے اپنے جائزے کو حال ہی میں مکمل کیا ہے اور میں یہ رپورٹ کرتا ہوں کہ: منظور کردہ معیار کی بنیاد پر سال کیلئے بورڈ کی کارکردگی کو جانچا گیا جو تسلی بخش تھی۔

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

### 1- ویرن، مشن اور ویلیوز:

بورڈ ممبران موجودہ ویرن مشن اور ویلیوز سے واقف ہیں اور سپورٹ کرتے ہیں۔ بورڈ ممبران وقتاً فوقتاً مشن اور ویرن اسٹیٹمنٹ کا جائزہ لیتے رہتے ہیں۔

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

بورڈ اسٹیک ہولڈرز کے بارے میں جانتا ہے (شیئر ہولڈرز، کسٹمرز، ملازمین، ویٹرز، سوسائٹی) جن کو خدمات پیش کی جاتی ہیں۔ بورڈ کے پاس اسٹریٹجک ویرن موجود ہے کہ کس طرح ادارے کو آئندہ تین سے پانچ سالوں میں آگے لیکر جانا ہے۔ مزید یہ کہ بورڈ تمام شعبوں کی کارکردگی میں مینجمنٹ کے لئے سالانہ اہداف کا تعین کرتا ہے۔

### 3- محنت

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

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

کمپنی کے اہداف حکمت عملی اور مالیاتی کارکردگی میں کامیابیوں کے بارے میں اندرونی و بیرونی آڈیٹرز اور دیگر آزاد کونسلٹنٹس مینجمنٹ کی جانب سے باقاعدہ پریزنٹیشن کے ذریعے بورڈ باخبر رہا۔ بورڈ کو بروقت اور سوزوں ہدایات اور تجزیے فراہم کئے۔

### 5- تنوع:

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

### 6- گورننس اور کنٹرول ماحول:

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

بمقام: پانچاپور، لاہور  
تاریخ: 27 فروری 2024ء

راہول گلو  
چیئر مین

NEW  
**FLEXIFIT**  
COLLECTION

*Bata*  
COMFIT



*Flex*

*your way.*

*Easy Day.*

**3x more comfortable**

*Surprisingly*  
**Bata**





# DIRECTOR'S REPORT

To the Members

# DIRECTORS' REPORT TO THE MEMBERS

Directors are pleased to submit this report and audited financial statements of the Company for the year ended December 31, 2023.

## 1. Principal Activity

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

## 2. Holding Company

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

## 3. Financial results

A brief financial analysis is presented as under:

Operating Results	2023	2022	Increase / (Decrease)
	Amount in (000's)		
Turnover	23,461,217	21,788,892	7.68%
Net Turnover	19,262,623	17,733,994	8.62%
Gross Profit	9,146,496	8,589,000	6.49%
Gross Profit %	47.48%	48.43%	-0.95bps
Distribution Costs	5,557,515	5,166,026	7.58%
Administrative Expenses	1,808,415	1,404,099	28.80%
Operating Profit	2,096,174	2,160,771	-2.99%
Profit After Tax	916,288	874,288	4.80%
Earnings per Share - Rupees	121.2	115.65	4.80%

## 4. Financial Results and Developments

The Company's business achieved net turnover of Rs.19.262 billion showing a growth of 8.62% over last year. The gross profit was recorded at Rs. 9.146 billion against last year of Rs. 8.589 billion. Operating profit was Rs. 2.096 billion against Rs. 2.161 billion of last year. Profit after taxation was Rs. 916.28 million as compared to Rs.874.288 million of last year. The Company achieved earnings per share of Rs. 121.2 against Rs.115.65 of last year.

Our retail division continues to grow with the current setup along with the new stores and achieved a growth of 7%. In order to sustain this growth and to provide friendly and modern atmosphere in the stores, an amount of Rs. 537.407 million has been spent to open new stores and to renovate existing stores at key business locations. Much of the expansion was focused on our modern format of stores concept.

The Company has an effective cash flow management system in place whereby cash inflows and outflows are projected on regular basis. The profit on short term investments and bank deposits was Rs. 327.359 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, 2023 was Rs. 121.2 as against Rs.115.65 of the preceding year.

## 6. Appropriation of Profit

The financial results of the Company are as under:

	Year ended December 31, 2023
	Rs. ('000)
Profit before taxation	1,343,013
Less: Provision for taxation	
Current	427,478
Prior years	134,816
Deferred	(135,569)
	426,725
Profit after tax	916,288
Unappropriated profit brought forward from last year	1,040,574
Experience adjustments - Employee Benefits	(721)
Profit available for appropriations	1,956,141
Final dividend 2023 @ Rs. 00.00 per share	-
Interim dividend 2023 @ Rs. 120.00 per share	(907,200)
Transfer to general reserve	-
	(907,200)
Unappropriated profit carried forward	1,048,941

## 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

To strengthen school infrastructure for sustainable educational process, we renovated 6 schools in Taunsa Sharif, Layya and Fazalpur which were damaged by the recent floods and the educational process was suspended over there. In order to promote healthy culture, organized annual sports function for the students of an underprivileged school. To impart our role for better environment, Plant for Life campaign was launched with the participation of our employees and their children; and planted more than 2,500 trees / saplings in Batapur & Maraka along with nearby communities. BCP volunteers conducted regular mentoring sessions at SOS Village Lahore focusing on character building, personality development and computer skills. 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 and factories. Donated 1833 pairs of shoes to the underprivileged children studying in different schools and cities.

Celebrated World Environment Day at Bata Store with the families of visiting customers; and explained them the importance of global warming, habitat loss and pollution hazards with the help of posters and interactive session. Arranged Health Awareness & Medical Camp in a village school where 162 students and teachers were examined and provided with free medicines. Moreover, 104 tests of blood sugar, cholesterol, uric acid and hepatitis B & C were conducted with free consultation.

As part of Founder's Day celebrations, BCP volunteers performed masonry and painting jobs at Government Boys High School Attoke Awan Lahore benefiting 1400 students. In order to elaborate the strengths of our children, celebrated International Day of the Girl Child and World Children's Day. In order to support the orphans, we renovated a house at SOS Village Lahore. Spent quality time with the children in hospital and presented them flowers and gifts.

## 9. Environmental Impact

In order to impart our role for better environment, we planted more than 2,500 trees / saplings at Batapur and Branch Factory Maraka.

## 10. Future Outlook

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

## 11. Internal Financial Controls

The Directors and management are responsible for the Company's system of internal controls and for reviewing annually its effectiveness in providing shareholders with a return on their investments that is consistent with a responsible assessment and management of risks. This includes reviewing financial, operational and compliance controls and risk management procedures and their effectiveness. The Directors have completed their annual review and assessment for the year ended December 31, 2023.

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, 2023 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) 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.

- 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, 2023 is given in the notes to the annexed financial statements.
- j) The valuation of investment made by the Provident Fund Trust Rs. 1.393 billion as on December 31, 2023 as per audited accounts.
- k) No trading in the shares of the Company was carried out by the Directors, CEO, CFO and Company Secretary, their spouses and minor children.

## 14. Composition of Board

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

Independent directors *	3
Other directors	6

\* This includes one female director

Nine (09) directors were elected unopposed, in the Extraordinary General Meeting (EOGM) dated September 22, 2023, as directors of Bata Pakistan Limited in accordance with the provisions of section 159 of the Companies Act, 2017 for a term of 3 years starting from September 25, 2023, to September 24, 2026 (both days inclusive).

The Board held six (06) meetings during the year. Attendance by each Director was as follows:

Directors' Name		Meetings Attended	Eligible to attend
Mr. Roberto Longo ( Chairman of the Board)	Non - Executive Director	3	6
Mr. Muhammad Imran Malik	Executive Director	6	6
Mr. Amjad Farooq	Executive Director	6	6
Mr. Rearngwut Chuenchomsakun	Non - Executive Director	2	3
Mr. Muhammad Maqbool	Non - Executive Director	6	6
Mr. Aamir Amin	Non - Executive Director	6	6
Mr. Rashid Rahman Mir	Independent Director	3	3
Mr. Kamal Monnoo	Independent Director	6	6
Ms. Fatima Asad Khan	Independent Director	5	6
<b>Retired during the year-2023</b>			
Mr. Syed Asad Ali Zaidi	Executive Director	3	3
Mr. Toh Guan Kiat	Non - Executive Director	3	3

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

Mr. Muhammad Arslan resigned from the position of Company Secretary and Mr. Haroon Shoukat was appointed as Company Secretary of the Company during the year 2023.

The Company has already met the criteria specified in the Regulations till December 31, 2023 pertaining to Directors' training program. 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. Audit Committee

As a result of reconstitution of Audit Committee after EOGM, the following directors were appointed as:

1. Mr. Rashid Rahman Mir as Member/Chairman of Audit Committee with effect from September 28, 2023.
2. Mr. Rearngwut Chuenchomsakun as member of Audit Committee with effect from September 28, 2023.

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

Existing Committee Members		Meetings Attended	Eligible to attend
Mr. Rashid Rahman Mir	Chairman	1	1
Mr. Roberto Longo	Member	0	1
Mr. Aamir Amin	Member	0	1
Mr. Rearngwut Chuenchomsakun	Member	1	1
Former Committee Members		Meetings Attended	Eligible to attend
Mr. Muhammad Maqbool	Chairman	3	3
Mr. Roberto Longo	Member	3	3
Mr. Aamir Amin	Member	3	3
Mr. Toh Guan Kiat	Member	3	3

Mr. Muhammad Ejaz Siddiqui resigned from the position as Secretary Audit Committee and Mr. Haroon Shoukat was appointed as Secretary Audit Committee of the Company.

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

## 17. Human Resource and Remuneration Committee

As a result of reconstitution of Human Resource and Remuneration Committee after EOGM, Mr. Muhammad Maqbool was appointed as member of Human Resource and Remuneration Committee with effect from September 28, 2023.

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

Existing Committee Members		Meetings Attended	Eligible to attend
Ms. Fatima Asad Khan	Chairperson	0	0
Mr. Muhammad Imran Malik	Member	0	0
Mr. Muhammad Maqbool	Member	0	0
Former Committee Members		Meetings Attended	Eligible to attend
Ms. Fatima Asad Khan	Chairperson	3	3
Mr. Muhammad Imran Malik	Member	3	3
Mr. Toh Guan Kiat	Member	3	3

## 18. Auditors

The present Auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants retire and offer themselves for re-appointment. The Board of Directors, on recommendation of Audit Committee, proposes the re-appointment of Messrs. A.F. Ferguson & Co., Chartered Accountants, for the year ending December 31, 2024.

## 19. The Pattern of Shareholding

The pattern of shareholding as on December 31, 2023 and its disclosure according to the requirement of Listed Companies (Code Of Corporate Governance) Regulations, 2019 (the Regulations) is annexed to this report.

## 20. Subsequent Events

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

## 21. Related Party Transactions

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

## 22. Acknowledgement

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

On behalf of the  
BOARD OF DIRECTORS



DIRECTOR



MUHAMMAD IMRAN MALIK  
CHIEF EXECUTIVE

Place: Batapur, Lahore  
Date: February 27, 2024

جناب محمد اعجاز صدیقی نے سیکریٹری آڈٹ کمیٹی کے عہدے سے استعفیٰ دے دیا اور ہارون شوکت کو کمیٹی کا سیکریٹری آڈٹ کمیٹی مقرر کیا گیا۔

آڈٹ کمیٹی نے بورڈ کو پیش کرنے اور اشاعت سے قبل سد ماہی، ششماہی اور سالانہ مالیاتی گوشواروں کا جائزہ ای۔سی ایف او، ہیڈ آف انٹرنل آڈٹ اور ایکسٹرنل آڈٹرز 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 لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (ریگولیشنز) کے تحت ضرورت کے مطابق اندرونی اور بیرونی آڈٹرز کے ساتھ الگ الگ میٹنگ کیں۔ آڈٹ کمیٹی نے بیرونی آڈٹرز کے ساتھ انتظامیہ کو کھٹے گئے خط پر بھی تبادلہ خیال کیا۔ بورڈ کی منظوری سے قلم متعلقہ پارٹی ٹرانزیکشنز کو بھی آڈٹ کمیٹی کے سامنے رکھا گیا تھا۔

## ۱۷۔ ہیومن ریسورس اور ریویژن کمیٹی

غیر معمولی اجلاس عام کے بعد ہیومن ریسورس اور ریویژن کمیٹی کی تشکیل نو کے نتیجے میں جناب محمد مقبول کو 28 ستمبر 2023 سے ہیومن ریسورس اینڈ ریویژن کمیٹی کا ممبر مقرر کیا گیا۔

ہیومن ریسورس کمیٹی نے سال کے دوران تین (03) میٹنگز کا انعقاد کیا۔ ہر ممبر کی حاضری حسب ذیل تھی۔

موجودہ کمیٹی ممبرز	عہدہ	میٹنگ میں شرکت	حاضری کے لیے اہل
فاطمہ اسد خان	چیر پرسن	0	0
محمد عمران ملک	ممبر	0	0
محمد مقبول	ممبر	0	0
سابقہ کمیٹی ممبرز	عہدہ	میٹنگ میں شرکت	حاضری کے لیے اہل
فاطمہ اسد خان	3	3	3
محمد عمران ملک	3	3	3
توہ کوان کیارت	3	3	3

## ۱۸۔ آڈٹرز

موجودہ آڈٹرز میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی کی سفارش پر 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی تجویز پیش کرتا ہے۔

## ۱۹۔ شیئر ہولڈنگ کا پینل

31 دسمبر 2023 تک شیئر ہولڈنگ کا پینل اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (ریگولیشنز) کی ضرورت کے مطابق اس کا ڈکراس رپورٹ کے ساتھ منسلک ہے۔

## ۲۰۔ مابعد واقعات

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

## ۲۱۔ متعلقہ پارٹی 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۔

## ۲۲۔ اعتراف

ہم اس موقع پر اپنے صارفین کے ہماری مصنوعات پر اعتماد کے لیے، اپنے ملازمین کی کوششوں اور دیگر تمام اسٹیک ہولڈرز کے لیے ان کی مسلسل حمایت کے لیے اظہار تشکر اور ان کے اعتماد کا اعتراف کرتے ہیں۔

منجانب

بورڈ آف ڈائریکٹرز



ڈائریکٹر



محمد عمران ملک  
چیف ایگزیکٹو

مقام: ٹاپورہ لاہور  
مورخہ: 27 فروری، 2024

ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت	شرکت کے لئے اہل
مسٹر رابرٹ لاگو (چیرمین بورڈ) نان ایگزیکٹو ڈائریکٹو	ایگزیکٹو ڈائریکٹر	3	6
محمد عمران ملک	ایگزیکٹو ڈائریکٹر	6	6
امجد فاروق	نان ایگزیکٹو ڈائریکٹو	6	6
ریئرنگوٹ چوگچے مساکن	نان ایگزیکٹو ڈائریکٹو	2	3
محمد متبول	نان ایگزیکٹو ڈائریکٹو	6	6
عامر امین	نان ایگزیکٹو ڈائریکٹو	6	6
راشد رحمان میر	انڈیپنڈنٹ ڈائریکٹر	3	3
کمال سونو	انڈیپنڈنٹ ڈائریکٹر	6	6
فاطمہ اسد خان	انڈیپنڈنٹ ڈائریکٹر	5	6
<b>2023 کے دوران ریٹائرڈ</b>			
سید اسد علی زبیری	ایگزیکٹو ڈائریکٹر	3	3
توہ گووان کیات	نان ایگزیکٹو ڈائریکٹر	3	3

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

جناب محمد ارسلان نے کھپنی بیکری کے عہدے سے استعفیٰ دے دیا اور ہارون شوکت کو سال 2023 کے دوران کھپنی بیکری مقرر کیا گیا۔

کھپنی نے پہلی ڈائریکٹرز کے ترقیاتی پروگرام سے متعلق 31 دسمبر 2023 تک حضاہوں میں بیان کردہ معیار کو پورا کر لیا ہے۔ اس لیے سال بھر میں اس طرح کا کوئی ترقیاتی پروگرام منعقد نہیں کیا گیا۔

#### ۱۵۔ دیگر ڈائریکٹرز کا ریٹائرمنٹ

کھپنی اپنے نان ایگزیکٹو ڈائریکٹرز بشمول انڈیپنڈنٹ ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے میٹنگ فیس کے علاوہ ریٹائرمنٹ ادائیگیوں کو فراہم کرنے کی پالیسیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفر اور ہاؤس کے اخراجات کی ادائیگی 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۔

#### ۱۶۔ آڈٹ کمیٹی

غیر معمولی اجلاس عام کے بعد آڈٹ کمیٹی کی تشکیل نو کے نتیجے میں درج ذیل ڈائریکٹرز کا تقرر کیا گیا:

1. جناب راشد رحمان میر 28 ستمبر 2023 سے آڈٹ کمیٹی کے ممبر/چیرمین کے طور پر۔

28 ستمبر 2023 سے آڈٹ کمیٹی کے ممبر کے طور پر مسٹر ریگولٹ چوگچے مساکن۔

آڈٹ کمیٹی نے سال کے دوران چار (04) سہ ماہی اجلاس منعقد کئے۔ ہر ممبر کی حاضری حسب ذیل تھی۔

موجودہ کمیٹی ممبرز	عہدہ	میٹنگز میں حاضری	حاضری کے لیے اہل
راشد رحمان میر	چیرمین	1	1
رابرٹ لاگو	ممبر	0	1
عامر امین	ممبر	0	1
ریئرنگوٹ چوگچے مساکن	ممبر	1	1
<b>میٹنگز میں حاضری</b>			
محمد متبول	چیرمین	3	3
رابرٹ لاگو	ممبر	3	3
عامر امین	ممبر	3	3
توہ گووان کیات	ممبر	3	3



## ۱۰- مستقبل کی صورتحال

سخت معاشی ماحول کے باوجود خاص طور پر معیشت میں سست روی اور بلند افراط زر کے باوجود کمپنی کا رو باری حوالے سے مستقبل کی ترقی کے لیے پوری طرح پر عزم اور پرامید ہے جہاں وہ اپنے صارفین کو بہترین خریداری کے تجربے کے ساتھ بہترین مصنوعات فراہم کرنے کے لیے کوشاں ہے۔

## ۱۱- اندرونی مالیاتی کنٹرول

ڈائریکٹرز اور انتظامیہ کمپنی کے اندرونی کنٹرول کے نظام کے لیے اور حصص یافتگان کو ان کی سرمایہ کاری پر منافع کی واپسی فراہم کرنے میں اس کی تائید 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 کمپلائنس کنٹرولز اور رسک مینجمنٹ کے طریقہ کار اور صلاحیت کا جائزہ لینا شامل ہے۔ ڈائریکٹرز نے 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے اپنا سالانہ جائزہ اور تشخیص کا عمل مکمل کر لیا ہے۔

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

## ۱۲- لیکویڈیٹی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (ریگولیشنز) کی تعمیل

31 دسمبر 2023 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۔

## ۱۳- کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی ڈائریکٹرز یہ کہتے ہیں کہ:

- مالیاتی گوشواروں کے ساتھ ان ٹوش کپیٹرا ایکٹ، 2017 اور بین الاقوامی مالیاتی رپورٹنگ کے معیارات کے مطابق بنایا گیا ہے، جیسا کہ پاکستان میں لاگو ہے۔ یہ اسٹیٹمنٹس کمپنی کی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو کافی حد تک واضح کرتے ہیں۔
- کمپنی کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اس کے مطابق تخمینے معقول اور دانشمندانہ فیصلے بنتی ہیں۔ اکاؤنٹنگ پالیسی میں تبدیلی، اگر کوئی ہے تو اسے مناسب طریقے سے ظاہر کیا گیا ہو۔
- یہ مالیاتی گوشوارے پاکستان میں لاگو ہونے والے اکاؤنٹنگ اور رپورٹنگ کے معیار کے مطابق تیار کئے گئے ہیں۔
- پاکستان میں لاگو اکاؤنٹنگ اور رپورٹنگ ان معیار پر مشتمل ہیں۔
- i. انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ بورڈ (IASB) کے جاری کردہ بین الاقوامی مالیاتی رپورٹنگ معیارات ('IFRS') جو کپیٹرا ایکٹ 2017 کے تحت مطلع شدہ ہیں۔
- ii. کپیٹرا ایکٹ 2017 کے تحت جاری کردہ دفعات اور ہدایات۔
- جہاں کپیٹرا ایکٹ 2017 کے تحت جاری کردہ دفعات اور ہدایات IFRS سے مختلف ہیں وہاں کپیٹرا ایکٹ 2017 کے تحت جاری کردہ دفعات اور ہدایات کی پیروی کی گئی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اندرونی آڈٹ ڈپارٹمنٹ اس کا مسلسل جائزہ لے رہا ہے۔
- کسی بھی خطرے سے نمٹنے کے حوالے سے کمپنی کی صلاحیت پر کوئی شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی ٹریڈ آف نہیں ہوا جیسا کہ پاکستان اسٹاک ایکسچینج کے فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔
- پچھلے چھ سالوں کا کلیدی آپریشنل اور مالیاتی ڈیٹا اس رپورٹ کے ساتھ منسلک ہے۔
- دسمبر 2023 تک بتایا گئے اور لیویز کے بارے میں معلومات منسلک مالیاتی گوشواروں کے نوٹس میں دی گئی ہیں۔
- پراویڈنٹ فنڈ ٹرسٹ کی طرف سے کی گئی سرمایہ کاری کی ویلیو آڈٹ شدہ کھاتوں کے مطابق 31 دسمبر 2023 تک 1.393 بلین روپے ہے۔
- ڈائریکٹرز، سی ای او، ایف او اور کمپنی سیکرٹری، ان کی شریک حیات اور نابالغ بچوں کے ذریعے کمپنی کے شیئرز میں کوئی ٹریڈنگ نہیں کی گئی۔

## ۱۴- بورڈ کی تشکیل

بورڈ آف 08 (08) مرد اور ایک (01) خاتون ڈائریکٹرز پر مشتمل ہے جو مندرجہ ذیل ہے:

آزاد ڈائریکٹرز\* 3

دیگر ڈائریکٹرز 6

\* اس میں ایک خاتون ڈائریکٹر بھی شامل ہے۔

22 ستمبر 2023 کو ہونے والے غیر معمولی اجلاس عام (EOGM) میں کپیٹرا ایکٹ 2017 کے سیکشن 159 کے تحت 3 سال کی مدت 25 ستمبر 2023 سے 24 ستمبر 2026 تک (دونوں دن شامل ہیں) کے لیے ایسا پاکستان لمیٹڈ کے ڈائریکٹرز کے طور پر نو (09) ڈائریکٹرز بلا مقابلہ منتخب ہوئے۔

## ۶۔ منافع کا تخمینہ:

کمپنی کے مالیاتی نتائج درج ذیل ہیں:

31 دسمبر 2023 کے اختتام پر

1,343,013
427,478
134,816
(135,569)
426,725
916,288
1,040,574
(721)
1,956,141
-
(907,200)
-
(907,200)
1,048,941

منافع قبل از ٹیکس

کمی ٹیکس کی شرح

حالیہ

گزشتہ سال

موخر کردہ

منافع بعد از ٹیکس

گزشتہ سال سے آگے لایا جانے والا غیر اختصاصی منافع

ایکسچینجس ایڈجسٹمنٹ - ملازمین کے مفادات

اختصاص کیلئے دستیاب منافع

فائل ڈیویڈنڈ 2023@00.00 روپے فی حصص

عموری ڈیویڈنڈ 2023@120.00 روپے فی حصص

جزل ریڑرو میں منتقل

اگلے سال میں لے جایا جانے والا غیر اختصاصی منافع

## ۷۔ بنیادی خطرہ اور غیر یقینی صورتحال:

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

- ہماری مصنوعات کی کئی گہری میں واضح مقابلہ؛
- غیر ملکی زرمبادلہ کی شرح اور اجناس کی قیمتوں میں اضافہ؛ 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 نیچے لانے/کم کرنے کے لیے اندرونی اور بیرونی اسٹریٹجی ہولڈرز کے ساتھ کام کرتی ہے۔

## ۸۔ کارپوریٹ سماجی ذمہ داری

پائیدار تعلیمی عمل کے لیے اسکولوں کے بنیادی ڈھانچے کو مضبوط کرنے کے لیے، ہم نے نو تیسریں شریف، ایڈ اور فاضل پور میں 6 اسکولوں کی ترمیم و آرائش کی جو حالیہ سیلاب سے تباہ ہو گئے تھے اور وہاں پر تعلیمی عمل معطل ہو گیا تھا۔ صحت مند ثقافت کو فروغ دینے کے لیے، ایک پیمانہ اسکول کے طلباء کے لیے سالانہ کھیلوں کی تقریب کا انعقاد کیا۔ بہتر ماحول کے لیے اپنا کردار ادا کرنے کے لیے، پلانٹ فار لائف ہم ہمارے ملازمین اور ان کے بچوں کی شرکت سے شروع کی گئی۔ اور قریبی علاقوں کے ساتھ باہمی پورا اور مراکہ میں 2,500 سے زیادہ درخت/پودے لگائے۔ بی سی بی رضا کاروں نے ایس او ایس ویج لاہور میں باقاعدہ رہنمائی کے سیشنز کا انعقاد کیا جس میں کردار سازی، شخصیت کی نشوونما اور کھیلوں کی مہارتوں پر توجہ دی گئی۔ خواتین کے کارناموں کو یاد کرنے، صنفی امتیاز کے بارے میں بیداری پیدا کرنے اور خواتین کے لیے عالمی حمایت کو فروغ دینے کے لیے، ہم نے خواتین کے عالمی دن کے موقع پر دفتر اور فیکٹریوں میں سرگرمیوں کا اہتمام کیا۔ مختلف اسکولوں اور شہروں میں زیر تعلیم لڑکیوں کو جوتوں کے 1833 جوڑے عطیہ کئے۔

بائیسٹور پر آنے والے صارفین کے اہل خانہ کے ساتھ ماحولیات کا عالمی دن منایا گیا۔ اور انہیں پوسٹرز اور انٹرایکٹو پینشن کی مدد سے گلوبل وارمنگ، آب و ہوا کی تبدیلی اور آلودگی کے خطرات کی اہمیت کے بارے میں بتایا۔ گاؤں کے اسکول میں صحت سے متعلق آگاہی اور میڈیکل کیمپ کا اہتمام کیا گیا جہاں 162 طلباء اور اساتذہ کا معائنہ کیا گیا اور انہیں مفت دوا بات فراہم کی گئیں۔ مزید یہ کہ بلڈ شوگر، کولیسٹرول، یورک ایسڈ اور ہیماٹائٹس ٹیسٹ کی اور سی کے 104 ٹیسٹ مفت مشورے کے ساتھ کئے گئے۔

یوم تیس کی تقریبات کے ایک حصے کے طور پر، بی سی بی رضا کاروں نے گورنمنٹ بوائز ہائی اسکول اتو کے انجمن لاہور میں چھاننی اور پیئنگ کا کام انجام دیا جس سے 1400 طلباء مستفید ہوئے۔ اپنے بچوں کی بہت اور طاقت کو واضح کرنے کے لیے بچوں کا عالمی دن اور بچوں کا عالمی دن منایا گیا۔ قیموں کی گفتگو کے لیے ہم نے SOS ویج لاہور میں ایک گھر کی ترمیم و آرائش کی۔ ہسپتال میں بچوں کے ساتھ معیاری وقت گزارا اور انہیں چھوٹے اور تھانف پیش کیے۔

## ۹۔ ماحول میں بہتری

بہتر ماحول کے لیے اپنا کردار ادا کرنے کے لیے، ہم نے باہار اور برانچ فیکٹری مراکہ میں 2500 سے زیادہ درخت/پودے لگائے۔

## ممبرز کیلئے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے اس رپورٹ اور آڈٹ شدہ مالیاتی گوشواروں کو جمع کراتے ہوئے مسرت کا اظہار کرتے ہیں۔

### ۱- بنیادی سرگرمی:

کمپنی کی بنیادی سرگرمی تمام قسم کے جوڑے تیار کرنا اور فروخت کرنا ہے اور اس کے ساتھ ایسی سرگرمیوں کو جمع کرنا ہے جو نئے سرمایہ فروخت کرنا ہے۔

### ۲- ہولڈنگ کمپنی:

بٹا پاکستان لمیٹڈ کی بنیادی کمپنی ہاٹن بی وی ہے جو نئیڈر لینڈ میں واقع ہے، جبکہ حتمی بنیادی کمپنی کپاس لمیٹڈ، برمودا ہے۔

### ۳- فنانس رزلٹس:

ایک مختصر مالی تجزیہ ذیل میں پیش کیا گیا ہے:

مختصر مالیاتی جائزہ درج ذیل ہے:

عملی نتائج	2022	2023	اضافہ/کمی
	رقم (000)		
آمدن	21,788,892	23,461,217	7.68%
خالص آمدن	17,733,994	19,262,623	8.62%
کل منافع	8,589,000	9,146,496	6.94%
کل منافع %	48.43%	47.48%	0.95-بی بی ایس
ڈسٹری بیوٹن اخراجات	5,166,026	5,557,515	7.58%
انتظامی اخراجات	1,404,099	1,808,415	28.80%
عملی منافع	2,160,771	2,096,174	-2.99%
منافع بعد از ٹیکس	874,288	916,288	4.80%
فی شیئر آمدن - روپے	115.65	121.2	4.80%

### ۴- مالیاتی نتائج اور ڈیویڈنڈس

کمپنی نے 19.262 بلین روپے کا خالص کاروبار حاصل کیا جو گزشتہ سال کے مقابلے میں 8.62 فیصد اضافہ ظاہر کرتا ہے۔ کل منافع 9.146 بلین روپے کا ریکارڈ کیا گیا جو کہ گزشتہ سال 8.589 بلین روپے تھا۔ عملی منافع 2.096 بلین روپے تھا جو کہ پچھلے سال 2.161 بلین روپے تھا۔ منافع بعد از ٹیکس 916.28 بلین روپے ہے جو کہ پچھلے سال 874.288 بلین روپے تھا۔ کمپنی نے 121.2 روپے فی حصص آمدنی حاصل کی جو کہ پچھلے سال 115.65 روپے فی حصص تھی۔

ہمارا ٹیلی ڈویژن نئے سٹورز کے ساتھ اور موجودہ سیٹ اپ کے ساتھ بڑھتا چلا جا رہا ہے اور اس نے 7% کی ترقی حاصل کی ہے۔ اس ترقی کو برقرار رکھنے اور اسٹورز میں دوستانہ اور بہتر ماحول فراہم کرنے کے لیے 537.407 بلین روپے کی رقم نئے اسٹورز کھولنے اور اہم کاروباری مقامات پر موجودہ اسٹورز کی تزئین و آرائش کے لیے خرچ کیے گئے ہیں۔ زیادہ تر توسیع ہمارے جدید فارمیٹ آف اسٹورز کے منصوبے پر مشتمل تھی۔

کمپنی کے پاس ایک موثر کیش فلوی 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 327.359 بلین 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 دارومدار ان مہارتوں پر ہے جو ہمارے ملازمین کو بہترین تربیت کے ذریعے فراہم کی جاتی ہیں۔ کمپنی نے ٹیکنالوجی اور بزنس ایڈمنسٹریشن کے شعبے میں تازہ ترین پیش رفت حاصل کرنے کے لیے اس عرصے کے دوران انسانی وسائل پر کافی وقت اور پیسہ لگایا ہے۔ عمل مستقل میں بھی جاری رہے گا۔ 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۔

### ۵- مالیاتی نتائج اور ڈیویڈنڈس

31 دسمبر 2023 کو ختم ہونے والے سال کی فی حصص آمدن 121.2 روپے ہے جو پچھلے سال 115.65 روپے تھی۔

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# CORPORATE

## Governance

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

**Name of Company: Bata Pakistan Limited**  
**Year ended: December 31,2023**

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

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

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

2. The composition of the Board is as follows:

<b>Category</b>	<b>Names</b>
<b>i.</b> Independent directors	Mr. Rashid Rahman Mir Mr. Kamal Monnoo Ms. Fatima Asad Khan
<b>ii.</b> Other directors	Mr. Roberto Longo Mr. Muhammad Maqbool Mr. Rearngwut Chuenchomsakun Mr. Aamir Amin Mr. Muhammad Imran Malik Mr. Amjad Farooq
<b>iii.</b> Female directors	Ms. Fatima Asad Khan

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

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

**a) Audit Committee**

1. Mr. Rashid Rahman Mir (Chairman)
2. Mr. Roberto Longo
3. Mr. Aamir Amin
4. 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, 2023

a) Human Resource and Remuneration Committee

Three meetings were held during the financial year ended December 31, 2023

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

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

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

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

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

a) 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.

b) As per the regulation no. 10(5), the Chairman of the Board shall, at the beginning of term of each director, issue letter to directors setting out their role, obligations, powers and responsibilities in accordance with the Act and the company's Articles of Association, their remuneration and entitlement. In compliance with the regulation, the Chairman is in the process of issuing such letter to the Board members after the reconstitution of Board of Directors during the year.

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# REVIEW REPORT

## To The Members

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of **Bata Pakistan Limited**

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Bata Pakistan Limited (the Company) for the year ended December 31, 2023 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, 2023.



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

**Place: Lahore**

**Date: March 27, 2024**  
**UDIN: CR2023100704G0Fg9pS6**

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*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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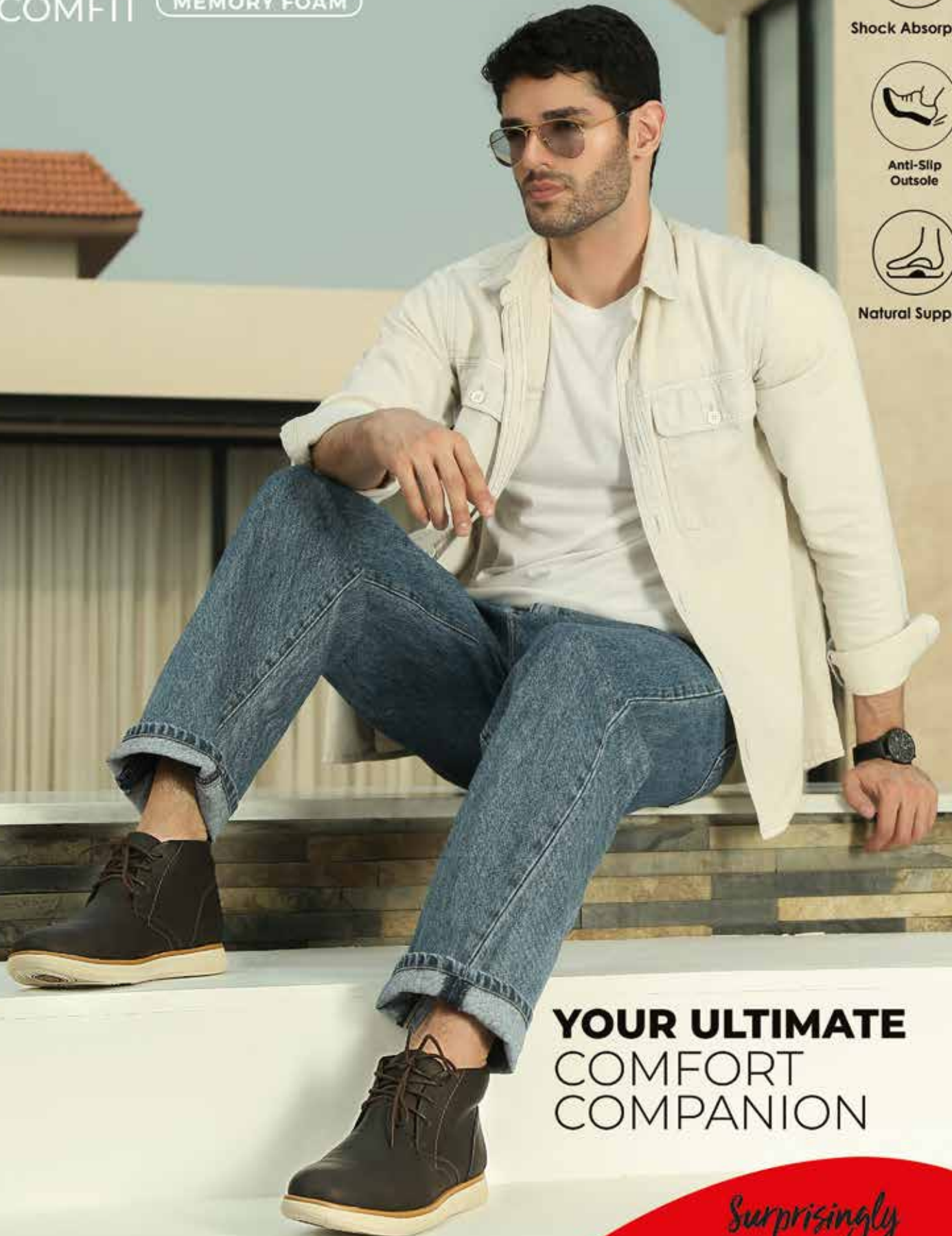
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# AUDITOR'S REPORT

## To the Members

**INDEPENDENT AUDITOR'S REPORT**

**To the members of Bata Pakistan Limited**

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

**Opinion**

We have audited the annexed financial statements of Bata Pakistan Limited (the Company), which comprise the statement of financial position as at December 31, 2023, 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, 2023 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

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

**Key Audit Matter**

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

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Contingent tax liabilities (Refer notes 5.2, 5.10 and 31.1 to the annexed financial statements)</p> <p>The Company has contingent liabilities in respect of various income tax and sales tax matters, which are pending adjudication before the taxation authorities and the Courts of law.</p> <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies.</p> <p>Due to significance of the amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income tax and sales tax, a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained and examined details of the pending tax matters and discussed the same with the Company's management;</li> <li>• Circularized confirmations to the Company's external tax advisors for their views on open tax assessments and matters. Furthermore, examined prior years' precedents of outcomes in favor of the Company at various forums related to matters under consideration which support the Company's stance;</li> <li>• Examined correspondence of the Company with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved;</li> <li>• Involved in-house tax specialists to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and external tax advisors engaged by the Company; and</li> <li>• Assessed the adequacy and appropriateness of disclosures made in respect of such income tax and sales tax matters.</li> </ul>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

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

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.



A.F.Ferguson & Co.  
Chartered Accountants

Lahore

Dated: March 27, 2024

UDIN: AR202310070avYps0SwZ



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Double  
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YOUR  
OWN  
mood!**

Surprisingly  
**Bata**



# FINANCIAL

## Statements

# STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	2,674,127	2,293,261
Right of use assets	7	2,984,862	3,374,702
Intangible assets	8	243,899	183,856
Long term security deposits	9	59,190	62,593
Deferred tax asset	10	486,719	350,693
		6,448,797	6,265,105
<b>CURRENT ASSETS</b>			
Stores and spare parts	11	–	–
Stock in trade	12	5,391,880	5,111,998
Trade debts	13	848,554	827,409
Advances	14	197,091	561,050
Trade deposits and short term prepayments	15	223,835	191,075
Other receivables	16	85,116	93,427
Income tax receivable	17	467,169	374,600
Interest accrued		21,240	7,306
Short term investments	18	945,011	545,062
Tax refunds due from Government	19	350,161	350,161
Cash and bank balances	20	1,570,298	2,015,370
		10,100,355	10,077,458
<b>TOTAL ASSETS</b>		<b>16,549,152</b>	<b>16,342,563</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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	5,605,941	5,597,574
		5,606,424	5,598,057
Total equity		5,682,024	5,673,657
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	24	2,824,598	3,451,948
Long term deposits	25	23,991	26,461
Employee benefits obligations	26	44,535	56,587
Long term finances from financial institutions - secured	27	34,630	111,010
		2,927,754	3,646,006
<b>CURRENT LIABILITIES</b>			
Current portion of lease liabilities	24	851,483	980,254
Current portion of long term finances	27	6,296	14,083
Trade and other payables	28	5,900,155	4,636,881
Short term borrowings from financial institutions - secured	29	–	–
Provision for taxation		427,478	381,702
Unpaid dividend	30	682,304	921,110
Unclaimed dividend		71,658	88,870
		7,939,374	7,022,900
<b>CONTINGENCIES AND COMMITMENTS</b>	31		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,549,152</b>	<b>16,342,563</b>

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



Chief Executive



Chief Financial Officer



Director

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
Revenue from contracts with customers - net	32	19,262,623	17,733,994
Cost of sales	33	(10,116,127)	(9,144,994)
Gross profit		9,146,496	8,589,000
Distribution costs	34	(5,557,515)	(5,166,026)
Administrative expenses	35	(1,808,415)	(1,404,099)
Net impairment (loss)/gain on financial assets	13.3 & 16.2	(21,006)	49,024
Other expenses	36	(191,243)	(166,895)
Other income	37	527,857	259,767
Finance costs	38	(753,161)	(749,697)
Profit before taxation		1,343,013	1,411,074
Taxation	39	(426,725)	(536,786)
Profit for the year		916,288	874,288
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability - net of tax		(721)	748
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive (loss)/income for the year		(721)	748
Total comprehensive income for the year		915,567	875,036
Earnings per share - basic and diluted (Rupees per share)	40	121.20	115.65

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



Chief Executive



Chief Financial Officer



Director

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

	Share capital	Capital reserve	Revenue reserve		Total
			General reserve	Unappropriated profits / (losses)	
	(Rupees in '000)				
<b>Balance as at January 01, 2022</b>	75,600	483	6,957,000	(873,662)	6,159,421
Transfer from General Reserve	-	-	(2,400,000)	2,400,000	-
Total comprehensive income for the year	-	-	-	875,036	875,036
Transactions with owners in their capacity as owners recognised directly in equity:					
Interim dividend for the year ended December 31, 2022 @ Rupee 180 per share	-	-	-	(1,360,800)	(1,360,800)
<b>Balance as at December 31, 2022</b>	75,600	483	4,557,000	1,040,574	5,673,657
Total comprehensive income for the year	-	-	-	915,567	915,567
Transactions with owners in their capacity as owners recognised directly in equity:					
Interim dividend for the year ended December 31, 2023 @ Rupee 120 per share	-	-	-	(907,200)	(907,200)
<b>Balance as at December 31, 2023</b>	75,600	483	4,557,000	1,048,941	5,682,024

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



Chief Executive



Chief Financial Officer



Director

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,343,013	1,411,074
Adjustments for:			
Depreciation of property, plant & equipment	6.2	346,157	303,628
Depreciation of right of use assets	7	1,107,477	1,101,377
Amortization of intangible assets	8	55,661	49,160
Provision for gratuity	26.3	10,902	9,123
Loss on disposal of property, plant and equipment	36	4,214	1,810
Gain on lease modification	37	(189,083)	(11,114)
Rent concessions received	37	-	(82,990)
Income from short term investments	37	(185,147)	(55,643)
Exchange loss	36	84,771	62,512
Interest / markup costs	38	675,480	672,572
Early payment discount on supplier invoices	37	-	(10,753)
Impairment loss / (gain) on trade debts	13.3	21,006	(45,186)
Impairment loss / (gain) on other receivables	16.2	-	(3,838)
Provision / (reversal) of slow moving and obsolete stock - net	12.2	97,239	(24,341)
Provision / (reversal) for obsolescence of raw material - net	12.1	16,743	(5,120)
Provision / (reversal) of provision for obsolescence of stores and spare parts - net	11.1	1,638	(50)
		2,047,058	1,961,147
Operating profit before working capital changes		3,390,071	3,372,221
<b>Effect on cash flow due to working capital changes:</b>			
- (Increase) / decrease in stores and spare parts		(1,638)	50
- Increase in stock in trade		(393,864)	(1,103,766)
- (Increase) / decrease in trade debts		(42,151)	191,657
- (Decrease) / increase in advances		363,959	(278,035)
- Decrease in trade deposits and short term prepayments		(32,760)	102,343
- Decrease / (increase) in other receivables		8,311	(61,826)
- Increase in trade and other payables		1,169,233	503,625
		1,071,090	(645,952)
<b>Cash generated from operations</b>		4,461,161	2,726,269
Finance costs paid	38	(675,480)	(672,572)
Income tax paid	17	(609,088)	(249,068)
Gratuity paid	26.2	(24,132)	(13,411)
		(1,308,700)	(935,051)
Long term security deposits - net		933	(21,408)
<b>Net cash inflow from operating activities</b>		3,153,394	1,769,810
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment	6.3	(747,986)	(678,849)
Acquisition of intangible assets		(115,704)	(18,709)
Proceeds from disposal of property, plant and equipment		16,750	15,542
Investments made during the year		90,051	45,000
Investments encashed during the year		(90,000)	(45,031)
Interest income received		171,213	54,118
		(675,676)	(627,929)
<b>Net cash outflow from investing activities</b>		(675,676)	(627,929)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	42.1	(1,163,218)	(979,700)
Proceeds from long term finances		-	77,871
Repayment of long term finances		(84,167)	(6,296)
Lease payments		(1,284,675)	(934,680)
		(2,532,060)	(1,842,805)
<b>Net cash outflow from financing activities</b>		(2,532,060)	(1,842,805)
<b>Net decrease in cash and cash equivalents</b>		(54,342)	(700,924)
Cash and cash equivalents at the beginning of the year		2,515,370	3,208,570
Effects of exchange rate changes on cash and cash equivalents		9,270	7,724
<b>Cash and cash equivalents at the end of the year</b>	42	2,470,298	2,515,370

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

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



Chief Executive



Chief Financial Officer



Director

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 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. The registered office of the Company is situated at Batapur, Lahore. The principal activity of the Company is manufacturing and sale of footwear of all kinds along with sale of accessories and hosiery items. The parent company of Bata Pakistan Limited is Bafin B.V. (Nederland), whereas the ultimate parent is Compass Limited, Bermuda. Furthermore, the Company has the following production facilities:

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

The Company operates through retail outlets spread across the country with 8 outlets situated in Azad Kashmir, 8 in Balochistan, 13 in Islamabad Capital Territory, 2 in Gilgit Baltistan, 42 in Khyber Pakhtunkhwa, 306 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, 2023 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) Narrow scope amendments to International Accounting Standard (IAS) 1, IFRS Practice Statement 2 and IAS 8

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

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

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in note 5 to the 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, 2024 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:



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## **(a) Amendment to International Accounting Standard (IAS) 1, 'Non-current liabilities with covenants' (effective for annual period beginning on January 1, 2024)**

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. Covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

The amendments also introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

The Company is yet to assess the impact of these amendments on its financial statements.

## **(b) International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability-related financial information and International Financial Reporting Standard (IFRS) S2, 'Climate-related disclosures' (effective for annual period beginning on January 1, 2024)**

The International Sustainability Standards Board (ISSB) issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after January 01, 2024, subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focussed on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas (GHG) emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The aforementioned standards have not been notified locally or declared exempt, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at December 31, 2023.

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

- Employee benefits obligations - notes 5.1 and 26
- Provision for taxation - notes 5.2, 10, 17 and 39
- Contingent tax liabilities - notes 5.10 and 31.1
- Useful lives and residual values of property, plant and equipment - notes 5.3 and 6

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2023

- Use of discount rates and interpretation of lease terms - notes 5.4.1 and 24
- Provision for obsolescence of stock in trade - notes 5.8 and 12
- Loss allowance for doubtful debts - notes 5.18 and 13

### 5 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 'Making Materiality Judgements') from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

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, 2023 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 5.2 Taxation

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

### Current

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, 2023 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 period in which they are incurred.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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, 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.

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2023

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2023

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

Loans and borrowings are initially recorded at fair value. In subsequent periods, borrowings are stated at amortized cost using the effective yield method.

### 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. A contract liability is recorded for advances received from customers against which performance obligations have not been satisfied.

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

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 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2023

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 deposits, loans, 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 balances

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 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 5.20 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.

## 5.21 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).

## 5.22 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.

## 5.23 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.

## 5.24 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.

## 5.25 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.

## 5.26 Rounding of Amounts

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.2	2,623,235	2,075,617
Capital work in progress	6.3	50,892	217,644
		<u>2,674,127</u>	<u>2,293,261</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	Paisa 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	Preeedy Street Karachi	4,440

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 6.2 Operating fixed assets

### Net carrying value basis

Year ended December 31, 2023  
 Opening net book value (NBV)  
 Additions (at cost)  
 Disposals (at NBV)  
 Depreciation charge – note 6.4  
 Closing net book value (NBV)

### Gross carrying value basis

As at December 31, 2023  
 Cost  
 Accumulated depreciation  
 Net book value (NBV)  
 Depreciation rate per annum

### Net carrying value basis

Year ended December 31, 2022  
 Opening net book value (NBV)  
 Additions (at cost)  
 Disposals (at NBV)  
 Depreciation charge – note 6.4  
 Closing net book value (NBV)

### Gross carrying value basis

As at December 31, 2022  
 Cost  
 Accumulated depreciation  
 Net book value (NBV)  
 Depreciation rate per annum

\* 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 194.592 million (2022: Rs 210.832 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

	(Rupees in '000)										
	Freehold land*	Leasehold land with super structure**	Buildings on freehold Land – factory	Buildings on freehold land – others	Plant and machinery	Boiler	Gas installators	Office equipment	Computers	Furniture, fixtures and fittings	Vehicles
2,508	35	162,785	42,808	468,524	6,752	560	2,097	167,820	1,214,117	7,612	2,075,618
-	-	22,916	15,586	296,681	-	-	2,148	154,735	482,672	-	914,738
-	-	(1,940)	(2,511)	(56,733)	(675)	(56)	(260)	(52,314)	(214,705)	(753)	(20,964)
-	-	(17,477)	(2,511)	(56,733)	(675)	(56)	(260)	(52,314)	(214,705)	(1,426)	(346,157)
2,508	35	168,224	55,883	646,532	6,077	504	3,985	269,174	1,464,880	5,433	2,623,235
0%	0%	10%	5%	10%	10%	10%	10%	25%	15%	20%	
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
-	-	(181,130)	(64,681)	(617,920)	(7,833)	(1,728)	(4,469)	(208,448)	(1,785,610)	(19,769)	(2,891,588)
2,508	35	168,224	55,883	646,532	6,077	504	3,985	269,174	1,464,880	5,433	2,623,235
0%	0%	10%	5%	10%	10%	10%	10%	25%	15%	20%	
2,508	35	158,577	39,405	439,769	7,502	622	1,842	158,586	1,092,862	9,515	1,911,223
-	-	21,085	5,538	74,952	-	-	470	57,988	325,342	-	485,375
-	-	(16,877)	(2,135)	(45,501)	(750)	(62)	(3)	(760)	(15,894)	(1,903)	(17,353)
-	-	(16,877)	(2,135)	(45,501)	(750)	(62)	(3)	(760)	(15,894)	(1,903)	(17,353)
2,508	35	162,785	42,808	468,524	6,752	560	2,097	167,820	1,214,117	7,612	2,075,617
2,508	35	326,437	104,978	1,037,591	13,910	2,233	6,516	332,108	2,814,202	32,451	4,672,969
-	-	(163,652)	(62,170)	(569,067)	(7,158)	(1,673)	(4,419)	(164,288)	(1,600,085)	(24,839)	(2,597,352)
2,508	35	162,785	42,808	468,524	6,752	560	2,097	167,820	1,214,117	7,612	2,075,617
0%	0%	10%	5%	10%	10%	10%	10%	25%	15%	20%	

2023

2022

(Rupees in '000)

(Rupees in '000)

(Rupees in '000)

(Rupees in '000)

	2023			2022		
	Opening Balance	Additions	Transfers	Closing Balance	Opening Balance	Closing Balance
Building	-	5,870	(222)	5,648	-	(19,855)
Furniture	20,185	61,283	(74,368)	7,100	1,937	(11,481)
Machinery	145,739	62,591	(203,494)	4,855	198,095	(53,421)
Computer	51,720	27,463	(45,875)	33,308	21,167	(26,829)
	217,644	157,207	(323,959)	50,892	24,169	(111,586)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
<b>6.4 Allocation of depreciation expense</b>			
The depreciation charge for the year has been allocated as follows:			
Cost of sales	33.1	74,913	63,159
Distribution costs	34.4	249,543	222,632
Administrative expenses	35	21,701	17,837
		346,157	303,628

## 6.5 Sale of fixed assets

Particulars of assets	Sold to	2023				Mode of Sale
		Cost	Book Value	Sale Proceeds	Gain on Sale	
(Rupees in '000)						
<b>Vehicle</b>	<b>Outside party</b>					
	Faizan Ahmad	6,011	690	5,331	4,640	As per Company policy
(Rupees in '000)						
Particulars of assets	Sold to	Cost	Book Value	Sale Proceeds	Gain on Sale	Mode of Sale
Plant and machinery	Outside party	6,436	697	697	6,974	6,277 Negotiation
Computers	Outside party	3,786	761	761	475	(286) Negotiation
Furniture, fixtures and fittings	Outside party	48,015	15,894	15,894	8,093	(7,801) Negotiation / Scrapped
		58,237	17,352	17,352	15,542	(1,810)

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 term. Reconciliation of the carrying amount is as follows:

	Note	2023	2022
(Rupees in '000)			
<b>Cost</b>			
Opening balance as at January 01		7,972,699	6,923,933
Additions		242,076	278,568
Modification adjustments		(339,347)	(28,046)
Effect on ROUA due to renewals		814,908	798,244
Closing balance as at December 31		8,690,336	7,972,699
<b>Depreciation</b>			
Opening balance as at January 01		4,597,997	3,496,620
Charge for the year	34.4	1,107,477	1,101,377
Closing balance as at December 31		5,705,474	4,597,997
Book value as at December 31		2,984,862	3,374,702

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
<b>8 INTANGIBLE ASSETS</b>			
Intangible assets - POS and computer software	8.1	242,790	169,526
Capital work in progress - computer software		1,109	14,330
		243,899	183,856
		<b>Computer software</b>	<b>POS software at retail stores</b>
		(Rupees in '000)	
<b>8.1 Cost</b>			
Balance as at January 1, 2023		48,082	239,577
Additions during the year		15,134	113,790
Balance as at December 31, 2023		63,216	353,367
<b>Amortization</b>			
Balance as at January 1, 2023		40,287	77,845
Charge for the year		3,304	52,357
Balance as at December 31, 2023		43,591	130,202
Amortization rate is 25.00% for computer software and 20.00% for POS software at retail stores.			
		<b>Computer software</b>	<b>POS software at retail stores</b>
		(Rupees in '000)	
<b>Cost</b>			
Balance as at January 1, 2022		42,998	232,440
Additions during the year		5,048	7,172
Balance as at December 31, 2022		48,046	239,612
<b>Amortization</b>			
Balance as at January 1, 2022		37,899	31,073
Charge for the year		2,011	47,149
Balance as at December 31, 2022		39,910	78,222
Amortization rate is 25.00% for computer software and 20.00% for POS software at retail stores.			
	Note	2023	2022
(Rupees in '000)			
<b>8.2</b>	The amortization charge for the year has been allocated as follows:		
	Distribution costs	34	52,357
	Administrative expenses	35	3,304
		55,661	49,160
<b>9 LONG TERM SECURITY DEPOSITS</b>			
Security deposits	9.1	59,190	41,912
Prepaid rent		-	80,257
Less: adjustable within one year		-	59,576
		-	20,681
		59,190	62,593

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 10 DEFERRED TAX ASSET

The deferred tax asset comprises of temporary differences relating to:

Note	2023	2022
	(Rupees in '000)	
<b>Deferred tax liability</b>		
Accelerated tax depreciation	(230,537)	(147,632)
<b>Deferred tax asset</b>		
Lease liabilities	268,136	348,974
Employee benefits obligations	17,276	18,674
Provision for stores and spare parts	13,131	10,629
Provision for stock in trade	61,992	15,122
Loss allowance on trade debts	44,727	31,117
Loss allowance on other receivables	4,976	4,233
Loss allowance on advances	2,688	2,287
Liabilities written back	304,330	67,289
	486,719	350,693
<b>10.1</b> The gross movement in net deferred tax asset during the year is as follows:		
Opening balance	350,693	434,129
Credited / (charged) to statement of profit or loss	135,569	(83,067)
Credited / (charged) to other comprehensive income	457	(369)
10.2		
Closing balance	486,719	350,693

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

Note	2023	2022
	(Rupees in '000)	
<b>11 STORES AND SPARE PARTS</b>		
Stores	3,072	2,804
Spare parts	30,777	29,407
	33,849	32,211
Less: provision for obsolescence	33,849	32,211
	-	-
<b>11.1 Provision for obsolescence</b>		
Opening provision	32,211	32,261
Charge / (reversal) for the year	1,638	(50)
Closing provision	33,849	32,211

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
<b>12 STOCK IN TRADE</b>			
<b>Raw materials</b>			
In hand		487,336	535,963
In transit		29,781	197
		517,117	536,160
Less: provision for obsolescence of raw material	12.1	22,246	5,503
		494,871	530,657
<b>Goods in process</b>		72,532	101,020
<b>Finished goods</b>			
Own production		2,134,108	2,010,241
Purchased		2,827,931	2,510,403
		4,962,039	4,520,644
Less: provision for slow moving and obsolete items	12.2	137,562	40,323
		4,824,477	4,480,321
		5,391,880	5,111,998
<b>12.1 Provision for obsolescence of raw materials</b>			
Opening provision		5,503	10,623
Charge/(reversal) for the year		16,743	(5,120)
Closing provision		22,246	5,503
<b>12.2 Provision for slow moving and obsolete items</b>			
Opening provision		40,323	64,663
Charge/(reversal) for the year		97,239	(24,340)
Closing provision		137,562	40,323
<b>13 TRADE DEBTS</b>			
Due from customers	13.1	955,873	920,687
Due from associated undertakings	13.2	7,981	1,016
		963,854	921,703
Loss allowance	13.3	(115,300)	(94,294)
		848,554	827,409
<b>13.1</b> These customers have no recent history of default.			
<b>13.2 Due from associated undertakings</b>			
Bata Shoe Singapore Pte Limited		–	1,016
Bata Shoe Company Bangladesh Limited		2,527	–
Bata Shoe of Thailand Public Company Limited		5,454	–
		7,981	1,016



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2023

Maximum aggregate amount due from associated undertakings at the end of any month in the year was Rs 7.981 million (2022: Rs 2.059 million). These are interest free and the aging analysis of trade debts from related parties that are past due is as follows:

	Note	2023	2022
(Rupees in '000)			
Up to 90 days		5,705	459
91 to 180 days		991	–
181 to 365 days		1,285	–
Above 365 days		–	557
		7,981	1,016
<b>13.3 Movement in loss allowance is as follows:</b>			
Opening balance		94,294	139,480
Charge / (reversal) for the year		21,006	(45,186)
Closing balance		115,300	94,294
<b>14 ADVANCES</b>			
Advances to suppliers		194,021	543,944
Letters of credit - margin		10,000	24,036
		204,021	567,980
Less: Impairment loss on advances	14.1	6,930	6,930
		197,091	561,050
<b>14.1</b> The reconciliation of impairment loss on advances is as follows:			
Opening balance		6,930	6,930
Charge for the year		–	–
Closing balance		6,930	6,930
<b>15 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Deposits			
Custom duty and taxes		2,302	2,350
Letters of guarantee - margin		129	129
Others		6,948	9,296
		9,379	11,775
Short term prepayments			
Prepaid rent	15.1	79,123	59,576
Prepaid sales tax		100,480	107,623
Other prepaid expenses		34,853	12,101
		214,456	179,300
		223,835	191,075

**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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
<b>16 OTHER RECEIVABLES</b>			
Receivable from employees		22,810	18,166
Export rebates		2,893	2,668
Insurance claims		33	274
Prepaid rent		2,232	1,584
Others	16.1	58,732	72,319
		86,700	95,011
Impairment loss on receivable from employees	16.2	(1,584)	(1,584)
		85,116	93,427

**16.1** This includes receivable from various courier companies aggregating Rs 56.736 million (2022: Rs 70.576 million) in the ordinary course of business.

	2023	2022
(Rupees in '000)		
<b>16.2 Loss allowance - Other receivables</b>		
Opening balance	1,584	5,422
Charge/(reversal) for the year	–	(3,838)
Closing balance	1,584	1,584

## 17 INCOME TAX RECEIVABLE

Opening balance	374,600	383,895
Advance tax paid during the year	609,088	249,068
Adjusted against provision for taxation	(516,519)	(258,363)
Closing balance	467,169	374,600

## 18 SHORT TERM INVESTMENTS

This represents term deposit receipts of the following banks:

Habib Metropolitan Bank Limited	445,011	545,062
United Bank Limited	500,000	–
	945,011	545,062

**18.1** The range of rates of profits on these term deposits was between 16.10% and 21.25% (2022: 10.00% and 15.50%) per annum.

**18.2** The short term investments do not include any investment in related parties (2022: Nil).

**18.3** The investments deposits include those earmarked against the balances due to employees held as securities as stated in note 25. These carry mark-up at the rate of 20.85% (2022: 14.70%) per annum. These have been invested in accordance with the provisions of Section 217 of the Companies Act, 2017.

	2023	2022
(Rupees in '000)		
<b>19 TAX REFUNDS DUE FROM GOVERNMENT</b>		
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 Inland Revenue Department, Federal Board of Revenue.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
<b>20 CASH AND BANK BALANCES</b>			
Bank balances in:			
Current accounts:			
- Foreign currency		42,422	34,048
- Local currency		477,151	80,444
Daily profit accounts	20.1	519,573 916,260	114,492 1,802,707
Cash in transit		127,000	91,610
Cash in hand:			
- Foreign currency		6,374	4,638
- Local currency		1,091	1,923
		7,465	6,561
		<u>1,570,298</u>	<u>2,015,370</u>

20.1 The rate of mark-up on these accounts ranges from 7.51% to 20.75% (2022: 4.5% to 14.5%) per annum.

## 21 SHARE CAPITAL

### 21.1 Authorized share capital

2023	2022		2023	2022
(Number of shares in '000)			(Rupees in '000)	
10,000	10,000	Ordinary shares of Rs 10 each	100,000	100,000
<u>10,000</u>	<u>10,000</u>		<u>100,000</u>	<u>100,000</u>

### 21.2 Issued, subscribed and paid up share capital

2023	2022		2023	2022
(Number of shares in '000)			(Rupees in '000)	
1,890	1,890	Ordinary shares of Rs 10 each fully paid in cash	18,900	18,900
300	300	Ordinary shares of Rs 10 each issued for consideration other than cash	3,000	3,000
5,370	5,370	Ordinary shares of Rs 10 each issued as fully paid bonus shares	53,700	53,700
<u>7,560</u>	<u>7,560</u>		<u>75,600</u>	<u>75,600</u>

21.2.1 Bafin B.V. (Nederland) (the parent company) holds 5,685,866 (2022: 5,685,866) ordinary shares of Rs 10 each fully paid up which represents 75.21% (2022: 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

	2023	2022
(Rupees in '000)		
Capital reserve	483	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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	(Rupees in '000)	
<b>23 REVENUE RESERVES</b>		
General reserve:		
Opening balance	4,557,000	6,957,000
Transfer to unappropriated profits	–	(2,400,000)
Closing balance	4,557,000	4,557,000
Unappropriated profits	1,048,941	1,040,574
	<u>5,605,941</u>	<u>5,597,574</u>

## 24 LEASE LIABILITIES

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

The reconciliation of the carrying amount is as follows:

	Note	2023	2022
		(Rupees in '000)	
As at January 1		4,432,202	4,412,221
Additions during the year		236,845	278,568
Renewals during the year		814,908	798,244
Accretion of interest		664,227	663,074
Modification of lease liability		(528,430)	(39,160)
Payments made and rent concessions received during the year - net		(1,943,671)	(1,680,745)
As at December 31		<u>3,676,081</u>	<u>4,432,202</u>
Less: Current maturity shown under current liabilities	24.1	851,483	980,254
Non-current lease liabilities		<u>2,824,598</u>	<u>3,451,948</u>

### 24.1 The statement of financial position shows the following amounts related to leases:

#### Right-of-Use Assets

2,984,862      3,374,702

#### Lease Liabilities

Current portion      851,483      980,254

Non-current portion      2,824,598      3,451,948

### 24.2 The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets	34.4	1,107,477	1,101,377
Finance cost - leases	38	664,227	663,074
Expense relating to short term leases	34	456,339	402,830
Gain on modification of leases	37	189,083	11,114
Rent concessions received		–	82,990

## 25 LONG TERM DEPOSITS

Employees' securities and personal accounts	23,991	26,461
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**25.1** Employees' securities represent the securities deposited by the employees in accordance with the terms of employment. Interest at the rate of 21.25% (2022: 15.5%) per annum is being paid on the monthly outstanding balances.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

25.2 In accordance with provisions of section 217 of the Companies Act, 2017, this amount has been invested in Term Deposit Receipts and is shown as short term investments in note 18.

	Note	2023	2022
<b>(Rupees in '000)</b>			
<b>26 EMPLOYEE BENEFITS OBLIGATIONS</b>			
<b>26.1 Provision for gratuity - un-funded defined benefit plan</b>		44,535	56,587
<b>26.2 Changes in present value of defined benefit obligations</b>			
Present value of defined benefit obligations as at January 01		56,587	61,992
Expense charged in statement of profit or loss		10,902	9,123
Benefits paid during the year		(24,132)	(13,411)
Remeasurement adjustments charged to other comprehensive income:			
- Changes in financial assumptions		(5,683)	(7,494)
- Changes in demographic assumptions		-	(1,775)
- Experience adjustments		6,861	8,152
		1,178	(1,117)
Present value of defined benefit obligations as at December 31		44,535	56,587
<b>26.3 The amount recognized in the statement of profit or loss is as follows:</b>			
Current service cost		4,144	3,587
Interest cost		6,758	5,536
Expense charged in statement of profit or loss		10,902	9,123
<b>26.4 Charge for the year has been allocated as follows</b>			
Cost of sales	33.4	5,213	5,328
Distribution cost	34.1	4,209	2,981
Administrative expenses	35.1	1,480	814
		10,902	9,123

## 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:

	2023	2022
Expected rate of salary increase in future years - per annum	16.25%	13.25%
Discount rate - per annum	17.50%	12.25%
Expected mortality rate	SLIC 2001-2005	SLIC 2001-2005
Average duration of plan	6 Years	6 Years

## 26.6 Estimated expense to be charged to statement of profit or loss in 2024

	Amount
	(Rupees in '000)
Current service cost	4,863
Interest cost on defined benefit obligation	7,189
Amount chargeable to statement of profit or loss	12,052

## 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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	(Rupees in '000)	
Discount rate + 100 bps	43,352	55,108
Discount rate - 100 bps	45,792	58,182
Salary increase + 100 bps	45,239	57,257
Salary increase - 100 bps	43,867	55,967

## 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.

	Note	2023	2022
		(Rupees in '000)	
<b>27 LONG TERM FINANCES FROM</b>			
Financial Institutions - Secured			
Long term finances - secured	27.1	40,926	125,093
Less: current portion shown under current liabilities		6,296	14,083
		<u>34,630</u>	<u>111,010</u>

**27.1** The long term finances was obtained from Habib Bank Limited and MCB Bank Limited for import and installation of solar power machinery.

**27.1.1** Under the arrangement with Habib Bank Limited, balance principal amount is repayable in 26 equal quarterly instalments ending in May 2030. Interest is payable quarterly in arrears at the rate of 3 months State Bank of Pakistan (SBP) rate plus 1.5 percent per annum. The loan is secured by first hypothecation charge of Rs 106.67 million on all present and future moveable fixed assets of the Company and a joint pari-passu charge on present and future moveable assets and contingent debts of the Company to the extent of Rs 447 million.

**27.1.2** In the previous year, under the arrangement with MCB Bank Limited, principal amount up to Rs 100 million was obtained under the renewable energy finance scheme of State Bank of Pakistan (SBP), which was repayable in 39 equal quarterly instalments ending in December 2032. Interest was payable quarterly in arrears at the rate of Karachi Inter Bank Offered Rate (KIBOR) plus 1 percent per annum.

MCB extended the loan to the Company as a deferred facility (DF), anticipating approval from the SBP to convert it into a subsidized loan. However due to current prevailing economic conditions of the country, SBP rejected the Company's request. Following the rejection, the Company opted to promptly repay the loan to the bank, resulting in the full settlement of the loan in the current year.

	Note	2023	2022
		(Rupees in '000)	
<b>28 TRADE AND OTHER PAYABLES</b>			
Trade creditors	28.1	5,059,531	3,592,790
Accrued liabilities		425,921	463,595
Contract liabilities	28.2	40,871	96,565
Payable to provident fund trust		27,388	25,098
Security deposits	28.3	122,559	118,210
Workers' profit participation fund	28.4	71,910	75,873
Workers' welfare fund	28.5	22,640	26,700
Sales tax payable		78,436	63,736
Taxes deducted at source payable		11,845	120,643
Other liabilities	28.6	39,054	53,671
		<u>5,900,155</u>	<u>4,636,881</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
<b>28.1</b>	This includes amounts due to the following related parties:		
Bata Brands S.A.R.L, Switzerland	28.1.1	2,592,393	1,726,312
Global Footwear Services, Singapore		692,128	317,909
Bata Malaysia		557	450
Bata Shoe, Singapore		953	-
Bata Centre S.R.O		10,592	8,314
P.T. Sepatu Bata, Indonesia		289	-
		3,296,912	2,052,985

**28.1.1** This includes amounts due in respect of trademark licence fee agreement. During the year ended December 31, 2018, the Company and BATA Brands SA, Switzerland revised the terms of the trade mark agreement wherein the royalty percentage was increased from 2% of the net revenue (net of taxes) to 5% of the net revenue (subject to deduction of applicable taxes). Certain minority shareholders have filed a suit against the Company 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 is expecting a favorable outcome in this regard.

**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 96,565 million (2022: Rs 182.126 million).

**28.3** This represents the security deposit received from the registered agency holders and business associates in accordance with the terms of the contract. These deposits carry interest at the rate of 21.25% (2022: 15.5%) per annum. These are repayable on termination / completion of the contract and on returning the Company's property already provided to them, if any. As per the agreements signed with these parties, the Company has the right to utilize the amounts for the purpose of the business, hence, the amounts are not required to be kept in a separate bank account maintained in a scheduled bank.

	Note	2023	2022
(Rupees in '000)			
<b>28.4 Workers' profit participation fund</b>			
Opening balance		75,873	40,033
Provision for the year	36	71,910	75,873
Interest on funds utilized in Company's business	38	8,583	3,813
		156,366	119,719
Less: Payments during the year		84,456	43,846
Closing balance		71,910	75,873
<b>28.5 Workers' welfare fund</b>			
Opening balance		26,700	15,129
Provision for the year	36	30,349	26,700
		57,049	41,829
Less: Amount paid during the year		34,409	15,129
Balance at the end of the year		22,640	26,700
<b>28.6 Other liabilities</b>			
Group insurance claims		6,242	5,742
Payable to former employees		22,971	22,603
Miscellaneous		9,841	25,326
		39,054	53,671

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2023

### 29 Short term borrowings from financial institutions - secured

The credit facilities available to the Company from various commercial banks aggregate to Rs 2,235 million (2022: Rs 2,335 million). These include:

- Non funded facilities of letters of guarantee and letters of credit amounting to Rs 455 million (2022: Rs 455 million); and
- Cash finance facilities of Rs 1,780 million (2022: Rs 1,880 million).

Moreover, the Company can avail further cash finance facilities out of un-utilized unfunded facilities of Rs 458,568 million (2022: Rs 433,860 million) which also includes Rs 35 million (2022: Rs 35 million) of export finance facilities.

The un-utilized facility for letter of credits and guarantees at year end amounts to Rs 1,776,432 million (2022: Rs 1,883,674 million).

Mark up on cash finance ranges from 3 months KIBOR plus 0.40% to 1.0% (2022: 3 months KIBOR plus 0.50% to 1.0%) as per agreements with banks. While mark up on export finance is charged at SBP rate plus 1.00% (2022: SBP rate plus 1.00%) per annum.

These finances are secured against hypothecation of stock in trade, stores and spare parts and receivables of the Company amounting to Rs 2,580,333 million (2022: Rs 2,580,333 million).

### 30 UNPAID DIVIDEND

This represents dividend payable to Bafin B.V. (Nederland), which was pending approval from State Bank of Pakistan as at December 31, 2023.

### 31 CONTINGENCIES AND COMMITMENTS

#### 31.1 Contingent tax liabilities

The Company is contingently liable for:

	Note	2023	2022
(Rupees in '000)			
Order by sales tax department - under appeal	31.1.1	265,454	265,454
Order by sales tax department - under appeal	31.1.2	237,370	237,370
Order by income tax department - under appeal	31.1.3	954,859	954,859
Order by sales tax department - under appeal	31.1.4	52,134	52,134
Show cause notice by sales tax department against which stay order has been obtained	31.1.5	85,097	85,097
Order by sales tax department - under appeal	31.1.6	60,732	60,732
Order by Collector of Customs - under appeal	31.1.7	23,975	23,975
Order by income tax department - under appeal	31.1.8	13,259	13,259
Order by income tax department - decided in Company's favor	31.1.9	4,985	4,985
Order by sales tax department - under appeal	31.1.10	90,315	90,315
Order by sales tax department - under appeal	31.1.11	48,046	48,046
Order by income tax department - decided in Company's favor	31.1.12	153,974	153,974
Order by sales tax department - under appeal	31.1.13	1,918,062	1,918,062
Order by sales tax department - under appeal	31.1.14	118,134	118,134
Order by income tax department - under appeal	31.1.15	92,095	92,095
Order by sales tax department - under appeal	31.1.16	1,827,399	-
Order by sales tax department - under appeal	31.1.17	36,427	-
Order by sales tax department - under appeal	31.1.18	30,058	-
		6,012,375	4,118,491

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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2023

- 31.1.2** The Tax Department issued 22 separate orders dated October 17, 2012 and November 14, 2012 in which sales tax refunds for the tax periods from November 2008 to December 2010 amounting to Rs 237.370 million have been rejected on the grounds that input sales tax relating to retail turnover is not admissible. The Company filed separate appeals against these orders with CIR(A). The CIR(A) decided 19 appeals against the Company while 3 appeals were decided in favor of the Company. The Company filed 19 separate appeals while tax department filed 3 separate appeals with Appellate Tribunal Inland Revenue (ATIR). The ATIR decided all 22 appeals in favor of the Company on May 15, 2014. Thereafter, the Tax Department filed an appeal before the Honorable Lahore High Court. High Court vide consolidated order disposed of the appeal and directed the Company to again approach concerned Commissioner Inland Revenue for refund claim.
- 31.1.3** The Additional Commissioner Inland Revenue (AdCIR) raised demand of Rs 954.859 million vide order dated June 28, 2013 to the Company for the tax year 2011, whereby, the assessing officer added back certain expenses, disallowed certain amount of tax credit and also assessed that the Company has suppressed turnover amounting to Rs 1,427.436 million. Being aggrieved, the Company preferred an appeal with CIR(A), which was decided in favor of the Company vide order dated October 2, 2013, by deleting all the add backs with the exception of the difference in the amount of tax credit which has been calculated under section 65(b) of the Income Tax Ordinance, 2001. Being aggrieved, the Tax Department filed an appeal against the order of CIR(A) with the ATIR. The ATIR vide order dated April 11, 2019 decided the appeal in favor of the Company. The Department filed a reference petition before Honorable Lahore High Court against the order of ATIR on June 22, 2021, which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.4** The DCIR raised two separate demands vide orders dated December 06, 2014 amounting to Rs 43.856 million and Rs 8.278 million on account of further sales tax of 1% on unregistered customers for the period from October 2013 to July 2014 and August 2014 to September 2014 respectively. Being aggrieved, the Company preferred appeals with CIR(A) who remanded back both the cases to adjudicating officer for fresh decision after allowing the appellant to produce relevant record. However, the Commissioner Inland Revenue filed an appeal in the ATIR against the said order, which is pending adjudication. Based on tax advisor's opinion, the Company's management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.5** The DCIR issued show cause notice dated April 20, 2015, stating that adjustment of input sales tax of Rs 85.097 million for the tax periods February 2014 to January 2015 on Trade Mark License fee and Management Service Fee claimed by the Company in Punjab Revenue Authority (PRA) is inadmissible and recoverable from the Company along with default surcharge. A comprehensive reply has been submitted however no decision has been made by DCIR. The vires of the show cause notice have also been challenged in Lahore High Court and the High Court has granted stay against the proceedings in its order dated August 27, 2015 in WP 23456/2015. Petition is still pending in High Court. Based on tax advisor's opinion, the Company's management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.6** The Assistant Commissioner, Sindh Revenue Board (SRB) raised a demand vide order dated September 1, 2016 amounting to Rs 60.732 million on account of non-payment of sales tax on trademark license fee and management services fee for the period from July 2011 to December 2012. Being aggrieved, the Company filed an appeal before Commissioner (Appeals) Sindh Revenue Board, who decided the matter in favor of the Company vide order dated February 10, 2019. The SRB filed an appeal against the order before Appellate Tribunal Sindh Revenue Board, which remanded the case back to the assessing officer for fresh investigation vide order dated August 8, 2019. Subsequently, no further action has been initiated by the relevant officer of Sindh Revenue Board since the date of Appellate Tribunal Sindh Revenue Board order. Based on tax advisor's opinion, the Company's management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.7** The Collector of Customs, Karachi issued a demand vide order dated November 7, 2018 amounting to Rs 23.975 million for the tax period November 2017 to April 2019 disallowing the reduced rate of sales tax under SRO 1125(I)/2011 utilized by the Company for clearance of imported footwear. Being aggrieved, the Company filed an appeal before the Custom Appellate Tribunal, Karachi, which set aside orders being without jurisdiction under the Customs Act, 1969 vide order dated March 27, 2023. The department of Inland Revenue has a right to initiate proceedings in such case. Further, the department has not initiated any proceedings till now. Based on tax advisor's opinion, the Company's management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.8** The DCIR raised demand pertaining to Income Tax for tax year 2009 on account of certain issues. Being aggrieved, the Company preferred an appeal before the CIR(A) who vide order dated October 18, 2019 decided the appeal in favor of the Company by deleting majority of the add backs with the exception of proration of expenses and addition made on account of advances to employees and suppliers. The Company, however, being aggrieved, filed an appeal with ATIR against the additions not deleted by the CIR(A). The Tax Department also has filed an appeal against the order of CIR(A) with the ATIR. Further, on August 30, 2022, the taxation officer has given appeal effect to the CIR(A) order whereby the tax demand of Rs 34.270 million has been reduced to Rs 13.259 million. Being aggrieved by the appeal effect order, the Company preferred an appeal to 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 tax advisor's opinion, the Company's management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.9** The DCIR raised demand vide order dated March 02, 2020 pertaining to tax year 2017 amounting to Rs 24.863 million on account of certain issues which primarily include disallowance of certain salaries due to non deduction of withholding tax, disallowance of provident fund contribution, disallowance of certain expenses such as tax loss claimed on the sales of fixed assets, exchange loss, and certain miscellaneous expenses. Being

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2023

aggrieved, the Company preferred an appeal before the CIR(A) who vide order dated December 31, 2021, decided the appeal in favor of the Company by allowing credit of payments in the sum of Rs 129.295 million, as a result the demand has been revised to Rs 4.985 million. The Company however, being aggrieved, has filed an appeal against the revised demand by CIR(A). Based on tax advisor's opinion, the Company's management expects favorable outcome due to which no provision has been recorded in these financial statements.

- 31.1.10** The ACIR raised demand vide order dated February 28, 2020 amounting to Rs 90.316 million in respect of sales tax charged for the period January 2019 to September 2019 on account of failure to charge further tax on supplies made to unregistered persons. Being aggrieved, the Company preferred an appeal before the CIR(A) who remanded the case back to the ACIR to afford another opportunity of being heard to the Company. Being aggrieved, the Company filed an appeal before the ATIR. The ATIR remanded back the case to assessing officer. Based on the tax advisor's opinion, the Company's management expects a favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.11** The ACIR raised demand vide order dated March 10, 2020 amounting to Rs 48.046 million in respect of sales tax for the period January 2019 to August 2019 on the basis that the Company has failed to maintain value addition at the rate of 4% as per the provisions of 'Eight Schedule' of the Sales Tax Act, 1990. Being aggrieved, the Company preferred an appeal before CIR(A) who remanded the case back to the ACIR to afford another opportunity of being heard to the Company. Being aggrieved, the Company filed an appeal before the ATIR. The ATIR remanded back the case to assessing officer. Being aggrieved, the Company 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 due to which no provision has been recorded in these financial statements.
- 31.1.12** The ACIR raised demand vide order dated April 16, 2021 pertaining to tax year 2015 amounting to Rs 153.974 million on account of certain issues which primarily include proration of expenses and disallowance of certain expenses. Being aggrieved, the Company preferred an appeal before the CIR(A) which was decided in favor of the company vide order dated January 31, 2022. Thereafter, the tax department filed an appeal with ATIR on March 26, 2022 which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.13** The DCIR raised demand pertaining to tax periods July 2020 to October 2020 & December 2020 to August 2021 vide order dated January 17, 2022 amounting to Rs 1,918.062 million on account of claiming of credit notes in violation of the provisions of section 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 there under. Being aggrieved, the Company preferred an appeal before the CIR(A), which had been decided in favor of the Company vide order dated March 18, 2022. The Department filed an appeal before the ATIR against the said order which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.14** The DCIR raised demand vide 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 CIR(A) who decided the appeal in favor of the Company vide order dated June 15, 2022 by deleting the demand of sales tax of Rs 1,082.324 million whereas, 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 ATIR which is pending adjudication. Based on the tax advisor's opinion, the Company's management expects a favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.15** The Additional Commissioner Inland Revenue (AdCIR) raised demand vide order dated June 30, 2022 amounting to Rs 92.095 million on different issues such as allocation of expenses between export and local sales, claim of initial/normal depreciation, amortization of advertisement and promotional expense and provision of WPPF. Being aggrieved, the Company preferred an appeal before the CIR(A) who decided the case in favour of the department. Against this order, the Company filed a second appeal before the ATIR as the learned CIR(A) had committed factual and legal infirmities which were purposed to be contested before the learned ATIR. The appeal is pending adjudication at this point in time. Based on the tax advisor's opinion, the Company's management expects a favourable outcome due to which no provision has been recorded in these financial statements.
- 31.1.16** The 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 on account of inadmissible input tax adjustment claimed against retail supplies and services, short payment of sales tax, suppression of sales being difference of sales tax return and income tax return etc. in violation of various sections of the Sales Tax Act, 1990. Being aggrieved, the Company preferred an appeal before the CIR(A) which is pending adjudication. Based on tax advisor's opinion, the Company's management expects favorable outcome due to which no provision has been recorded in these financial statements.
- 31.1.17** The DCIR issued an order on November 27, 2023, demanding Rs 36.427 million for tax year 2021 due to Federal Excise Duty not paid on royalty fees under section 3(1)(d) of the Federal Excise Act, 2005, read with rule 43-A of the Federal Excise Rules 2005 and Federal Excise General Order 05/2006 dated August 5th, 2006. Being aggrieved, the Company preferred an appeal before the CIR(A) which is pending adjudication. Based on tax advisor's opinion, the Company expects a favorable outcome, so no provision has been recorded in these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2023

31.1.18 The DCIR issued an order on November 27, 2023, demanding Rs 30.058 million for 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 CIR(A) which is pending adjudication. Based on advice from tax advisors, the Company's management expects a favorable outcome, so no provision has been recorded in these financial statements.

	Note	2023	2022
(Rupees in '000)			
<b>31.2 Other contingent liabilities</b>			
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		2,042	2,171
- Claims not acknowledged as debts - under appeal		22,265	22,265
		24,307	24,436
<b>31.3 Commitments</b>			
<b>31.3.1 Commitments in respect of:</b>			
Capital expenditure		66,414	42,423
Letters of credit and bank contracts		356,192	343,962
		422,606	386,385
<b>32 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET</b>			
SALES:			
Shoes and accessories:			
Local		23,275,789	21,658,940
Export		102,843	50,911
		23,378,632	21,709,851
Sundry articles and scrap material		82,585	79,041
		23,461,217	21,788,892
Less: Sales tax		3,166,730	2,859,947
Discounts to dealers and distributors		545,424	703,218
Commission to agents / business associates		486,440	491,733
		4,198,594	4,054,898
		19,262,623	17,733,994
<b>33 COST OF SALES</b>			
Cost of goods manufactured	33.1	6,939,241	6,426,130
Finished goods purchased		3,521,042	3,625,558
Add: opening stock of finished goods		4,480,321	3,573,627
		14,940,603	13,625,315
Less: closing stock of finished goods	33.2 12	4,824,477	4,480,321
		10,116,126	9,144,994

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
<b>33.1 Cost of goods manufactured</b>			
Raw material consumed			
Opening stock		530,656	369,953
Add: purchases		5,721,842	5,477,119
	33.3	6,252,498	5,847,072
Less: closing stock		494,871	530,656
		5,757,627	5,316,416
Store and spares consumed		27,938	15,266
Fuel and power		219,603	216,247
Salaries, wages and benefits	33.4	707,873	771,574
Repairs and maintenance	33.5	89,272	89,321
Insurance		33,527	19,975
Depreciation on operating fixed assets	6.4	74,913	63,159
		6,910,753	6,491,958
Add: opening goods in process		101,020	35,192
		7,011,773	6,527,150
Less: closing goods in process		72,532	101,020
		6,939,241	6,426,130

**33.2** This includes charge of / (reversal of) provision for slow moving and obsolete items for finished goods amounting to Rs 97.239 million (2022: Rs (24.341) million).

**33.3** This includes charge of / (reversal of) provision for obsolescence of raw materials amounting to Rs 16.743 million (2022: Rs (5.120) million).

**33.4** Included in salaries, wages and benefits is an amount of Rs 19.496 million (2022: Rs 19.760 million) and Rs 5.213 million (2022: Rs 5.328 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 / (reversal of) provision for obsolescence of stores and spare parts amounting to Rs 1.638 million (2022: Rs (0.5) million).

	Note	2023	2022
(Rupees in '000)			
<b>34 DISTRIBUTION COSTS</b>			
Salaries and benefits	34.1	1,127,663	1,070,940
Freight		437,642	264,906
Advertising and sales promotion		351,932	348,176
Rent	34.2	456,339	402,830
Insurance		44,759	59,815
Trademark license fee	34.3	962,615	886,700
Fuel and power		549,491	524,605
Repairs and maintenance		175,768	192,430
Entertainment		32,219	27,798
Business and property taxes		5,709	8,799
Depreciation	34.4	1,357,020	1,324,009
Amortization on intangible assets	8.2	52,357	47,149
Miscellaneous		4,001	7,869
		5,557,515	5,166,026

**34.1** Included in salaries and benefits is an amount of Rs 37.385 million (2022: Rs 25.772 million) and Rs 4.209 million (2022: Rs 2.981 million) in respect of contribution to provident fund trust and provision for gratuity respectively.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

34.4 This represents depreciation expense relating to:

	Note	2023	2022
(Rupees in '000)			
Operating fixed assets	6.4	249,543	222,632
Right of use assets	7	1,107,477	1,101,377
		<u>1,357,020</u>	<u>1,324,009</u>

## 35 ADMINISTRATIVE EXPENSES

	Note	2023	2022
Salaries and benefits	35.1	848,355	716,628
Employee welfare		69,551	53,452
Fuel and power		27,684	26,944
Telephone and postage		29,450	53,701
Insurance		30,786	11,065
Travelling		154,207	136,920
Repairs and maintenance		143,726	13,591
Printing and stationery		32,960	27,584
Donations and subscription	35.2	12,197	11,439
Legal and professional charges	35.3	27,316	38,270
Business and property taxes		3,944	3,725
Management service fee	35.4	393,325	280,683
Depreciation on operating fixed assets	6.4	21,701	17,837
Amortization on intangible assets	8.2	3,304	2,011
Miscellaneous		9,909	10,249
		<u>1,808,415</u>	<u>1,404,099</u>

35.1 Included in salaries and benefits is an amount of Rs 37.003 million (2022: Rs 33.449 million) and Rs 1.480 million (2022: Rs 0.814 million) in respect of contribution to provident fund trust and provision for gratuity respectively.

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

## 35.3 Auditors' remuneration

Legal and professional charges include the following in respect of auditor's remuneration for:

	2023	2022
(Rupees in '000)		
Statutory audit	3,878	3,525
Review of interim financial statements	2,014	1,831
Audit of foreign reporting package	1,190	1,082
Other reviews and certifications	830	721
Out of pocket expenses	355	367
	<u>8,267</u>	<u>7,526</u>

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

## 36 OTHER EXPENSES

	Note	2023	2022
(Rupees in '000)			
Workers' profit participation fund	28.4	71,910	75,873
Workers' welfare fund	28.5	30,349	26,700
Exchange loss		84,771	62,512
Loss on disposal of fixed assets		4,213	1,810
		<u>191,243</u>	<u>166,895</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
(Rupees in '000)			
<b>37 OTHER INCOME</b>			
Income from short term investments		185,147	55,643
Income from bank deposits		142,212	87,235
Rent concessions received		-	82,990
Rental income		11,415	12,032
Gain on lease modification		189,083	11,114
Early payment discount on supplier invoices		-	10,753
		<u>527,857</u>	<u>259,767</u>
<b>38 FINANCE COSTS</b>			
Interest / mark-up on:			
Lease liabilities	24.2	664,227	663,074
Workers' profit participation fund	28.4	8,583	3,813
Employees / agents' securities and personal accounts		-	5,685
Long term finances		2,670	-
		<u>675,480</u>	<u>672,572</u>
Bank charges and commission		77,681	77,125
		<u>753,161</u>	<u>749,697</u>
<b>39 TAXATION</b>			
Current tax			
- For the year		427,478	381,702
- Prior years		134,816	71,649
		<u>562,294</u>	<u>453,351</u>
Deferred tax		(135,569)	83,435
		<u>426,725</u>	<u>536,786</u>
		<b>2023</b>	<b>2022</b>
(%)			
<b>39.1 Relationship between tax expense and accounting profit</b>			
Applicable tax rate as per Income Tax Ordinance, 2001		29.00	29.00
Tax effect of:			
Super tax		12.33	4
Income subject to minimum tax and presumptive tax regime		(0.19)	0.52
Prior years tax		(9.31)	5.06
Permanent differences and others		(0.06)	(0.34)
		<u>2.77</u>	<u>9.24</u>
Effective tax rate		<u>31.77</u>	<u>38.24</u>

## 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	2023	2022
(Rupees in '000)			
Profit for the year - (Rupees in '000)		916,288	874,288
Weighted average number of ordinary shares (in thousands)	21.2	7,560	7,560
Earnings per share - basic and diluted (Rupees per share)		<u>121.20</u>	<u>115.65</u>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 41 SEGMENT REPORTING

### Segment result and profit reconciliation

	Retail		Wholesale		Export		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External sales	16,534,085	15,501,727	2,551,529	2,109,542	102,843	50,911	74,166	71,814	19,262,623	17,733,994
Inter segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	16,534,085	15,501,727	2,551,529	2,109,542	102,843	50,911	74,166	71,814	19,262,623	17,733,994
Cost of sales	(7,765,328)	(7,224,604)	(2,248,267)	(1,839,686)	(56,017)	(36,512)	(46,515)	(44,192)	(10,116,127)	(9,144,994)
<b>Gross profit</b>	8,768,757	8,277,123	303,262	269,856	46,826	14,399	27,651	27,622	9,146,496	8,589,000
Distribution cost	(4,836,587)	(4,522,642)	(205,357)	(99,230)	(8,269)	(7,381)	-	-	(5,050,213)	(4,629,253)
Administrative expenses	(138,993)	(137,998)	(14,171)	(12,103)	(1,358)	(631)	-	-	(154,522)	(150,732)
	(4,975,580)	(4,660,640)	(219,528)	(111,333)	(9,627)	(8,012)	-	-	(5,204,735)	(4,779,985)
<b>Segment results</b>	3,793,177	3,616,483	83,734	158,523	37,199	6,387	27,651	27,622	3,941,761	3,809,015
Unallocated operating expenses										
Other expenses									(2,182,201)	(1,733,590)
Other income									(191,243)	(174,421)
Finance costs									527,857	259,767
Profit before taxation									(753,161)	(749,697)
Taxation									1,343,013	1,411,074
Profit for the year									(426,725)	(536,786)
<b>Other disclosures</b>									916,288	874,288
<b>Segment assets</b>										
Unallocated assets	8,920,809	9,024,477	1,696,028	1,246,596	32,895	13,061	-	-	10,619,732	10,284,134
<b>Segment liabilities</b>										
Unallocated liabilities	3,766,329	4,520,557	29,457	36,542	-	-	-	-	5,899,420	6,058,429
<b>Capital expenditure</b>										
Unallocated	538,000	325,343	-	-	-	-	-	-	16,549,152	16,342,563
<b>Depreciation of operating fixed assets</b>										
Unallocated	247,901	218,688	-	2,333	-	-	-	-	3,795,786	4,557,099
<b>Amortization of intangible assets</b>										
Unallocated	52,357	47,149	-	-	-	-	-	-	7,071,342	6,111,807
									10,867,128	10,668,906
									538,000	325,343
									376,738	160,032
									914,738	485,375
									247,901	221,021
									98,256	82,607
									346,157	303,628
									52,357	47,149
									3,304	2,011
									55,661	49,160

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
		(Rupees in '000)	
<b>42 CASH AND CASH EQUIVALENTS</b>			
Short term investments		900,000	500,000
Cash and bank balances	20	1,570,298	2,015,370
		<u>2,470,298</u>	<u>2,515,370</u>

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

Particulars	December 31, 2022	Recognized during the year	Cash flows	Non-cash flows		December 31, 2023
				Accrual	Other changes*	
	(Rupees in '000)					
Unclaimed dividend	88,870	–	(242,107)	224,895	–	71,658
Unpaid dividend	921,110	–	(921,110)	682,304	–	682,304
Long term finance	125,093	–	(84,167)	–	–	40,926
Lease liabilities	4,432,202	236,845	(1,284,675)	664,227	(377,749)	3,670,850
				Non-cash flows		
	December 31, 2021	Recognized during the year	Cash flows	Accrual	Other changes*	December 31, 2022
	(Rupees in '000)					
Unclaimed dividend	60,293	–	(411,113)	439,690	–	88,870
Unpaid dividend	568,587	–	(568,587)	921,110	–	921,110
Long term finance	53,518	–	71,575	–	–	125,093
Lease liabilities	4,412,221	278,568	(934,680)	663,073	13,020	4,432,202

\* 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.

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

## 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	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Managerial remuneration	40,107	34,482	17,568	16,514	230,503	138,665
Provident fund contribution	–	–	2,282	2,180	21,955	14,793
Performance Bonus	39,922	20,971	5,253	5,286	11,837	9,467
Perquisites and allowances:						
Housing	300	300	908	1,216	37,203	19,566
Leave passage	1,236	1,026	–	–	–	–
Conveyance	–	–	810	949	33,418	7,332
Medical allowance / expense reimbursed	116	180	310	207	15,978	10,383
Utilities	2,956	2,956	329	407	2,606	2,495
Others	1,875	39,167	1,944	2,220	31,681	17,454
	<u>86,512</u>	<u>99,082</u>	<u>29,404</u>	<u>28,979</u>	<u>385,181</u>	<u>220,155</u>
Number of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>76</u>	<u>56</u>

43.1 During the year, the Company paid meeting fee amounting to Rs 9.988 million (2022: Rs 2.023 million) to its non-executive directors. The number of non-executive directors is 4 (2022: 4).

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 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 arising from 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:

	2023	2022
	(Rupees in '000)	
<b>Financial assets</b>		
<b>Trade debts - Export customers</b>		
US Dollar	5,497	-
Pound sterling	10,550	-
<b>Cash in hand</b>		
US Dollar	4,456	4,156
Euro	1,896	481
UAE Dirham	1	1
Czech Koruna	21	-
<b>Cash in bank</b>		
US Dollar	42,422	34,048
	<u>64,843</u>	<u>38,686</u>
<b>Financial liabilities</b>		
<b>Trade and other payables - Foreign suppliers</b>		
US Dollar	2,614,813	-
Euro	10,666	8,314
Singapore Dollar	696,490	317,909
	<u>3,321,969</u>	<u>326,223</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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022	2023	2022
			(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%	133,359	1,910
Variation in SGD to PKR	5.00%	5.00%	34,825	15,895
Variation in GBP to PKR	5.00%	5.00%	528	–
Variation in EUR to PKR	5.00%	5.00%	628	440

The following significant exchange rates have been applied:

	Average rate		Year-end spot rate	
	2023	2022	2023	2022
	(Rupees in '000)			
USD 1	280.36	204.90	281.89	226.94
SGD 1	208.72	148.53	213.27	168.85
GBP 1	348.72	252.11	359.34	270.90
EUR 1	303.14	215.10	310.82	239.60

#### 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:

	2023	2022
	(Rupees in '000)	
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Short term investments	945,011	545,062
<b>Financial Liabilities</b>		
Long term deposits - employees' securities	(23,991)	(26,461)
Security deposits - agents	(122,559)	(118,210)
<b>Net exposure</b>	<b>798,461</b>	<b>400,391</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	(Rupees in '000)	
<b>Floating rate instruments:</b>		
<b>Financial assets</b>		
Bank balance in daily profit account	916,260	1,802,707
<b>Financial liabilities</b>		
Long term finances - secured	(40,926)	(125,093)
<b>Net exposure</b>	<u>875,334</u>	<u>1,677,614</u>

## Fair value sensitivity analysis for fixed rate instruments

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

## Cash flow sensitivity analysis for fixed rate instruments

No interest rate risk arises on fixed rate instruments.

## Cash flow sensitivity analysis for variable rate instruments

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

	2023	2022
	(Rupees in '000)	
Increase in basis points by 100	8,753	16,776
Decrease in basis points by 100	(8,753)	(16,776)

## 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. The Company, however, mitigates any possible exposure to credit risk by taking security deposits from its dealers and distributors as well as by executing formal agreements with them. Out of total financial assets of Rs 3,535.243 million (2022: Rs 3,584.628 million) following are subject to credit risk:

	2023	2022
	(Rupees in '000)	
Long term security deposits	59,190	62,593
Trade debts	848,554	827,409
Deposits	7,077	9,425
Letter of credit - margin	10,000	24,036
Other receivables	85,116	93,427
Interest accrued	21,240	7,306
Short term investments	945,011	545,062
Bank balances	1,435,833	1,917,199
	<u>3,412,021</u>	<u>3,486,457</u>

44.2.1 Out of the total trade receivables, 60.59% is concentrated in ten customers (2022: 94% in ten customers).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 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, 2023 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, 2023 and December 31, 2022 was determined as follows:

	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees in '000)	
<b>December 31, 2023</b>			
<b>Trade debts</b>			
Up to 30 days	0%	395,567	–
31 to 60 days	0%	132,916	–
61 to 90 days	0%	101,487	–
91 to 180 days	0%	190,510	–
181 to 360 days	50%	56,149	28,075
Above 360 days	100%	87,225	87,225
		<u>963,854</u>	<u>115,300</u>
<b>December 31, 2022</b>			
<b>Trade debts</b>			
Up to 30 days	0.00%	476,419	–
31 to 60 days	0.00%	163,166	–
61 to 90 days	0.00%	83,170	–
91 to 180 days	0.00%	91,441	–
181 to 360 days	50.00%	26,426	13,213
Above 360 days	100.00%	81,081	81,081
		<u>921,703</u>	<u>94,294</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:

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Party	Ratings			Carrying Values	
	Agency	Long Term	Short term	2023	2022
				(Rupees in '000)	
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	445,011	545,062
United Bank Limited	VIS	AAA	A1+	500,000	–
Habib Bank Limited	VIS	AAA	A1+	798,910	903,955
MCB Bank Limited	PACRA	AAA	A1+	167,228	702,381
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	52,805	55,108
Bank Al-Habib Limited	PACRA	AAA	A1+	92,504	173,194
National Bank of Pakistan	PACRA	AAA	A1+	3,006	1,987
United Bank Limited	VIS	AAA	A1+	177,553	18,340
Meezan Bank Limited	VIS	AAA	A1+	98,093	49,105
Allied Bank Limited	PACRA	AAA	A1+	33,726	10,458
Bank Alfalah Limited	PACRA	AA+	A1+	6,094	2,671
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+	5,914	–
				2,380,844	2,462,261

## 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, 2023, the Company had borrowing limits available from financial institutions at Rs 2,235 million (2022: Rs 2,335 million) and Rs 1,570.298 million (2022: Rs 2,015.370 million) in cash and bank balances. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

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 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:

	2023					Carrying amount
	(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	23,991	–	–	–	23,991	23,991
Long term finances	6,296	6,296	18,890	9,444	40,926	40,926
Trade and other payables	5,900,155	–	–	–	5,900,155	5,900,155
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
	8,305,838	1,316,709	2,069,701	171,208	11,863,456	10,395,115

	2022					Carrying amount
	(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	26,461	–	–	–	26,461	26,461
Long term finances	14,083	14,083	42,250	54,677	125,093	125,093
Trade and other payables	4,636,881	–	–	–	4,636,881	4,636,881
Unpaid dividend	921,110	–	–	–	921,110	921,110
Unclaimed dividend	88,870	–	–	–	88,870	88,870
Lease liabilities	1,577,956	1,344,320	2,688,639	631,561	6,242,476	4,432,202
	7,265,361	1,358,403	2,730,889	686,238	12,040,891	10,230,617

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 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 reporting date, there were no level 1, 2 or 3 assets or liabilities during prior or current year.

## 44.5 Financial instruments by categories

### Assets

	At amortised cost	
	2023	2022
	(Rupees in '000)	
Long term security deposits	59,190	62,593
Trade debts	848,554	827,409
Deposits	7,077	9,425
Letters of credit - margin	10,000	24,036
Other receivables	85,116	93,427
Interest accrued	21,240	7,306
Short term investments	945,011	545,062
Cash and bank balances	1,570,298	2,015,370
	<u>3,546,486</u>	<u>3,584,628</u>

### Liabilities

Long term deposits	23,991	26,461
Trade and other payables	5,674,453	4,253,364
Unpaid dividend	682,304	921,110
Unclaimed dividend	71,658	88,870
Lease liabilities	3,676,081	4,432,202
Long term finances	40,926	125,093
	<u>10,169,413</u>	<u>9,847,100</u>

## 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 provide an adequate return to shareholders by pricing products

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Consistent with the industry norms, the Company monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the statement of financial position. Total capital is calculated as 'equity' as shown in the statement of financial position.

	Note	2023	2022
(Rupees in '000)			
The debt-to-equity ratio as at reporting date is as follows:			
Net debt	27	40,926	125,093
Total equity		5,682,024	5,673,657
Capital gearing ratio	Percentage	0.72%	2.20%

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 and associated undertakings comprise the parent company, related group companies, provident fund trust, directors and key management personnel. Related party transactions carried out during the year are as follows:

Relationship with the Company	Nature of transactions	2023	2022
		(Rupees in '000)	
Common Control Companies	Purchase of goods and services	8,606	144,748
	Sale of goods and services	10,329	-
	Reimbursement of expenses	5,859	-
	Trademark license fee	962,615	886,700
	Service charges	132,821	-
	Management service fee	393,325	280,683
Holding company	Dividend paid	921,110	568,587
Key Management Personnel	Remuneration - note 46.2	501,097	348,216
Directors	Dividend paid	0,576	0,711
Definded contribution plans	Contribution to provident fund trusts	93,884	78,981

46.2 This represents remuneration of the Chief Executive, executive director 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 are carried out at mutually agreed terms and conditions. Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## 47 CAPACITY AND ACTUAL PRODUCTION

	No. of shifts worked		Installed capacity based on actual shifts worked		Actual production	
			Pairs in '000		Pairs in '000	
	2023	2022	2023	2022	2023	2022
Footwear in pairs						
Cemented	1	1 to 3	2,946	2,806	2,284	2,722
Polyurethane	1 to 3	1 to 3	4,633	4,633	3,206	2,892
Thongs	1 to 2	1 to 3	3,744	3,770	1,762	1,519
Directly injected plastic	3	3	4,555	4,555	2,278	3,066
Sandak	3	3	2,516	2,614	1,494	1,388
			<u>18,394</u>	<u>18,378</u>	<u>11,024</u>	<u>11,587</u>

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.

	2023	2022
48 NUMBER OF PERSONS EMPLOYED		
Number of persons employed as at year end	1,983	2,142
Average number of persons employed during the year	2,052	2,175

## 49 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.

## 50 EVENTS AFTER THE REPORTING PERIOD

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

## 51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 27, 2024 by the Board of Directors of the Company.

## 52 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:

'Long Term Investments' previously presented as a separate financial statement line item, now presented under 'Short Term Investments'	45,011
Receivable from courier companies previously presented as 'Cash in transit', now presented under 'Other receivables'	70,576
Advance tax previously presented under "Other receivables", now presented as a financial statement line item "Income tax receivable"	374,600
Auditors' remuneration previously presented under 'Other expenses', now presented under 'Administrative expenses'	7,526



Chief Executive



Chief Financial Officer



Director





# PATTERN OF Shareholding

## PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2023

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, 2023

No. of Shareholders	From	Shareholding	To	Total Shares held
818	1		100	30,088
358	101		500	85,954
58	501		1,000	42,431
49	1,001		5,000	100,139
6	5,001		10,000	38,155
3	10,001		15,000	35,960
2	20,001		25,000	41,920
2	25,001		30,000	53,172
1	45,001		50,000	48,772
1	70,001		75,000	73,900
1	95,001		100,000	99,674
1	135,001		140,000	139,035
1	1,080,001		1,085,000	1,084,934
1	5,685,001		5,690,000	5,685,866
1302				7,560,000

## CATEGORIES OF SHAREHOLDERS

2.3	Categories of Shareholders	Number of Shares 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	1,150,275	15.2153%
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	611	0.0081%
2.3.5	Insurance Companies	246,543	3.2612%
2.3.6	Modarabas and Mutual Funds	9,645	0.1276%
2.3.7	Shareholders holding 10% or more	6,836,627	90.4316%
2.3.8	General Public		
	a. Local	312,450	4.1329%
	b. Foreign	800	0.0106%
2.3.9	Others (to be specified)		
	Joint Stock Companies	9,232	0.1221%
	Pension Funds	123,294	1.6309%
	Other Company	21,278	0.2815%

# PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2023

Categories of Shareholders	Number of shares held	% AGE
<b>1. DIRECTORS, CEO THEIR SPOUSES &amp; MINOR CHILDREN</b>		
1 MR. ROBERTO LONGO	1	0.0000%
2 MR. MUHAMMAD IMRAN MALIK	-	-
3 MR. AMJAD FAROOQ	-	-
4 MR. 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 RAHMAN MIR	1	0.0000%
9 MR. AAMIR AMIN	-	-
	<b>6</b>	<b>0.0001%</b>
<b>2. ASSOCIATED COMPANIES</b>		
Associated Companies, Undertakings and Related Parties (Parent Company)		
1 BAFIN (NETHERLANDS) B.V.	5,685,866	75.2099%
<b>3. NIT &amp; ICP</b>		
1 IDBP (ICP UNIT)	125	0.0017%
2 NATIONAL INVESTMENT TRUST LIMITED (CDC)	28,076	0.3714%
3 NATIONAL INVESTMENT TRUST LIMITED - ADMINISTRATION FUND (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)	11,020	0.1458%
	<b>1,150,275</b>	<b>15.2153%</b>
<b>4. BANKS, DEVELOPMENT, NON BANKING, FINANCE INSTITUTIONS</b>		
FINANCE INSTITUTIONS		
1 NATIONAL BANK OF PAKISTAN (CDC)	611	0.0081%
	<b>611</b>	<b>0.0081%</b>
<b>5. INSURANCE COMPANIES</b>		
1 ADAMJEE LIFE ASSURANCE COMPANY LIMITED (CDC)	20,920	0.2767%
2 ADAMJEE LIFE ASSURANCE COMPANY LTD- AMMANAT FUND (CDC)	2,220	0.0294%
3 ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF (CDC)	139,035	1.8391%
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)	48,772	0.6451%
8 DAWOOD FAMILY TAKAFUL LIMITED (CDC)	4,300	0.0569%
	<b>246,543</b>	<b>3.2612%</b>
<b>6. FOREIGN COMPANIES</b>	<b>0</b>	<b>0.0000%</b>
<b>7. MODARABA &amp; MUTUAL FUND</b>		
1 CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND (CDC)	9,645	0.1276%
	<b>9,645</b>	<b>0.1276%</b>
<b>8. PENSION FUND</b>		
1 TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEE PENSION FUND (CDC)	99,674	1.3184%
2 PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND-DC SHARIAH (CDC)	3,080	0.0407%
3 TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL (CDC)	1,200	0.0159%
4 TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND (CDC)	13,940	0.1844%
5 TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF PENSION FUND (CDC)	5,400	0.0714%
	<b>123,294</b>	<b>1.6309%</b>
<b>9. JOINT STOCK COMPANIES</b>		
1 FATEH INDUSTRIES LIMITED	160	0.0021%
2 STANLEY HOUSE INDUSTRIES (PRIVATE) LIMITED (CDC)	500	0.0066%
3 HARAL SONS (PVT) LIMITED (CDC)	400	0.0053%
4 IGI FINEX SECURITIES LIMITED (CDC)	1	0.0000%
5 IRFAN MAZHAR SECURITIES (PVT) LTD. (CDC)	540	0.0071%
6 MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000%
7 NAEEM'S SECURITIES (PVT) LTD (CDC)	50	0.0007%
8 NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	180	0.0024%
9 NH SECURITIES (PVT.) LIMITED. (CDC)	135	0.0018%
10 SAOO CAPITAL (PVT) LIMITED (CDC)	20	0.0003%

# PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2023

Categories of Shareholders	Number of shares held	% AGE
11 SAMIRA FABRICS (PRIVATE) LIMITED (CDC)	1,220	0.0161%
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 TOPLINE SECURITEIS LIMITED - MF (CDC)	2,500	0.0331%
16 KAISAR SHAHZADA (PVT)LTD. (CDC)	2,400	0.0317%
17 RAFUM CORPORATION (PRIVATE) LIMITED (CDC)	700	0.0093%
	9,232	0.1221%
<b>10. OTHER COMPANIES</b>		
1 TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST (CDC)	3,498	0.0463%
2 ALI GOHAR & COMPANY (PRIVATE) LIMITED STAFF PROVIDENT FUND (CDC)	1,020	0.0135%
3 CHEVRON PAKISTAN LUBRICANTS (PVT.) LTD. EPF (CDC)	580	0.0077%
4 GETZ PHARMA (PRIVATE) LIMITED EMPLOYEES PROVIDEWNT FUND (CDC)	2,060	0.0272%
5 TRUSTEE- GUL AHMED TEXTILE MILLS LTD. EMP. PROVIDENT FUND (CDC)	2,880	0.0381%
6 TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITTY FUND (CDC)	1,660	0.0220%
7 TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND (CDC)	2,480	0.0328%
8 TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITTY FUND (CDC)	2,200	0.0291%
9 TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND (CDC)	4,900	0.0648%
	21,278	0.2815%
<b>11. SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)</b>	800	0.0106%
<b>SHARES HELD BY THE GENERAL PUBLIC (LOCAL)</b>	312,450	4.1329%
	313,250	4.1435%
<b>TOTAL:</b>	7,560,000	100.000%

Categories of Shareholders	SHARES	% AGE
<b>1. SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL</b>		
<b>S.No NAME</b>		
1 BAFIN (NETHERLANDS) B.V.	5,685,866	75.2099%
2 NATIONAL INVESTMENT TRUST LIMITED (CDC)	28,076	
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)	11,020	
7 NATIONAL BANK OF PAKISTAN (CDC)	611	
	1,150,761	15.2217%
	6,836,627	90.4316%

Categories of Shareholders	SHARES	% AGE
<b>2. SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL</b>		
<b>S.No NAME</b>		
1 BAFIN (NETHERLANDS) B.V.	5,685,866	75.2099%
2 NATIONAL INVESTMENT TRUST LIMITED (CDC)	28,076	
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)	11,020	
7 NATIONAL BANK OF PAKISTAN (CDC)	611	
	1,150,761	15.2217%
	6,836,627	90.4316%

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	-	-

# BATA PAKISTAN LIMITED

## CATEGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG) 2019

Sr. No.	Name	Number of shares held	Percentage
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>			
1	BAFIN (NETHERLANDS) B.V.	5,685,866	75.2099%
<b>Mutual Funds (Name Wise Detail)</b>			
1	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND (CDC)	9,645	0.1276%
<b>Directors and their Spouse and Minor Children (Name Wise Detail)</b>			
1	MR. ROBERTO LONGO	1	0.0000%
2	MR. MUHAMMAD IMRAN MALIK	-	-
3	MR. AMJAD FAROOQ	-	-
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 RAHMAN MIR	1	0.0000%
9	MR. AAMIR AMIN	-	-
<b>Executives:</b>			
<b>Public Sector Companies &amp; Corporations:</b>			
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>			
		370,448	4.9001%
<b>Shareholders holding (05) five percent or more voting interest in the listed company (Name Wise Detail)</b>			

Categories of Shareholders	Number of shares held	% AGE
<b>S.No NAME</b>		
1 BAFIN (NETHERLANDS) B.V.	5,685,866	75.2099%
2 NATIONAL INVESTMENT TRUST LIMITED (CDC)	28,076	
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)	11,020	
7 NATIONAL BANK OF PAKISTAN (CDC)	611	
	1,150,761	15.2217%

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	-	-

**Bata**  
RED LABEL



*Luxury*  
**& STYLE IN  
EVERY STRIDE**

Ortholite®

*Surprisingly*  
**Bata**

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



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

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

of \_\_\_\_\_

being a member of Bata Pakistan Limited and holder of \_\_\_\_\_

\_\_\_\_\_ Ordinary Shares as per Register Folio

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

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

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

as my/our proxy to vote for me/us and on my/our behalf at the 72<sup>th</sup> Annual General Meeting of the Company to be held on April 24, 2024 and at any adjournment thereof.

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

Rs.10/- Revenue Stamp

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

**WITNESSES:**

1. Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC No. \_\_\_\_\_

Passport No. \_\_\_\_\_

2. Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC No. \_\_\_\_\_

Passport No. \_\_\_\_\_

**Note:**

1. A member entitled to be present and vote at the meeting may appoint a proxy to attend, speak and vote for him/her. A proxy need not be a member of the Company.
2. Proxies in order to be effective must be received at the Registered Office of the Company not 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. 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.

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

II. Members are further requested:

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

The Company Secretary  
**BATA PAKISTAN LIMITED**  
P.O. BATAPUR,  
LAHROE.

AFFIX  
CORRECT  
POSTAGE



**Bata**

پراکسی فارم  
72 واں سالانہ عام اجلاس

کمپنی سیکرٹری  
بانا پاکستان لمیٹڈ  
بانا پور، لاہور

میں / ہم \_\_\_\_\_  
ساکن \_\_\_\_\_ بحیثیت ممبر بانا پاکستان لمیٹڈ \_\_\_\_\_ عام حصص کا مالک متسمی / متسماء \_\_\_\_\_  
ساکن \_\_\_\_\_ کو جگہ فوئیو ای ڈی سی اکاؤنٹ نمبر \_\_\_\_\_ یا اس کی عدم دستیابی کی صورت میں  
متسمی / متسماء \_\_\_\_\_ ساکن \_\_\_\_\_  
کو بطور پراکسی مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے کمپنی کے 72 واں سالانہ عام اجلاس جو کہ مورخہ 24 اپریل 2024ء 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 اراکین 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 ووٹ 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 ریویژن / اپورٹ اور آف انارٹی 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 نہیں۔
- (b) دستخط اسی طرز / نمونہ کے مطابق کریں جو کمپنی کے پاس رجسٹرڈ ہے۔
- (c) اپنے فوئیو نمبر کو واضح اور نمایاں طور پر لکھیں۔

پوری ٹکٹ  
لگانے کے بعد

جناب کمپنی سیکرٹری صاحب  
ہیٹا پاکستان لمیٹڈ  
ہیٹا پورہ لاہور



*Bata*®

*Bata*®

**PAKISTAN LIMITED**  
P.O.BATAPUR, LAHORE  
PAKISTAN.

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FAX: +92-42-36581176

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