

***Bata***

HALF YEARLY

REPORT

2 0 1 3



***Bata*** PAKISTAN LIMITED

THINK OUTDOORS  
**WEINBRENNER**<sup>®</sup>  
• SINCE 1892 •



Available at selected **Wata** shoe stores



<http://blog.batapk.com/>



<http://www.youtube.com/BatalHomePK>



<http://twitter.com/BatalHomePK>



<http://facebook.com/BatalHomePK>

## CORPORATE INFORMATION

### Board of Directors

Mr. Fernando Garcia	Chairman
Mr. Muhammad Qayyum	Chief Executive
Mr. M. G. Middleton	Director
Mr. Cesar Panduro	Director
Mr. Muhammad Ali Malik	Director
Mr. Syed Waseem-ul-Haq Haqqie	Director
Mr. Fakir Syed Aijazuddin	Director
Mr. Ijaz Ahmad Chaudhry	Director
Mr. Shahid Anwar (Nominee of NIT)	Director
Mr. Malik Arif Hayat (Nominee of NIT)	Director

### Audit Committee

Mr. Fakir Syed Aijazuddin	Chairman
Mr. Ijaz Ahmad Chaudhry	Member
Mr. M. G. Middleton	Member

### Human Resource and Remuneration Committee

Mr. Ijaz Ahmad Chaudhry	Chairman
Mr. Muhammad Qayyum	Member
Mr. Fakir Syed Aijazuddin	Member

### Chief Financial Officer

Mr. Amjad Farooq

### Company Secretary

Mr. S. M. Ismail

### Auditors

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants  
Mall View Building, 4 - Bank Square  
P.O. Box No. 104,  
Lahore.

### Legal Advisor

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

### Stock Exchange Listing

Bata Pakistan Limited is listed on Karachi and Lahore Stock Exchanges.

The Company's shares are quoted in leading Newspapers under "Personal Goods" sector.

### Bankers

Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Bank Al Habib Limited  
National Bank of Pakistan Limited  
Summit Bank Limited  
United Bank Limited  
Silk Bank Limited  
Barclays Bank PLC

### Registered Office

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

### Share Registrar

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

### Factories

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

Maraka,  
26 - Km, Multan Road,  
Lahore.

### Liaison Office

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

## DIRECTORS' REVIEW

It is my pleasure to present the un-audited Condensed Interim Financial Information and brief review of the Company's operations for the half year ended 30 June 2013.

The Company continues to sustain growth trend in turnover that it carried previously. Net turnover in the period under review was Rs. 5.843 billion as compared to Rs. 5.189 billion for the corresponding period of last year. As a result, profit after tax increased from Rs. 472.704 million to Rs. 544.060 million and earnings per share increased from Rs. 62.53 to Rs. 71.97.

Our production facilities at Batapur and Maraka produced 9.61 million pairs as compared to 9.53 million pairs in the same period of last year. We are continually making investment in new moulds, the majority of which are proved very successful in the marketplace.

Our precedence remains to satisfy the demand of our valued customers and provide them with services exclusively and efficiently. In order to maintain our role as a leader in Footwear Industry, an amount of Rs. 42.245 million has been spent for opening new and renovation of existing stores. Our focus as a part of our strategy will remain on expansion of big format stores by closing low turnover and non profitable stores which are under minimum benchmark.

The Company continued its Corporate Social Responsibilities (CSR) activities during the period under review and donated shoes, arranged an awareness walk and sponsored a sports gala for underprivileged communities and orphanage. The Company also arranged measles vaccination camp at Batapur for children of its residential employees and nearby communities and is also continually doing anti dengue spray in these areas. It is also worth mentioning that solvent based adhesives are replaced with environmentally safe water based primers and adhesives in factories to eliminate hazardous volatile organic compounds. The Company is also investing a considerable time and money on human resource and training of employees has always been considered as an investment for the future with the objective to provide them with safe and healthy work place.

We remain confident as regards to our prospects for the remaining year, despite the highly competitive marketing environment. We look forward to continued support from all our stakeholders to achieve the objectives for the year 2013.

**On behalf of the Board**

**Batapur:  
Lahore: 15 August 2013**

**(MUHAMMAD QAYYUM)  
Chief Executive**

## AUDITORS REPORT TO MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of **Bata Pakistan Limited** as at **30 June 2013** and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore: 15 August 2013

**ERNST & YOUNG FORD RHODES SIDAT HYDER**

**Chartered Accountants**

**Audit Engagement Partner's Name: Farooq Hameed**

# CONDENSED INTERIM BALANCE SHEET

AS AT 30 JUNE 2013

	(UN - AUDITED) 30 June 2013	(AUDITED) 31 December 2012
Note	(Rupees in '000)	
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5 887,005	833,259
Intangible assets	4,657	8,012
Long term investments	38,000	37,000
Long term deposits and prepayments	28,746	26,180
	<u>958,408</u>	<u>904,451</u>
<b>CURRENT ASSETS</b>		
Stores and spares	766	247
Stock in trade	3,589,310	2,205,030
Trade debts	598,946	337,155
Advances - unsecured	35,994	8,880
Deposits, short term prepayments and other receivables	402,979	435,564
Interest accrued	3,938	5,046
Tax refunds due from Government	6 508,597	508,597
Short term investments	200,000	500,000
Cash and bank balances	485,074	733,195
	<u>5,825,604</u>	<u>4,733,714</u>
<b>TOTAL ASSETS</b>	<u>6,784,012</u>	<u>5,638,165</u>
<b>EQUITY AND LIABILITIES</b>		
Authorized share capital 10,000,000 ordinary shares of Rs. 10 each	100,000	100,000
Issued, subscribed and paid up capital	75,600	75,600
Reserves		
Capital reserve	483	483
Revenue reserve	4,214,688	3,844,508
	<u>4,215,171</u>	<u>3,844,991</u>
<b>TOTAL EQUITY</b>	<u>4,290,771</u>	<u>3,920,591</u>
<b>NON CURRENT LIABILITIES</b>		
Long term deposits	38,000	37,000
Deferred liability-employee benefits	7 85,929	85,010
Deferred taxation	37,957	40,782
	<u>161,886</u>	<u>162,792</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	2,136,565	1,190,303
Provision for taxation	194,790	364,479
	<u>2,331,355</u>	<u>1,554,782</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	8	
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>6,784,012</u>	<u>5,638,165</u>

The annexed notes from 1 to 16 form an integral part of this interim financial information.

Chief Executive

Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013**

	Note	Six month period ended		Three month period ended	
		30 June 2013	30 June 2012	30 June 2013	30 June 2012
<b>(Rupees in '000)</b>					
NET SALES	9	5,842,657	5,189,060	3,005,473	2,689,974
COST OF SALES	10	3,577,217	3,187,309	1,806,163	1,595,964
GROSS PROFIT		2,265,440	2,001,751	1,199,310	1,094,010
OPERATING EXPENSES					
Selling and distribution		1,090,790	979,679	547,743	506,238
Administrative		400,602	338,694	208,687	172,894
Other operating expenses		55,405	54,472	29,340	32,954
		1,546,797	1,372,845	785,770	712,086
OPERATING PROFIT		718,643	628,906	413,540	381,924
FINANCE COST		27,449	24,482	14,583	12,810
		691,194	604,424	398,957	369,114
OTHER INCOME		44,831	22,307	20,616	13,422
PROFIT BEFORE TAXATION		736,025	626,731	419,573	382,536
PROVISION FOR TAXATION					
Current		194,790	150,375	109,305	79,463
Deferred		(2,825)	3,652	(984)	2,703
		191,965	154,027	108,321	82,166
PROFIT AFTER TAXATION		544,060	472,704	311,252	300,370
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		544,060	472,704	311,252	300,370
EARNINGS PER SHARE - BASIC AND DILUTED	14	Rs.71.97	Rs.62.53	Rs.41.17	Rs.39.73

The annexed notes from 1 to 16 form an integral part of this interim financial information.

Chief Executive

Director

## CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013

	Note	Six month period ended	
		30 June 2013	30 June 2012
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		736,025	626,731
Adjustments to reconcile profit before tax to net cash flows			
Depreciation		59,540	51,785
Amortization		3,355	2,915
Provision for gratuity		3,024	3,112
Gain on disposal of property, plant and equipment		(4,960)	(2,133)
Income from financial assets		(36,181)	(18,935)
Provision for doubtful debts		69	-
Finance cost		27,449	24,482
		52,296	61,226
Operating cash flows before working capital changes		788,321	687,957
Net changes in working capital	11	(845,135)	(295,341)
Finance cost paid		(23,723)	(21,846)
Income taxes paid		(221,184)	(181,205)
Gratuity paid		(2,105)	(2,123)
Interest income received		37,289	18,795
Net cash (used in)/generated from operating activities		(266,537)	206,237
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(116,426)	(70,424)
Proceeds from sale of property, plant and equipment		8,100	4,192
Increase in long term investments		(1,000)	(406)
Net cash used in investing activities		(109,326)	(66,638)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(172,258)	(150,033)
Net cash used in financing activities		(172,258)	(150,033)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(548,121)	(10,434)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>		1,233,195	530,818
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	12	685,074	520,384

The annexed notes from 1 to 16 form an integral part of this interim financial information.

Chief Executive

Director



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED

### FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013

	Share capital	Capital reserve	General reserve	Unappropriated profits	Total
	(Rupees in '000)				
<b>Balance as at 01 January 2012</b>	75,600	483	2,452,000	749,707	3,277,790
Final dividend for 2011 at the rate of Rs. 20 per share	-	-	-	(151,200)	(151,200)
Transfer to general reserve	-	-	595,000	(595,000)	-
Total comprehensive income for the six month period ended 30 June 2012	-	-	-	472,704	472,704
<b>Balance as at 30 June 2012</b>	<u>75,600</u>	<u>483</u>	<u>3,047,000</u>	<u>476,211</u>	<u>3,599,294</u>
<b>Balance as at 01 January 2013</b>	75,600	483	3,047,000	797,508	3,920,591
Final dividend for 2012 at the rate of Rs. 23 per share	-	-	-	(173,880)	(173,880)
Transfer to general reserve	-	-	620,000	(620,000)	-
Total comprehensive income for the six month period ended 30 June 2013	-	-	-	544,060	544,060
<b>Balance as at 30 June 2013</b>	<u>75,600</u>	<u>483</u>	<u>3,667,000</u>	<u>547,688</u>	<u>4,290,771</u>

The annexed notes from 1 to 16 form an integral part of this interim financial information.

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

\_\_\_\_\_  
Director

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013

### 1 LEGAL STATUS AND OPERATIONS

Bata Pakistan Limited (the Company) is a public limited company incorporated in Pakistan and is quoted on Lahore and Karachi Stock Exchanges. The registered office of the Company is situated at Batapur, Lahore. The principal activity of the Company is manufacturing and sale of footwear of all kinds along with sale of accessories and hosiery items. The Parent Company of Bata Pakistan Limited is Bafin B.V., Nederland, whereas the ultimate parent is Compass Limited, Bermuda.

### 2 STATEMENT OF COMPLIANCE

This condensed interim financial report of the Company for the six month period ended 30 June 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 -Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

### 3 BASIS OF PRESENTATION AND MEASUREMENT

This condensed interim financial report of the Company for the six month period ended 30 June 2013 are unaudited but subject to limited scope review by the independent auditors of the Company. These should be read in conjunction with the financial statements of the Company for the year ended 31 December 2012.

The figures of the condensed interim profit and loss account for the three month ended 30 June 2012 and 2013 and the respective notes forming part thereof have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the six month period ended 30 June 2012 and 2013.

### 4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended 31 December 2012 except as describe below:

#### New and amended standards and interpretations

The company has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year:

IAS 1	-	Presentation of Financial Statements - Presentation of items of other comprehensive income (Amendment)
IAS 19	-	Employee Benefits -(Revised)
IFRS 7	-	Financial Instruments: Disclosures (Amendment)
	-	Amendments enhancing disclosures about offsetting of financial assets and financial liabilities
IFRIC 20	-	Stripping Costs in the Production Phase of a Surface Mine

The adoption of the above revision, amendments interpretation of the standards did not have any effect on the condensed financial information.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after 01 January 2013 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

### 5 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	(UN - AUDITED)									
	Building		Plant and machinery	Office equipment	Computers	Furniture, Fixture and Fittings	Vehicles	Boiler	30 June 2013	30 June 2012
	Factory	Others							(Rupees in '000)	
Additions	-	263	20,345	488	8,377	58,668	-	-	88,141	70,424
Disposals (cost)	-	-	11,678	254	609	5,259	25	654	18,479	11,123

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013

### 6 TAX REFUNDS DUE FROM GOVERNMENT

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

Note	(UN - AUDITED)	(AUDITED)
	30 June 2013	31 December 2012
<b>(Rupees in '000)</b>		
<b>7 DEFERRED LIABILITY- EMPLOYEE BENEFITS</b>		
Opening liability	85,010	79,262
Amount recognized during the period/year	3,024	8,259
Payment made by the Company during the period/year	(2,105)	(2,511)
Closing liability	<u>85,929</u>	<u>85,010</u>

The latest actuarial valuation was carried out as at 31 December 2012.

### 8 CONTINGENCIES AND COMMITMENTS

#### 8.1 Contingencies

The Company is contingently liable for

Counter Guarantees given to banks		5,737	7,634
Indemnity Bonds given to Custom Authorities		39,810	26,188
Claims not acknowledged as debts - under appeal		18,354	10,474
Order by sales tax department - under appeal	8.1.1	138,851	138,851
Order by sales tax department - under appeal	8.1.2	201,252	201,252
Order by sales tax department - under appeal	8.1.3	237,370	237,370
Order by sales tax department - under appeal	8.1.4	25,820	25,820
Order by income tax department - under appeal	8.1.5	491	491
		<u>667,685</u>	<u>648,080</u>

**8.1.1** The Sales Tax Department has issued show-cause notice followed by an order amounting to Rs. 138.8 million in respect of the period from July 2005 to June 2007 for non payment of sales tax on certain items including disposal of fixed assets, inadmissible input tax claimed on electricity bills of retail outlets, inadmissible input tax adjustment claimed against zero rated retail supplies and less declaration of output sales tax in returns when compared with final accounts. The Company filed an appeal against the order before Commissioner Sales Tax (Appeals) who has dismissed the appeal vide order dated 31-01-2009. Thereafter, the Company filed an appeal against the stated order before Appellate Tribunal Inland Revenue (ATIR) who has decided the appeal in favor of the Company. The Sales Tax Department filed a reference application in Honorable Lahore High Court (LHC). LHC vide its order dated 16-05-2012 disposed off the reference application. However at period end, the Company is not aware if any leave for appeal has been made by the Sales Tax Department. Moreover on 08-07-2013, Company received a letter from sales tax department asking for documentary evidence/record that no input tax has been claimed against retail sales during above mentioned period. The Company has given a comprehensive reply to this letter and is of the opinion that this matter has already been decided by ATIR in favour of the Company and has attained finality as has been quoted by Commissioner (Appeals) in one of his orders.

**8.1.2** The Company has received an order from sales tax department amounting to Rs. 201 million for non-payment of retail tax on sales made through retail outlets and inadmissible input tax adjustment claimed against zero-rated retail supplies for the period from July

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013

2007 to December 2008. The Company filed an appeal against the order before the Commissioner Sales Tax (Appeals) which was not decided in favour of the Company. The Company has filed an appeal with the Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication. Moreover, on 25-06-2012, Company received an additional order from Deputy Commissioner Inland Revenue (DCIR) amounting to Rs. 64 million pertaining to period from July 2007 to December 2008 of the sales tax previously refunded to the Company. The case has been referred to concerned ACIR/DCIR enforcement against the order. Company has filed an appeal with CIR(Appeals) which is pending adjudication. Based on legal advisor's opinion, the Company expects a favorable outcome of the matter.

- 8.1.3** The Company has received 19 separate orders dated 17-10-2012 and 14-11-2012 in which sales tax refunds for the periods from November 2008 to December 2010 amounting to Rs. 237.37 million has been rejected on the grounds that input sales tax relating to retail turnover is not admissible. The Company filed an appeal against the order before the Commissioner (Appeals). The Commissioner (Appeals) decided 16 cases against while 3 cases in favour of the Company. The Company has filed 16 separate appeals with the Appellate Tribunal Inland Revenue (ATIR), which are pending adjudication. Based on legal advisor's opinion, the Company expects a favorable outcome of the matter.
- 8.1.4** The Company has received an order dated 18-10-2012 from Sales tax department demanding Rs. 25.820 million on the basis that Company has wrongly adjusted input sales tax against output sales tax for the month of April 2011. Company filed an appeal with Commissioner (Appeals) who has decided the case in favour of the Company. However at the period end, Department's appeal is pending for adjudication with ATIR.
- 8.1.5** The Company received a show cause notice from the income tax department in respect of understatement of tax liability under u/s 147 (4) for the tax year 2009. Accordingly the Assistant Commissioner Inland Revenue (ACIR) charged additional tax u/s 205(IB) of the Income Tax Ordinance, 2001 and created a demand of Rs. 490,985/-. The Company has filed an appeal before the CIR (Appeals) and is pending adjudication. Based on legal advisor's opinion, the Company expects a favorable outcome of the matter.

### 8.2 Commitments

- 8.2.1** The Company has entered into rent agreements for retail shops. There are no restrictions placed upon the Company by entering into these agreements. Future minimum lease payable under these agreements are as follows:

	(UN - AUDITED) 30 June 2013	(AUDITED) 31 December 2012
	(Rupees in '000)	
With in one year	537,551	508,406
After one year but not more than five years	1,853,660	1,614,046
More than five years	569,311	946,040
	2,960,522	3,068,492
<b>8.2.2</b> Commitments in respect of:		
- Capital expenditure	181,904	4,691
- Letters of credit and bank contracts	459,303	431,643
	641,207	436,334

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013**

	(UN-AUDITED) Six month period ended		(UN-AUDITED) Three month period ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
<b>(Rupees in '000)</b>				
<b>9 NET SALES</b>				
Shoes and accessories				
Local	6,616,583	5,947,377	3,399,528	3,072,089
Export	80,751	61,271	44,296	34,336
	6,697,334	6,008,648	3,443,824	3,106,425
Sundry articles and scrap material	20,635	14,729	5,542	8,937
	6,717,969	6,023,377	3,449,366	3,115,362
Less: Sales tax	277,168	309,241	137,792	162,096
Discount to dealers and distributors	504,404	451,336	256,907	224,005
Commission to agents/business associates	93,740	73,740	49,194	39,287
	875,312	834,317	443,893	425,388
	5,842,657	5,189,060	3,005,473	2,689,974
<b>10 COST OF SALES</b>				
Raw material consumed	1,821,012	1,747,692	967,847	873,896
Salaries, wages and benefits	174,433	148,464	92,063	72,148
Fuel and power	84,481	77,506	43,206	39,758
Stores and spares consumed	7,056	5,518	3,168	3,051
Repairs and maintenance	32,246	23,773	17,041	12,856
Insurance	3,744	3,169	2,366	1,586
Depreciation	12,829	11,595	6,565	5,944
	2,135,801	2,017,717	1,132,256	1,009,239
Add: Opening goods in process	45,867	102,145	48,684	92,711
	2,181,668	2,119,862	1,180,940	1,101,950
Less: Closing goods in process	89,565	101,833	89,565	101,833
Cost of goods manufactured	2,092,103	2,018,029	1,091,375	1,000,117
Add: Opening stock of finished goods	1,981,716	1,850,498	2,368,563	2,066,506
Finished goods purchased	2,732,787	1,910,537	1,575,614	1,121,096
	6,806,606	5,779,064	5,035,552	4,187,719
Less: Closing stock of finished goods	3,229,389	2,591,755	3,229,389	2,591,755
	3,577,217	3,187,309	1,806,163	1,595,964

	(UN - AUDITED)	
	30 June 2013	30 June 2012
<b>(Rupees in '000)</b>		
<b>11 NET CHANGES IN WORKING CAPITAL</b>		
<b>(Increase)/decrease in assets</b>		
Stores and spares	(519)	(498)
Stock in trade	(1,384,280)	(714,074)
Trade debts	(261,860)	(481,327)
Advances - unsecured	(27,114)	7,645
Deposits, short term prepayments and other receivables	(110,710)	(6,899)
Long term deposits and prepayments	(2,566)	6,180
<b>Increase / (decrease) in liabilities</b>		
Trade and other payables	940,914	893,226
Long term deposits	1,000	406
	(845,135)	(295,341)

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - UNAUDITED  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013**

	(UN - AUDITED)	
	30 June 2013	30 June 2012
	<b>(Rupees in '000)</b>	
<b>12 CASH AND CASH EQUIVALENTS</b>		
Short term investment	200,000	-
Cash and bank balances	485,074	520,384
	685,074	520,384

**13 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of parent company, related group companies, provident fund trusts, directors and key management personnel. Transactions with related parties other than remuneration and benefits to executive directors and key management personnel under the terms of their employment, during the period are as follows:

Relationship with the Company	Nature of transactions	(UN - AUDITED)		(UN - AUDITED)	
		Six month period ended		Three month period ended	
		30 June 2013	30 June 2012	30 June 2013	30 June 2012
		<b>(Rupees in '000)</b>			
Associated Companies	Purchase of goods and services	757,020	699,852	509,288	462,098
	Sale of goods and services	1,793	2,785	678	-
	Dividend paid	130,775	101,967	130,775	101,967
	Brand royalty	137,432	122,030	70,701	63,294
	Management service fee and IT charges	80,822	73,586	40,304	36,968
Staff Retirement Benefits	Contribution to provident fund trusts	21,933	18,862	11,954	9,813

The Company continues to have a policy whereby all transactions with related parties and associated undertakings are entered into at arm's length.

**14 EARNINGS PER SHARE - BASIC AND DILUTED**

	(UN - AUDITED)		(UN - AUDITED)	
	Six month period ended		Three month period ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Profit after taxation attributable to ordinary share holders (Rupees in '000)	544,060	472,704	311,252	300,370
Weighted average number of ordinary shares - Number (in '000)	7,560	7,560	7,560	7,560
Earnings per share - Basic (Rs.)	71.97	62.53	41.17	39.73

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

**15 DATE OF AUTHORIZATION**

This financial information was authorized for issue by the Board of Directors on 15 August 2013.

**16 GENERAL**

The figures in this financial information have been rounded off to the nearest thousand rupees unless otherwise stated.

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

\_\_\_\_\_  
Director

Stage your presence

# ambassador

High quality leather | Handcrafted | Masterpiece designs



Available at selected **Bata** shoe stores

***Bata***

**PAKISTAN LIMITED**

P.O. Batapur, Lahore, Pakistan

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

Fax: +92-42-36581176

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

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