Bata

Date: July 20, 2017

The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata - 700001

Dear Sirs,

Sub: Submission of Annual Report for the financial year 2016-17

In continuation with our earlier communication dated June 23, 2017, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a printed copy of the Annual Report of Bata India Limited ('the Company') for the financial year 2016-17 which was duly approved by the Members at the 84th Annual General Meeting of the Company held at Kalamandir, 48, Shakespeare Sarani, Kolkata - 700017 on Tuesday, July 18, 2017 at 10:00 a.m.

We request you to take the same on your record and upload on the Stock Exchange Website.

Thanking you.

Yours faithfully,
For BATA INDIA LIMITED

MALOY KUMAR GUPTA
Company Secretary

Encl: As above

Copy to:

The Manager
Corporate Relationship Department
BSE Limited
1st Floor, New Trading Wing, Rotunda Building
P J Towers, Dalal Street, Fort,
Mumbai - 400001

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051


ANNUAL
BATA INDIA LIMITED
REPORT
2016 -17
Bata
STEP INTO STYLE

ANNUAL REPORT

BATA INDIA LIMITED

2016-17

Bata

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Corporate overview

Annual Report

STEP INTO STYLE

India is rapidly emerging as a preferred market for fashion and lifestyle brands all across the world. The reason being that the digital medium has made it very easy for consumers to be constantly updated with fashion trends anywhere in the world. On the other hand, the boom of online shopping has opened a new window for the retailers to closely monitor trending fashion, preferences and consumption. This leads to global brands and marketers to have clear information about the fashion consciousness and buying behaviour of the customers.

When it comes to emerging fashion trends and preferences in footwear of Indian customers, Bata India is fast becoming a leading trendsetter. We have been taking dedicated measures to ensure that we bring fashion trends to customers before they see it anywhere else. We have meticulously transformed all our major brands, introduced season's collection aligned with global trends, created a refreshing shopping experience, revamped our accessory range and developed holistic online shopping platforms that includes a user friendly website and a mobile application. All this enhanced our image and enabled the consumer to always stay updated with fashion all across the globe.

We have our footprints in the market for more than eight decades and successfully established that Bata provides unmatched comfort. Now, we step into a new journey where we will become trendsetters over the years, so that every time customers step into Bata, they 'Step Into Style.'

We started by bringing shoes to a nation. Shortly after, we took shoes to an entire continent. Soon after that, the entire world got access to our shoes.

WE ARE BATA INDIA

Established in the year 1931 in India, we, Bata India Limited, are the largest retailer and manufacturer of footwear in the Country. Our four state-of-the-art production facilities located strategically across the country produce all kinds of shoes and accessories. We command a strong pan-India retail presence with 1,293 stores across 500 cities. In recent times, we have been adding about 50-60 large format stores every year.

Besides owned stores, Bata brand is also available through a large network of dealers. Bata, the name, stands synonymous to quality and has been the trustworthy footwear partner for the Indian customers. Our commitment to quality, combined with an excellent mix of design, comfort and affordability, makes Bata the No. 1 footwear brand in India.

Taking global, regional and local fashion trends into account, we endeavour to provide customers with a fresh new collection, every season. We keep introducing trendy and exciting products, for instance the new Insolia Collection, European Collection and the Buckline Collection are some of the new launches which are in line with global trends.

OUR VALUES // SERVE WITH PASSION • BE BOLD • COUNT ON ME • IMPROVING LIVES • EXCEED CUSTOMER EXPECTATIONS

OUR VISION

To make great shoes accessible to everyone!

OUR MISSION

- We help people to look and feel good
- We become the customers' destination of choice
- We attract and retain the best people
- We remain the most respected footwear company

OUR UNIVERSE IN NUMBERS

4 // Strategically located manufacturing units

2.62 // mn sq. ft. of retail space across India

24,972 // mn turnover of FY 2016-17

1293 // Retail stores across India

21 // mn footwear pairs production capacity per annum

47 // mn footwear pairs sold this year

8034 // Employees across functions and locations

OUR GLOBAL PARENTAGE

At Bata India Limited, we are a growing Indian unit of Switzerland headquartered Bata Shoe Organisation, a global footwear and accessory enterprise. The organisation is structured into three geographic units, namely Bata Europe, Bata Emerging Market (Asia Pacific, Africa and Latin America) and Bata Protective (worldwide B2B operations).

With business presence in over 70 countries, it operates more than 5,000 stores, aptly supported by 26 global production units across 18 countries. Worldwide, over 30,000 footwear specialist of Bata Shoe Organisation serve more than 1,000,000 customers everyday.

Dear Shareholders,

It gives me immense pleasure to share with you an update on the overall performance of your Company during 2016-17. Bata India Limited continues to be the market leader in the organized footwear segment with a wide portfolio of products across different categories like Women, Children, Youth, Sports and Men. In India, the demand of our shoes and accessories has been consistent throughout the year but faced a temporary slow-down due to certain external factors beyond our control. Despite the unknown setbacks, we have closed the Financial Year 2016-17 with a turnover of Rs. 24,972 Million.

FROM THE DESK OF THE MANAGING DIRECTOR

As our customers become more and more demanding and the marketplace gets increasingly crowded, we have realized that our best bet for winning is by offering a great product. And so for the past year we have singularly focused on the strategy of 'Product is king'! Here we have explored and identified for ourselves a unique space, which is owning 'comfort with style' as a brand. That has enabled us to not only create comfort related innovations on large scale, but also add contemporary, sleek and quality styling to our products.

After getting the product right, the other key milestone that we accomplished was to be commercially aggressive. We have actively mapped the consumer preferences, fashion trends and demands to the right target audiences through our over 1290 retail stores across 500 cities in India. Our offerings are becoming more contemporary with comfort and wow pricing as strong differentiators. We have evolved from building a wide range across multiple categories to now launching more flagship products and hero collections across categories.

We have been following a dual strategy of driving same store growth and opening new stores in under-served locations and cities. Geographically, the consumption story and the need for great shopping experience are not limited to only the urban centres. In fact, non-urban markets are growing equally fast, with consumers from Tier 2 and Tier 3 cities aspiring for better designs. Bata India has increased its focus on smaller towns with internationally-designed stores being launched in these areas. The latest ones are at Thodupuzha and Angamaly- Tier 2 towns near Kochi, Kerala. These large sized, modern concept stores are unique with their clutter free aesthetics and visual impact which creates a truly international shopping experience for our customers.

Now we are at the stage, even globally, where we are focusing on evolving Bata *the* Brand and to encompass style and fashion very intrinsically as well. At present, we are developing the communication across all touch points to convey Bata's point of view on these attributes. We are also substantially increasing our advertising budget for 2017. In recent past, there have been a range of stylish collections launched, like the hand-crafted premium 'European Collection' in Men's Dress space, 'The Buckline' collection giving a fashion fillip to Men's Business Casual range and the 'Festive' range for party/marriage wear for women. All these new initiatives were well received by our patrons and so it has made us confident about our new focus.

Attracting and nurturing talent to build a robust pipeline of leadership has been an ongoing focus for the Company. Our diversified workforce ranges from those at the forefront in our retail stores to those who translate innovative ideas into products. Retaining and motivating the best people with the right skills at all levels is the key focus to ensure that the organization's objective is accomplished.

This year, young women are the new focus market for Bata India. The first step was to sharply define our audience and understand her aspirations so as to tailor-make our offering to excite and entice her. This has helped shape our new brand manifesto to celebrate the modern woman. Our new television campaign of Bata – 'Me. And comfortable with it' has been launched, highlighting the brand's admiration for women in a very special way and presenting a glimpse of the transformation in Bata's image and product line. At the product level our women focus is supported through our latest Bata Insolia range of heels, with technology that enables women to 'walk taller, walk further'. Leveraging on the patented technology of Insolia – owned by American company HBN – Bata's new line of heels can be worn three times longer than regular heels and reduce the pressure on the front of the foot by almost 30%. This is a benefit that no other brand can claim and our women customers are loving it.

But it's not just the women's category which has kept our attention, the children's category is also growing at a very fast rate and offers a big opportunity for growth. We have made concrete plans to corner a major share of this market and have built a wide portfolio covering different occasions like school, sports, outdoor, indoor, etc. under Bubblegummers and Disney brands. The children's category, which has been the legacy of Bata, will be seeing further expansion in the coming times.

With majority of the population in India becoming younger, new ways to connect with the new customers and launching new collections of footwear at a faster pace become imperative. The needs for footwear are becoming increasingly specific, especially in sports and athleisure. We have always introduced our products based on consumers' needs and insights. Also with more and more people living healthier lifestyles, we have launched the Power XoRise Collection with 4D mesh, memory foam, and Tunnel technology for a "run more, tire less" proposition.

In another first, Bata India has partnered with fbb Colors Femina Miss India 2017 as their official Footwear/Ramp walk partner, bringing Bata firmly in all style conversations throughout the pageant season and beyond. Their 29 state winners also graced our key Bata stores all over the Country and brought alive the conversation of styling, wardrobe and the need for great shoes in life!

Our achievements have further been encouraged and recognized by Dun & Bradstreet Corporate Award as 'Top Indian Footwear Brand for 2017' and Images Retail 'Most Admired Retailer of the Year – Footwear' for 2016-17.

Last one year saw all of us at Bata constantly evolving with the changing times. The consumers, going forward, will be more digitally savvy, craving for newer levels of experiences and latest footwear solutions which are more customized and individualistic in approach and Bata India will mirror these needs in all its offerings.

As always, I would like to take this opportunity to thank you for reposing your immense trust in us and growing with us. We will continue to try and keep this journey as successful as it has been in the legacy spanning more than eight decades.



OUR KEY BRANDS AND OFFERINGS

Bata

Bata, as the mother brand, represents the myriad of things it has to offer to its customer. The brand stands for contemporary, trendy, colorful and youthful footwear destination. With comfortable shoes and stylish accessories for the entire family on offer, one can find stirring and surprisingly affordable fashion at every Bata store. Enabling everyone's personal style statement, especially impressive are Bata's latest on-trend collections and the level of comfort they provide.

Naturalizer

In 1927, Caleres, Inc. launched a women's footwear line with the radical idea of combining current fashion with comfort features. Naturalizer symbolized what modern women had achieved. Naturalizer honors the brand's original promise to deliver feminine, stylish, comfortable shoes in a manner that is relevant to the busy lifestyle of today's woman.

Weinbrenner

The Weinbrenner brand line is made up of leather shoes and boots, low, mid and high cut and it was built to suit the true outdoor personalities. Weinbrenner carries the true essence of nature, travel, leisure and casual time out. Weinbrenner is aimed at the neo-traditional and contemporary customer for their casual moments.

Bata

naturalizer
SHOES FIT FOR YOU

THINK OUTDOORS
WEINBRENNER
· SINCE 1892 ·



Hush Puppies

A timeless brand, first created in America, to mark the rapidly changing lifestyle which was moving to comfortable, stylish and luxury living from a conservative culture. The brand and its basset hound mascot was the way to break the norm. The brand has come far and expanded beyond the realms of footwear but the brand core remains the same.

Bata Comfit

Bata comfit is a comfort shoe brand that offers comfort, quality and style at wow prices. Bata Comfit presents a range of styles with comfort technologies in the outsoles and insoles that gives best comfort and ergonomic fitting in a shoe. Bata Comfit focuses on young working women and men between the age group of 25-35 yrs.

Bubblegummers

Bubblegummers is for fast growing feet of India's future. With their bright colors and multitude of trendsetting designs, it is little surprise that they are the favorites among these young citizens. The offbeat, distinctive styles and extra breathing space for the little feet allow for added comfort to their growing feet. Bubblegummers offers footwear in three categories namely Baby (0-12 months), Toddler (2- 5 years) and Junior (6-9 years).

Power

Launched in 1972, Power continues to spark an emotional connect with customers. The brand provides athletic footwear at an affordable price. Power brand stands for durability, trendiness, responsiveness, performance and value. Over the last four decades, Power has created a niche for itself in the sports segment.



CUSTOMER ENGAGEMENT

POWER TO THE WOMEN

Last year, women's footwear contributed 26% to the net sales of Bata India.

This year, young women are the new focus market for Bata in India. And what better time since 'eve' power is on the rise in India! Women are coming into their own. They are no longer being relegated to the confines of their homes. They are making their presence felt in every sphere outside homes. And it's not a feminist tirade. It's not just a fad. It is a new wave that is sweeping across the Country and it has slowly yet surely permeated into the fabric of Indian society, a predominantly patriarchal structure.

But one must also understand that the Indian young woman is spoilt for choice when it comes to shopping for footwear as the market is flooded with national and international brands, all vying for her attention. To make her pick Bata over others, she needs to resonate with the brand emotionally too, not just choose it because of functional reasons. And to achieve this, Bata undertook to understand the Indian woman of today. Indian women are celebrating, that being a woman is a source of pride, not shame - in a society where female infanticide is still practised, this is an achievement. A lot of female celebrities are breaking gender stereotypes, being more real, able to laugh at herself, being unapologetically herself, winning medals at global events and breaking the glass ceiling in the corporate world as well.

Bata India took inspiration from this zeitgeist and decided to pay an ode to the Indian woman. In a nutshell, the Indian woman is comfortable with who she is–with her flaws, with her choices, with her femininity and with her vanity. And Bata as a brand is perfectly poised to pay a tribute to this new avatar of the Indian woman since comfort is coded in the brand DNA. This led us to the proposition- 'For those who are comfortable in their own shoes'. Hence Bata's campaign celebrates the Indian women of today who are comfortable anywhere, in any situation, in any role – no shoes are too big to fill, comfortable being a feminist and feminine.

"The Indian woman is comfortable with who she is– with her flaws, with her choices, with her femininity and with her vanity. And Bata as a brand is perfectly poised to pay a tribute to this new avatar of the Indian woman since comfort is coded in the brand DNA."


Bata

REACH EXPANSION

THE BRAND NEXT DOOR...AND WINDOW

The marketplace is buzzing with different kinds of shoppers. There are some who like to shop next door, some travel great distances to their favourite destination malls and some of them do it with a click of a button at the office, home or even in cabs. The window shopper is found walking the alleys of markets, climbing the escalators of malls and hovering on multiple shopping websites online.

Bata India caters to every kind of shopper with a nationwide network of 1293 stores in 500 cities and a strong online presence with a turnover of Rs.692 Million penetrating in more than 750 cities and towns. We solely focus on making the shopping experience easy, simple and unforgettable at every touch point. Our stores and online platforms give a holistic shopping experience with wide indoor areas and dynamic use of space at every store, globally trending footwear collection and season's favourite at every shopping touch point.

During the last one year Bata has opened 100 new retail stores and 23 franchisee stores across India. The new stores are opened in untapped markets with a focus to get new customers, the stores have been especially designed to be aligned with the global store design and made spacious to give a comfortable shopping experience. Bata's strong presence will become stronger with an addition of 100 new retail stores and 50 new Franchisee stores this year to increase its presence in the Malls, High Street Markets and in the Tier-2 and Tier-3 cities across India. The focus will be to increase more footfalls at stores by doing integrated branding exercises across all mediums and complementing it with outstanding visual merchandising and in-store activations.

The sudden boom of the digital medium has created a window for us to tap new customers, last year Bata sold more than 6.3 lacs pairs of footwear through online channels and achieved a turnover of approx. Rs.692 Million. This year Bata is looking forward to do online innovations to provide a user friendly shopping experience to its customers on the mobile application and websites with interactive interfaces. On the other hand, Bata started a blog which inspires the youth to be in style and latest trends.

Bata has a range of brands which cater to the need and aspirations of certain audiences, making Bata a place for everyone and for every style. Our Hush Puppies range is living up to its reputation of comfort, quality and style in 68 exclusive stores and 37 in-shops in premium departmental stores. The other promising brand is Footin which recognizes the need of young customers and caters to them with fashionable footwear at an affordable cost. There is a rapid growth of Footin with 35 stores strategically placed all across the country to target young shoppers. Lastly, our brand Bubblegummers caters to the children with exciting designs and innovative footwear. With more than 18% of the population being under the age of 10 years, Bubblegummers is present at every Bata store across the Country.

"Bata India caters to every kind of shopper with a nationwide network of 1293 stores in 500 cities and a strong online presence with a turnover of Rs.692 Million penetrating in more than 750 cities and towns."


THAILAND TOUR
FOR COUPLE
Bata


POWER


PLAY

BUILDING THE RIGHT TEAM AND CULTURE

Attracting and nurturing talent to build a robust pipeline of leadership has been an ongoing focus for the company. Our diversified workforce ranges from those at the forefront in our retail stores to those who translate innovative ideas into products. Retaining and motivating the best people with the right skills at all levels is the key focus to ensure the organisation's objective is accomplished.

Our strategy encompasses maximizing our reach to customers through various channels which requires us to develop a workforce which understands the ever changing and increasing demands of our customers. Therefore, our emphasis on enhancing employees' capabilities through requisite training and cross-functional opportunities is more than ever. Our focus is also on enhancing the 'employee experience' by fostering a healthy culture of trust, collaboration, learning and innovation with an aim to align them to our business priorities and the Bata value system.

The company recruits Management Trainees from different campuses every year for various functions like Design, Merchandising and Retail Operations. These trainees go through a rigorous training involving classroom as well as on the job sessions by experts. The program has helped us build a very strong funnel of talent as part of our overall Talent Development Program.

Agility is also a key for an organisation's success and learning has been identified as a strategic lever to agility within the organization. We encourage growth of employees within the organisation for middle & senior levels, and have demonstrated this idea by giving opportunities to a significant number of internal employees to take up higher roles within the organisation. Employees have also been given opportunities to take up assignments in different categories/ locations/ function to enhance their learning. We have also identified high potential employees within the organisation and have successfully developed and implemented personalised development plans for them.

Our reward & recognition philosophy compliments our business strategy. The individual as well as team rewards are given based on performance and demonstration of core values by the individuals within the organization. We celebrate success and recognize individuals and teams through various rewards programs like Retail Cup, Excellence Awards, Super Star Awards, Exemplary Team Awards, UPT Champs, Sales Promoter of the month/ district, etc.

“Our strategy encompasses maximizing our reach to customers through various channels which requires us to develop a workforce which understands the ever changing and increasing demands of our customers.”


Bata


Bata
Bata

COMMUNITY DEVELOPMENT

WINNING HEARTS... AND BLESSINGS

The Company works on the belief of its founding members that a company should exist to serve a social purpose and enhance the lives of people connected through the business. The company has a CSR policy in place which aims to ensure that the company continues to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders. It takes up CSR programs, which benefit the communities in and around the vicinity of its operational presence and over a period of time, resulting into enhancing the quality of life of the people in those areas.

In line with the Company's value of 'Improving Lives', it focused on working with schools to improve the quality of education, trained underprivileged youth in retail sales to enhance their employability skills, conducted footcare awareness workshops with school children and donated shoes to the underprivileged communities under Bata's Happy Steps program.

Schools

During the year, we worked with around 10,000 children across 19 schools across the Country near our area of business operations. With 44% girl children in these schools, many programmes have been focused to encourage and promote education of the girl child.

In line with the Prime Minister's 'Swachh Bharat Abhiyan' Program, we built toilets and facilities for hand wash & drinking water in the semi urban and rural schools. The Company also maintains these toilets and builds capacities of the school children and authorities as per the guidelines of Minimum Swachh Vidyalaya Package of the Ministry of Human Resource Development, Government of India.

We also upgraded infrastructure in schools through classroom renovation, providing classroom furniture, setting up play area and promoting STEM (Science, Technology, Engineering and Math) by setting up computer and science labs. We also partnered with organization on the project 'I Love Science' which conducts science workshops with the children to remove the fear of science and make it interesting for them using custom Science Kits. In schools, as part of the preventive healthcare program and promotion of life skills we conducted workshops for the children, like menstrual hygiene and good touch bad touch for the girl child, personal hygiene, substance abuse, nutrition, etc. The Company also sponsored health checkup camps in the schools as part of the preventive healthcare program.

We believe that education should be holistic and integral touching upon physical, emotional and aesthetic development in addition to academics. Thus, while working on improving academics, we also focus on the overall development of the child through providing an opportunity to get involved in extra-curricular activities like sports, arts and crafts, competitions, educational tours, self-defense classes, etc.

Employability Training

Bata India's vocational skills project is in line with Prime Minister's 'Skill India Campaign' and is based on the belief of empowering underprivileged youth. Through this project, we aim to develop employability skills to enable them to find good jobs, which would lead to better standard of living and economic growth.

The main goal is to create opportunities, platforms and scope for employability of the Indian youth. India has too few skilled laborers due to neglect in training and the Country desperately needs people in every sector, including retail. With the stupendous growth of retail industry and expansion of franchisee network, there is an acute shortage of trained manpower for modern trade retail stores and shopping malls. Thus, we partnered with Sambhav Foundation and Centum Foundation, to train 839 youth, in retail sales, including 42% women, across 7 cities. Out of the total youth traind, 559 were placed successfully (67% placement) in various companies in the retail sector.

Bata Happy Steps Program

The program was launched on the occasion of Children's Day, 14th November, with the motto that no child should go barefoot. As part of the Happy Steps program, Foot care workshops were conducted for 304 school children in 4 government schools of Gurgaon. The workshops were focused on wearing the right shoe and right socks, foot care and hygiene. Along with the awareness sessions, we also provided a Footcare Kit to all the participants.

The Company donated more than 73,000 footwear to the underprivileged communities under the Happy Steps program.

Recognition

Sports – 22 students from class 6th to 8th of Ramjichak Government School, Patna adopted by Bata, participated in the Inter School Karate Championship 2016 organised by Institute of Martial Arts and all of them bagged awards which included 3 gold, 6 silver and 13 bronze medals.

School Sanitation – Dhankot Senior Secondary School, Gurgaon, supported by Bata bagged the award for 'Swachh Vidyalaya' (Clean School) in the category 'best toilets and availability of soap for handwash' at the district level by the District Magistrate and District Education Officer.

Our key CSR Partners

In our endeavour to deliver the best results, we partnered with organizations, which are specialists in their respective fields.

PARTNER	SPECIALIZATION	PROJECT
SHARP (School Health Annual Report Programme)	Awareness workshops	BCC (Behaviour Change Communication) workshops for school children
HLFPPT (Hindustan Latex Family Planning Promotion Trust)	School health programme, focus on adolescent healthcare	School health programme, including footcare workshops
NIIT Foundation	STEM learning	'Hole in the Wall' computer project in schools
Ingenuity EduLabs LLP	STEM learning	Science workshops with school kids
Sambhav Foundation	Vocational skills	Training partner for retail sales
Centum Foundation	Vocational skills	Training partner for retail sales
Sulabh International Centre of Action Sociology	Healthcare & Sanitation	WASH infrastructure- school toilets, hand wash, drinking water structures
Sulabh International Social Service Organization	Healthcare & Sanitation	Maintenance of school toilets

ACTION IN PHOTOGRAPHS

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1// Mr. Thomas A Bata, Global CMO and Mr. Rajeev Gopalakrishnan, Managing Director, at the new women's collection fashion event.

2// Models showcasing Insolia collection at a fashion event at The Imperial, New Delhi.

3// Femina Miss India 2017 state winners on a visit at Bata store in Bandra, Mumbai.

4// PopXo blogger's meet held at the new Bata concept store at Ambience Mall, Vasant Kunj, New Delhi.

AT THE HELM

BOARD OF DIRECTORS

Standing // Mr. Akshay Chudasama - Independent Director, Mr. Ravi Dhariwal - Independent Director, Mr. Rajeev Gopalakrishnan - Managing Director & Chief Executive Officer, Mr. Shaibal Sinha - Non Executive Director, Mr. Ram Kumar Gupta - Director Finance & Chief Financial Officer

Sitting // Mr. Christopher Kirk - Non Executive Director, Ms. Anjali Bansal - Independent Director, Mr. Uday Khanna - Chairman & Independent Director

Mr. Uday Khanna

Chairman & Independent Director

Mr. Uday Khanna is currently the Non-Executive Chairman of Bata India Ltd. He also serves on the Boards of Castrol India Ltd., Pfizer Ltd., DSP BlackRock Investment Managers Pvt. Ltd., Pidilite Industries Ltd. and Kotak Mahindra Bank Ltd.

Mr. Khanna was the Managing Director and CEO of Lafarge India from July 1, 2005 to July 2011 and subsequently its Non-Executive Chairman till September 24, 2014. He joined the Lafarge Group in Paris on June 1, 2003 as the Senior Vice President for Group Strategy, after a long stint of almost 30 years with Hindustan Lever/Unilever in a variety of financial, commercial and general management roles, both nationally and internationally.

Mr. Khanna's last position before joining Lafarge was as Senior Vice President Finance, Unilever - Asia, based in Singapore. He has earlier been on the Board of Hindustan Unilever as Director - Exports after having served as Financial Controller and Treasurer of the Company. He has also worked as Vice Chairman of Lever Brothers in Nigeria and General Auditor for Unilever – North America, based in the USA.

Mr. Khanna is a B.Com and a Chartered Accountant (FCA). He was the President of the Indo-French Chamber of Commerce & Industry in 2008 and 2009 and the President of the Bombay Chamber of Commerce & Industry in 2012-2013. He is the recipient of "Ordre National du Merite" from the President of the Republic of France for his role in promoting Indo-French trade relations. Mr. Khanna is also the Joint Managing Trustee and Treasurer of the Indian Cancer Society.

Mr. Rajeev Gopalakrishnan

Managing Director &
Chief Executive Officer

Mr. Rajeev Gopalakrishnan, Managing Director, holds a Bachelor's Degree in Mechanical Engineering from the University of Kerala. He joined Bata Shoe Organization (BSO) in the year 1990 and has since then been associated with the Company. With a rich experience of 27 years, Mr. Gopalakrishnan has earlier handled positions of Director-Wholesale Channels, Sales & Marketing with Bata International-Canada and Vice President of Bata India Limited in Retail Operations and Wholesale Division. Before joining as the Managing Director, Bata India Ltd. in October 2011, Mr. Gopalakrishnan was Managing Director - Bata Retail Stores for a period of 9 months. Previous to this role, he was the Managing Director of Bata Bangladesh for a period of one year and also the Managing Director for Bata Thailand for a period of 3 years.

Mr. Gopalakrishnan has attended various Courses and Advance Programmes of BSO, viz., Course Leader Advanco 2009 (India / China), Advanco 2006 in Singapore, Advance Retailing Courses, Executive Management Programme 2009, Sprint 1997 (Retail Course), Retailco 1996-India. In addition to that, Mr. Gopalakrishnan also attended a program in IMD, Switzerland on Leadership and Sustainable Business Growth.

A self-driven professional, Mr. Gopalakrishnan has taken Bata India on a high growth trajectory. With his strategic bent of mind and ability to spot opportunities, he has articulated and percolated a vision to make Bata India as the most admired name in branded footwear and accessories Industry.

Mr. Gopalakrishnan with his thought leadership spearheaded Bata India's retail operations, re-engineered business processes, diversified product offerings while maintaining a strong culture of innovative outlook. He believes in people and focuses on building relationships with internal and external stakeholders of the organization.

His contribution to the industry has been acknowledged at several renowned platforms, being conferred with 'Udyog Ratna Award' and 'Certificate of Excellence and Gold Medal' by The Institute of Economic Studies in 2014, becoming the 'Retail Professional of the Year' in CMO Asia Summit at the 2015 Asia Retail Conference and prestigious 'EY Entrepreneur of the Year 2015' (Finalist Award). Most recently the World Consulting & Research Corporation (WCRC) has bestowed upon him the honour of 'India's Most Trusted CEO-2017'.

Mr. Ram Kumar Gupta is the Director Finance & Chief Financial Officer of Bata India Limited. Mr. Gupta is a Bachelor in Commerce with Honors [B.Com (Hons.)] and a Chartered Accountant (FCA) with around 29 years of post-qualification experience in different positions in Bata Shoe Organization (BSO). Mr. Gupta joined Bata India in July 1986 and had an extremely successful and rewarding career. His last assignment in Bata India was as the Senior Vice President-Finance from January 2011 till January 2013.

Mr. Gupta was assigned a challenging role as Finance Director-Bata Shoe Company Kenya Ltd. in February 2013, which position he held till his relocation to India in July 2015. In this overseas assignment, in addition of Bata-Kenya, he was also made responsible for the finance operations in Bata Shoe Company Uganda Limited and Bata Shoe Company Tanzania Limited. The companies in India, Kenya, Tanzania and Uganda have achieved record profits with improved profit margins through various cost control techniques and innovative methods during his tenure.

Mr. Gupta has attended various courses in BSO including Adminco and Bata Finance-E Learning.

Mr. Ram Kumar Gupta
Director Finance & Chief Financial Officer

Mr. Christopher MacDonald Kirk is a British Citizen and holds a Degree of Bachelor in Science with Honors from University of Wales, United Kingdom. Mr. Kirk had started his career in April 1981 with SGS Group, the World's largest Testing and Inspection Company and later became the General Manager of the Company's operations in New Zealand and held a number of senior positions in Thailand, Ghana, Singapore and Australia. He was appointed to Operations Council in 2002, which is the management body of SGS Group and was subsequently appointed as the Chief Operating Officer of South East Asia / Pacific Region and then in 2003 as Executive Vice President, Minerals and Environment Services based in Geneva. Mr. Kirk was also responsible for the cross-sectorial Collateral Management business.

Mr. Kirk became the Chief Executive Officer (CEO) of the SGS Group in November 2006 and held the position till his retirement in March 2015. The SGS Group has over 80,000 personnel in 150 countries worldwide. As CEO, Mr. Kirk had varied international experience with a focus on Europe, Africa and Asia. He had key leadership experience in both regional and business line roles. He was also part of the senior leadership team tasked with restructuring the Group. As CEO, Mr. Kirk re-organized, re-energized and led changes throughout the entire organization resulting in significantly improved profitability, a flatter structure and faster, cleaner lines of communication. Under his leadership the Company had 24 direct reports on the Operations Council. Improvements in growth and margin, including organic growth of almost 8% p.a. were reported during his tenure of 8.5 years. After retiring as CEO, Mr. Kirk was elected to the Board of Directors of SGS.

Mr. Kirk joined the Board of Compass Limited of Bata Shoe Organization 4 years ago at the request of Mr. Thomas G. Bata and accepted the position as Chairman of the Compass Board as of July 2015.

Mr. Christopher Kirk
Non-Executive Director

Mr. Ravi Dhariwal is the co-founder and Chairman of Sagacito Technologies, a data analytics firm specialising in helping enterprises maximise their revenues. He is also Senior Advisor for TPG. In a career spanning 38 years he has built consumer businesses all over the world.

Just prior to co – founding Sagacito, Ravi was the Group CEO of Bennett & Coleman, India's largest media company, with diversified media platforms including Radio Mirchi, Times Television Network, Times Internet, Times OOH and the world's largest selling English newspaper The Times of India.

Ravi was also the world-wide President of International News Media Association from 2011-2013. Prior to joining Bennett & Coleman, Ravi worked with PepsiCo for 12 years. He was Pepsi's first employee in India, helping build a successful business. He also led the Beverage Business in India, Africa and South East Asia.

Ravi started his career with Unilever in India in 1977, and worked for them in India and Australia for over 12 years mostly in Sales and Marketing management.

Ravi is an Engineer from IIT- Kanpur, and an MBA from IIM- Calcutta.

Mr. Ravi Dhariwal
Independent Director

Ms. Anjali Bansal
Independent Director

Ms. Anjali Bansal is a former global Partner and MD with TPG Private Equity and a strategy consultant with McKinsey & Company in New York and Mumbai. She founded and ran Spencer Stuart's India practice successfully growing it to a highly reputed pan-India platform. She was also a global partner and co-led their Asia Pacific Board & CEO practice as part of the Asia Pacific leadership team. She started her career as an engineer.

She serves as an independent non executive director on the public boards of GlaxoSmithKline (GSK) Pharmaceuticals India, Bata India Limited, Tata Power and Voltas-a Tata Enterprise. She is on the Advisory Board of the Columbia University Global Centers, South Asia. Previously, she chaired the India board of Women's World Banking, a leading global livelihood-promoting institution.

She is a charter member of TiE, serves on the managing committee of the Indian Venture Capital Association, angel investor and mentor to young entrepreneurs and companies including the SAHA Fund, Female Founders Fund and others.

Anjali is deeply committed to social enterprise and is an advisor to SEWA.

An active contributor to the dialogue corporate governance and diversity, Anjali co-founded and chaired the FICCI Center for Corporate Governance program for Women on Corporate Boards. She serves on the managing committee of the Bombay Chamber of Commerce and Industry and is part of the CII Directors Guild. She is a member of the Young Presidents' Organization.

She has been listed as one of the "Most Powerful Women in Indian Business" by India's leading publication, "Business Today" and as one of the "Most Powerful Women in Business" by Fortune India.

She has a bachelors in Computer Engineering from Gujarat University and a Masters in International Affairs, Finance and Business from Columbia University.

Mr. Akshay Chudasama is the Managing Partner of Shardul Amarchand Mangaldas & Co. and heads the Firm's practice in the Mumbai Region. Mr. Chudasama has expertise in cross-border M&A and Private Equity across a range of sectors, particularly, real estate. Mr. Chudasama advises both foreign companies entering India and Indian companies in their outbound acquisitions.

Mr. Chudasama holds a Degree in Bachelors of Arts from St. Xavier's College (University of Bombay) and is a Law Graduate from the London School of Economics (University of London), UK. Mr. Chudasama is enrolled as an Advocate with the Bar Council of Maharashtra and Goa, and as a Solicitor with the Law Society (England and Wales). Mr. Chudasama is also enrolled with the Bombay Bar Association, International Bar Association and Inter-Pacific Bar Association and is a member of Entrepreneurs Organization and Young Presidents' Organization.

Mr. Chudasama has been practicing law since 1994. Mr. Chudasama was a Partner at AZB & Partners for over 3 years and thereafter at J. Sagar Associates (JSA) for almost 10 years. Mr. Chudasama has addressed several prestigious domestic and international seminars and conferences on various aspects related to his practice. Mr. Chudasama also serves inter alia as a Director on the Boards of Apollo Tyres Ltd., PTL Enterprise Ltd. and Raymond Ltd.

Mr. Akshay Chudasama
Independent Director

Mr. Shaibal Sinha
Non-Executive Director

Mr. Shaibal Sinha is currently the Regional Finance Director of Asia, Africa and Latin America of Bata Group based out of Singapore. He is a Bachelor of Commerce (B.Com), Chartered Accountant (ACA) and an alumni of International Institute for Management Development (IMD), Lausanne, Switzerland with more than 30 years of post-qualification experience in different positions in Finance across the globe based out of India, Singapore, United Kingdom and Middle East.

Just before joining Bata, he was working with Reckitt Benckiser (a multinational consumer goods company dealing in Household, Personal Care, Health and Hygiene products). He worked with them at various levels in finance in India and United Kingdom for a period of eight years. Mr. Sinha joined Bata India Limited in November 2004 as Executive Director - Finance based in Gurgaon and worked till September 2010.

Mr. Sinha moved to Singapore in 2011 to a Bata group company as the "Chief Financial Officer" of Bata Emerging Markets. Mr. Sinha then took over as Senior Vice President - Finance and Development of Bata Emerging Markets in March 2014 based out of Singapore.

He is also a member of "Singapore Institute of Directors", and a member of the Board of Directors of Global Footwear Services Pte. Ltd. Singapore, Bata Singapore, China Footwear Services, Bata Indonesia, Bata Malaysia, Bata Thailand, Bata Srilanka and Bata Bangladesh.

MANAGEMENT TEAM

Front Row // (Left to Right)

Amitabh Coomar, Vice President - Non-Retail; Kumar Sambhav, Vice President - eCommerce; Ram Kumar Gupta, Director - Finance; Rajeev Gopalakrishnan, Managing Director; Uttam Kumar, Chief Merchandising Manager; Rupesh Bhagchandani, Vice President - Franchisee Operations; Vikas Baijal, Senior Vice President – HR

Back Row // (Left to Right)

Sanjay Kanth, Senior Vice President – Manufacturing; Vinod Kumar Mangla, Assistant Vice President - Internal Audit; Inderpreet Singh, Head - Retail Operations (FAM); Vijay Gogate, Vice President - Famous Brands & Retail Operations (FSC), Ankur Rastogi, Vice President – Sourcing; Ankur Kohli, Vice President - Real Estate (South Asia); Manoj Goswani, Vice President – Legal; Anand Narang, Vice President - Marketing & Consumer Services

BATA INDIA LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Uday Khanna	Chairman and Independent Director
Mr. Akshay Chudasama	Independent Director
Ms. Anjali Bansal	Independent Director
Mr. Ravi Dhariwal	Independent Director
Mr. Christopher Kirk	Non-Executive Director
Mr. Shaibal Sinha	Non-Executive Director
Mr. Rajeev Gopalakrishnan	Managing Director and Chief Executive Officer
Mr. Ram Kumar Gupta	Director Finance and Chief Financial Officer

AUDIT COMMITTEE

Mr. Ravi Dhariwal	Chairman
Mr. Uday Khanna	Member
Mr. Akshay Chudasama	Member
Ms. Anjali Bansal	Member
Mr. Christopher Kirk	Member

NOMINATION AND REMUNERATION COMMITTEE

Ms. Anjali Bansal	Chairperson
Mr. Uday Khanna	Member
Mr. Ravi Dhariwal	Member
Mr. Akshay Chudasama	Member
Mr. Christopher Kirk	Member
Mr. Shaibal Sinha	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Uday Khanna	Chairman
Mr. Rajeev Gopalakrishnan	Member
Mr. Ram Kumar Gupta	Member

RISK MANAGEMENT COMMITTEE

Mr. Rajeev Gopalakrishnan	Chairman
Mr. Ravi Dhariwal	Member
Mr. Ram Kumar Gupta	Member
Mr. Christopher Kirk	Member
Mr. Sanjay Kanth	Member (SVP-Manufacturing)
Mr. Vikas Baijal	Member (SVP-Human Resources)
Mr. Vinod Kumar Mangla	Member (Chief Internal Auditor)

MANAGEMENT COMMITTEE

Mr. Rajeev Gopalakrishnan	Chairman
Mr. Ravi Dhariwal	Member
Mr. Ram Kumar Gupta	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Akshay Chudasama	Chairman
Mr. Ravi Dhariwal	Member
Mr. Rajeev Gopalakrishnan	Member
Mr. Ram Kumar Gupta	Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Maloy Kumar Gupta

EXECUTIVE COMMITTEE

Mr. Rajeev Gopalakrishnan

Mr. Ram Kumar Gupta

Mr. Sanjay Kanth

Mr. Vikas Baijal

Mr. Inderpreet Singh

Mr. Vijay Gogate

Mr. Kumar Sambhav

Mr. Anand Narang

Mr. Amitabh Coomar

Mr. Uttam Kumar

Mr. Matteo Lambert

Mr. Ankur Rastogi

INVESTOR RELATIONS MANAGER

Mr. J. Banerjee

Share Department

27B, Camac Street, 1st Floor, Kolkata - 700016

Telephone : (033) 2289 5796 / 3980 2021

Fax : (033) 2289 5748

E-mail : share.dept@bata.co.in

REGISTRAR AND SHARE TRANSFER AGENT

M/s. R & D Infotech Private Limited

Unit : BATA INDIA LIMITED

7A, Beltala Road, 1st Floor,

Kolkata - 700026

Telephone : (033) 2419 2641 / 2642

Fax : (033) 2419 2642

E-mail : rd.infotech@vsnl.net / bata@rdinfotech.in

REGISTERED OFFICE

27B, Camac Street, 1st Floor, Kolkata - 700016

Telephone : (033) 3980 2001

Fax : (033) 2289 5748

E-mail : corporate.relations@bata.com

BANKERS

State Bank of India

HDFC Bank Limited

AUDITORS

M/s. S. R. Batliboi & Co. LLP

Chartered Accountants

Golf View Corporate Tower - B

Sector - 42, Sector Road

Gurgaon - 122002

CHIEF INTERNAL AUDITOR

Mr. Vinod Kumar Mangla

SECRETARIAL AUDITOR

M/s. P. Sarawagi & Associates

Company Secretaries

Narayani Building

Room No. 107, 1st Floor

27, Brabourne Road

Kolkata - 700001

PRACTISING COMPANY SECRETARY

M/s. S. M. Gupta & Co.

Company Secretaries

P - 15, Bentinck Street

Kolkata - 700001

CORPORATE OFFICE

Bata House

418/02, M. G. Road,

Sector - 17, Gurgaon - 122002

Telephone : (0124) 3990100 / 3990115

Fax : (0124) 3990116 / 118

E-mail : customer.service@bata.co.in

BATA INDIA LIMITED

CIN: L19201WB1931PLC007261
Registered Office: 27B Camac Street, 1st Floor, Kolkata - 700016
Telephone: +91 33 3980 2001; Fax: +91 33 2289 5748
E-mail: corporate.relations@bata.com; Website: www.bata.in

NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighty Fourth Annual General Meeting of the Members of Bata India Limited ('the Company') will be held at **'KALAMANDIR', 48, Shakespeare Sarani, Kolkata - 700017** on **Tuesday, July 18, 2017** at **10:00 a.m.**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 (both Standalone and Consolidated basis), together with the Reports of the Auditors and the Board of Directors thereon.
2. To declare a Dividend for the financial year ended March 31, 2017. The Board recommended a Dividend of Rs. 3.50 per Equity Share of Rs. 5/- each, fully paid-up.
3. To appoint a Director in place of Mr. Shaibal Sinha (DIN: 00082504), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors in place of the existing Auditors (who are not eligible to be re-appointed due to expiry of the maximum permissible tenure as the Auditors of the Company), to fix their remuneration, and to pass the following Resolution, as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the recommendations of the Audit Committee of the Board of Directors of the Company and in terms of the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248-W / W-100022), be and are hereby appointed the Auditors of the Company, in place of the retiring Auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 301003-E / E-300005), to hold office from the conclusion of this Annual General Meeting until the conclusion of the Eighty Ninth Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members of the Company, if required, at every Annual General Meeting."

   "**FURTHER RESOLVED THAT** the Audit Committee of the Board of Directors of the Company be and is hereby authorized to determine the remuneration and reimbursement of out of pocket expenses, as may be payable to the Auditors."

By Order of the Board

Maloy Kumar Gupta
Company Secretary
ACS - 24123

Place : Gurgaon
Date : May 15, 2017

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EIGHTY FOURTH ANNUAL GENERAL MEETING (‘AGM’) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS / HER BEHALF ONLY ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.**

   In terms of Section 105 of the Companies Act, 2013 and Rules framed thereunder, a person can act as a proxy on behalf of Members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Members.

2. Information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of the Director seeking re-appointment at the AGM is provided hereunder.

3. As required under SS-2 issued by the ICSI, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed to the Annual Report.

4. Pursuant to Section 113 of the Companies Act, 2013 and Rules framed thereunder, the corporate members intending to send their authorized representatives to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution and Power of Attorney, if any, authorizing their representative(s) to attend and vote, on their behalf, at the AGM.

5. Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his / her queries to the Company at least seven working days prior to the AGM, so that the required information can be made available at the AGM.

6. Pursuant to the provisions of Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, members are informed that they may nominate at any time, in the prescribed manner, a person to whom their shares in the Company shall vest in the unfortunate event of their death. Members holding shares in physical mode should file their nomination with the Company or with M/s. R & D Infotech Pvt. Limited, the Registrar and Share Transfer Agents (RTA) of the Company, at their communication address given in the Annual Report, whilst those Members holding shares in demat / electronic mode should file their nomination with their Depository Participants (DPs). The Nomination Form SH-13 and SH-14 are available on the website of the Company, *www.bata.in* at “Download Forms” under “Investor Relations” category.

7. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42(5) of the Listing Regulations, the Share Transfer Books and Register of Members of the Company will remain closed from Saturday, July 8, 2017 to Tuesday, July 18, 2017 (both days inclusive).

8. Dividend on Equity Shares, as recommended by the Board of Directors of the Company, for the financial year ended March 31, 2017, if declared, at the AGM, will be paid to:

   i. those Members whose names shall appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical mode lodged with the Company / RTA on or before Friday, July 7, 2017.

   ii. those ‘Beneficial Owners’ entitled thereto, in respect of shares held in electronic mode, whose names shall appear in the statements of beneficial ownership furnished by respective Depositories, *viz.* National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on Friday, July 7, 2017.

9. Members holding shares in physical mode are requested to notify immediately any change in their address along with self-attested copy of address proof i.e. Aadhar Card / electricity bill / telephone bill / driving license / passport / bank passbook particulars to the Company or RTA and in case their shares are held in dematerialized mode, this information should be passed on directly to their respective DPs.

10. Pursuant to Regulation 12 of the Listing Regulations read with Schedule I to the said Regulations, it is mandatory for all the Companies to use bank details furnished by the investors for distributing dividends, interests, redemption or repayment amounts to them through National / Regional / Local Electronic Clearing Services (ECS) or Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), National Automated Clearing House (NACH) wherever ECS / RTGS / NEFT / NACH and bank details are available. In the absence of electronic facility, Companies are required to mandatorily print bank details of the investors on 'payable-at-par' warrants or cheques for distribution of dividends or other cash benefits to the investors. In addition to that, if bank details of investors are not available, Companies shall mandatorily print the address of the investor on such payment instruments. Therefore, Members holding shares in physical mode are requested to update their bank details with the Company or RTA immediately. Members holding shares in demat mode are requested to record the ECS mandate with their DPs concerned.
11. In all correspondence with the Company, Members holding shares in physical mode are requested to quote their account / folio numbers and in case their shares are held in the dematerialized mode, Members are requested to quote their DP Id and Client Id No(s).
12. Pursuant to erstwhile Section 205 of the Companies Act, 1956, all unclaimed / unpaid dividends up to the financial year ended December 31, 1993 have been transferred to the General Revenue Account of the Central Government. Members who have not yet encashed their dividend warrants for the said periods are requested to claim the amount from the Registrar of Companies, West Bengal, Nizam Palace, 234/4, A.J.C. Bose Road, Kolkata - 700020 by submitting the application in prescribed form.
13. Consequent upon amendment of erstwhile Section 205A of the Companies Act, 1956 and introduction of Section 205C of the Companies (Amendment) Act, 1999 and introduction of Section 124 and 125 of the Companies Act, 2013, the amount of dividend for the subsequent years remaining unclaimed / unpaid for a period of seven years or more from the date they first become due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Government of India.
14. In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, the Equity Shares in respect of which dividend remains unclaimed / unpaid for the last seven or more consecutive years, are required to be transferred to the Demat Account of the IEPF Authority. In this regard, the Company had informed the Members concerned through letter(s) and subsequently through Publications of Notice(s) in 'The Business Standard' and 'Ei Samay' advising them to claim their unclaimed / unpaid dividend from the Company within the stipulated time period. The Company has also uploaded on its website, i.e. *www.bata.in,* the complete list of Members alongwith relevant details pertaining to unclaimed / unpaid dividend for seven consecutive years or more and the corresponding shares liable to be transferred to the Demat Account of the IEPF Authority. Members may view the aforesaid details on *www.bata.in* under the 'Investor Relations' category.
15. Members are being informed that once the unclaimed / unpaid dividend is transferred to the account of IEPF and Shares are transferred to the Demat Account of IEPF Authority, no claim shall lie against the Company in respect of such dividend / shares. The eligible members are entitled to claim such unclaimed / unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents at the Registered Office of the Company for verification of their claim. Relevant details alongwith the specified procedure to claim refund of dividend amount / shares and the application form (Form IEPF-5) for claiming the shares / dividend are available at the link *http://bata.in/bataindia/a-36_s-181_c-42/investor-relations.html.*
16. The Company has requested the Members *vide* letter dated April 24, 2017 who have not encashed their dividend warrant for the financial year ended December 31, 2009 onwards, to claim the amount of dividend from the Company immediately. The unclaimed / unpaid dividend amount for the financial year ended December 31, 2009 will be transferred to IEPF in the month of July, 2017.

17. During the financial year ended March 31, 2017, the Company has deposited a sum of Rs. 8,33,048/- (Rupees Eight Lacs Thirty Three Thousand and Forty Eight only) into the specified bank account of the IEPF, Government of India, towards unclaimed / unpaid dividend for the financial year ended December 31, 2008. The due dates for transfer of the unclaimed / unpaid dividend for the subsequent years to IEPF are as follows:

Dividend for the Financial Year ended	Due date for transfer to IEPF
December 31, 2009	01/07/2017
December 31, 2010	02/08/2018
December 31, 2011	04/07/2019
December 31, 2012	09/07/2020
December 31, 2013	26/06/2021
March 31, 2015	09/09/2022
March 31, 2016	08/09/2023

18. As per Regulation 40(7) of the Listing Regulations read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copy of their Income Tax Permanent Account Number (PAN). Additionally, for securities market transactions and / or for off market / private transactions involving transfer of shares in physical mode of listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copy of PAN Card to the Company / RTA for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / Nominee(s).

19. Members are requested to kindly note that if physical documents *viz.* Demat Request Forms (DRF) and Share Certificates, etc. are not received from their DPs by the RTA within a period of 15 days from the date of generation of the Demat Request Number (DRN) for dematerialization, the DRN will be treated as rejected / cancelled. This step is being taken on the advice of NSDL and CDSL, so that no demat request remains pending beyond a period of 21 days. Upon rejection / cancellation of the DRN, a fresh DRF with new DRN has to be forwarded along with the Share Certificates by the DPs to the RTA. This note is only to caution Members that they should ensure that their DPs do not delay in sending the DRF and Share Certificates to the RTA after generating the DRN.

20. The Ministry of Corporate Affairs (MCA), Government of India has introduced a ‘Green initiative in Corporate Governance’ by allowing paperless compliances by the Companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013 and Rules framed thereunder.

    In case you have not registered your e-mail Id, please communicate the same to the Company or RTA at their communication address given in the Annual Report in respect of the shares held in physical mode or communicate to your DPs concerned in respect of shares held in demat / electronic mode. Although you are entitled to receive physical copy of the Notices, Annual Reports, etc. from the Company, we sincerely seek your support to enable us to forward these documents to you only by e-mail, which will help us participate in the Green Initiatives of the MCA and to protect our environment.

21. Members are requested to bring and produce the Attendance Slip duly signed as per the specimen signature recorded with the Company / DPs for admission to the AGM Hall.

22. All documents referred to in the Notice shall be open for inspection by the Members of the Company without payment of fees at the Registered Office of the Company at 27B, Camac Street, 1st Floor, Kolkata - 700016. Copies of the said documents shall also be available for inspection at the Corporate Office of the Company at Bata House, 418/02, Mehrauli Gurgaon Road, Sector - 17, Gurgaon- 122002, Haryana. Inspection by the Members can be done on any working day between 11:00 a.m. to 1:00 p.m. including the date of AGM of the Company and shall also be available at the venue of the AGM.

23. VOTING THROUGH ELECTRONIC MEANS

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to facilitate its Members to transact business at the AGM of the Company by voting through electronic means. In this regard, the Company has engaged the services of NSDL as the Agency to provide remote e-voting services and voting at the AGM venue through electronic voting system.

II. The facility for voting through electronic means shall be made available at the AGM venue and the Members attending the AGM who have not casted their vote by remote e-voting shall be able to exercise their right at the AGM through electronic voting system.

III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The instructions / procedure for remote e-voting are as under:

A. In case a Member receives an e-mail from NSDL [for Members whose e-mail Ids are registered with the Company / DPs]:

(i) Open e-mail and open PDF file *viz*.: “BataIndiaLimited_e-voting.pdf” with your Client Id or Folio No. as password. The said PDF file contains your User Id and password / PIN for remote e-voting. Please note that the password is an initial password;

(ii) Launch internet browser by typing the following URL: *https://www.evoting.nsdl.com;*

(iii) Click on ‘Shareholder - Login‘;

(iv) Put User Id and password as ‘Initial Password’/ PIN noted in step (i) above. Click ‘Login’;

(v) Password change menu will appear. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;

(vi) Home page of remote e-voting opens. Click on remote e-voting: ‘Active Voting Cycles’;

(vii) Select ‘EVEN’ of Bata India Limited;

(viii) Now you are ready for remote e-voting as ‘Cast Vote’ page opens;

(ix) Cast your vote by selecting appropriate option and click on ‘Submit’ and also ‘Confirm’ when prompted;

(x) Upon confirmation, the message ‘Vote cast successfully’ will be displayed;

(xi) Once you have voted on a Resolution, you will not be allowed to modify your vote.

(xii) Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to *pawan@sarawagi.in* with a copy marked to *evoting@nsdl.co.in.*

B. In case a Member receives physical copy of the Notice of AGM [for Members whose e-mail Ids are not registered with the Company / DPs or requesting physical copy] :

(i) Initial password is provided, as below, at the bottom of the Admission Slip for the AGM:

EVEN (Remote E-Voting Event Number)	**USER ID**	**PASSWORD / PIN**

(ii) Please follow all steps from Sl. No. (ii) to (xii) above, to cast your vote electronically.

V. In case of any queries / grievances, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the 'Downloads' section of www.evoting.nsdl.com or call on Toll Free No.: 1800 222 990 or Mr. Supratim Mitra, Asst. Vice President, NSDL, at Telephone Nos. (033) 22814662 / 22904246 or at e-mail id: *supratimm@nsdl.co.in*. In case you need further assistance, you may contact Mr. J. Banerjee, Investor Relations Manager at Telephone No. (033) 3980 2021 or at e-mail id: *share.dept@bata.co.in.*

VI. If you are already registered with NSDL for remote e-voting then you can use your existing User Id and Password / PIN for casting your vote.

VII. You can also update your mobile number and e-mail Id in the user profile details of the folio which may be used for sending future communication(s).

VIII. The remote e-voting period commences on Saturday, July 15, 2017 (09:00 a.m.) and ends on Monday, July 17, 2017 (05:00 p.m.). During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date of July 11, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

IX. The voting rights of the Member shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. July 11, 2017.

X. Any person, who acquires shares of the Company and become a Member of the Company after despatch of the Notice of the AGM and holding shares as on the cut-off date i.e. July 11, 2017, may obtain the login User Id and password / PIN by sending a request at *evoting@nsdl.co.in* or *share.dept@bata.co.in*. However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password / PIN for casting your vote. If you have forgotten your password, you can reset the password using 'Forgot User Details / Password' option available on *www.evoting.nsdl.com* or contact NSDL at Toll Free No.: 1800 222 990.

XI. A person whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic means.

XII. Mr. Pawan Kumar Sarawagi of M/s. P. Sarawagi & Associates, Practicing Company Secretary, Kolkata (Membership No.: FCS-3381 and C.P. No. 4882), has been appointed by the Board of Directors of the Company as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

XIII. The Chairman at the AGM shall allow voting, with the assistance of Scrutinizer, by use of electronic means for all those Members who are present at the AGM and did not cast their votes by availing the remote e-voting facility.

XIV. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through electronic voting system provided at the AGM venue and remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, within 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith. The resolution(s) shall be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.

XV. The declared results along with the report of the scrutinizer shall be placed on the Company's website *www.bata.in* under "Investor Relations" category and on the website of NSDL immediately after the results are declared. The same shall be communicated by the Company to the BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited. The results shall also be made available on the Notice Board of the Company at its Registered Office in Kolkata and Corporate Office in Gurgaon.

INFORMATION RELATING TO THE RE-APPOINTMENT OF DIRECTOR AT THE AGM

Item No. 3: Re-appointment of Mr. Shaibal Sinha (DIN: 00082504) as a Director of the Company, liable to retire by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Rules framed thereunder and the Articles of Association of your Company, Mr. Shaibal Sinha, Director is due to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Company has received necessary disclosures and declarations from Mr. Shaibal Sinha under the Companies Act, 2013 and the Listing Regulations, confirming his eligibility to be re-appointed as a Director of the Company, liable to retire by rotation.

Mr. Shaibal Sinha (Mr. Sinha), aged 54 years, is currently the Regional Finance Director of Asia, Africa and Latin America of Bata Group based out of Singapore. Mr. Sinha is a Bachelor of Commerce (B. Com), Chartered Accountant (ACA) and an alumni of the International Institute for Management Development (IMD), Lausanne, Switzerland with more than 30 years of post-qualification experience in different positions in Finance across the globe based out of India, Singapore, United Kingdom and Middle East.

Just before joining Bata, he was working with Reckitt Benckiser (a multinational consumer goods company dealing in Household, Personal Care, Health and Hygiene products). He worked with them at various levels in finance in India and United Kingdom for a period of eight years. Mr. Sinha joined Bata India Limited in November 2004 as Executive Director - Finance based in Gurgaon and worked till September 2010. He moved to Singapore in 2011 to a Bata group company as the "Chief Financial Officer" of Bata Emerging Market and took over as Senior Vice President - Finance and Development of Bata Emerging Markets in March 2014 based out of Singapore.

Mr. Sinha is a Member of "Singapore Institute of Directors" and holds directorship in the following other Companies:

Sl. No.	Name of the Company	Designation
1.	Global Footwear Services Pte. Ltd.	Director
2.	Bata Shoe Company of Ceylon Limited	Director
3.	Bata Shoe Company (Bangladesh) Limited	Director
4.	China Footwear Services Ltd.	Supervisory Director
5.	Bata (Thailand) Limited	Director
6.	BT Holding Company Limited	Director
7.	Bata (Malaysia) Sdn Bhd	Company Director
8.	Global Footwear Services (Malaysia) Sdn Bhd	Company Director
9.	PT. Sepatu Bata Tbk.	Member of Board of Commissioner
10.	Bata Shoe (Singapore) Pte. Ltd.	Director

Mr. Sinha does not hold Directorship in any company in India other than Bata India Limited. Mr. Sinha is a Member of the Audit Committee and the Nomination and Remuneration Committee of the Board of Directors of the Company.

There is no *inter-se* relationship between Mr. Sinha and other Directors and Key Managerial Personnel of the Company. Mr. Sinha does not hold any share in the Company.

Based on the recommendation of the Nomination and Remuneration Committee, Board is of the opinion that continued association of Mr. Sinha with the Board will be of immense benefit to your Company and, therefore, recommends the Resolution as set out in Item No. 3 of the Notice convening the 84th AGM for approval of the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Sinha himself, to the extent of his directorship, is concerned or interested financially or otherwise, in the aforesaid proposed Resolution.

By Order of the Board

Maloy Kumar Gupta
Company Secretary
ACS - 24123

Place : Gurgaon
Date : May 15, 2017

Bata

FINANCIAL HIGHLIGHTS 2007-2017

	2007	2008	2009	2010
PROFIT & APPROPRIATIONS				
Sales & Other Income	9,038.05	10,235.32	11,210.11	12,923.42
Profit before Depreciation, Tax & Prior Period Items	711.61	908.41	1,281.87	1,755.08
Depreciation	160.11	190.01	279.23	325.10
Profit before Tax & Prior Period Items	551.50	718.40	1,002.63	1,429.97
Taxation	40.62	111.03	330.36	476.45
Profit after Tax & Prior Period Items	510.88	607.37	672.27	953.52
Prior Period Items	36.44	-	-	-
Net Profit	474.44	607.37	672.27	953.52
Dividend & Dividend Distribution Tax	150.37	187.96	225.56	299.00
Retained Earnings	324.07	419.40	446.72	654.52
ASSETS EMPLOYED				
Fixed Assets - Gross	3,251.91	3,506.48	3,754.87	4,178.77
- Net	1,042.33	1,178.80	1,309.17	1,534.39
Investments	172.48	172.48	172.48	172.48
Net Current Assets	1,805.05	1,930.06	2,096.40	2,413.23
Other Non Current Assets (Includes DTA & Long term loans & advances)	-	-	-	-
	3,019.87	**3,281.34**	**3,578.06**	**4,120.11**
FINANCED BY				
Equity Shares	642.64	642.64	642.64	642.64
Reserves	1,859.22	2,192.40	2,684.93	3,339.73
Shareholder's Funds	2,501.86	2,835.04	3,327.57	3,982.37
Loan Funds	518.01	446.30	250.49	137.74
Non-current Liabilities	-	-	-	-
	3,019.87	**3,281.34**	**3,578.06**	**4,120.11**

* All figures are as per Ind AS

(Rs. in million)

2011	2012	2013	Fifteen months ended 31.03.2015	2016*	2017*
16,959.91	19,017.06	21,297.54	27,808.31	24,753.15	25,438.87
3,605.04	3,033.39	3,418.21	4,079.01	3,754.50	2,985.81
411.01	513.75	591.97	792.34	788.01	650.05
3,194.03	2,519.64	2,826.24	3,286.68	2,966.49	2,335.75
935.64	803.61	918.81	974.96	790.54	748.28
2,258.39	1,716.03	1,907.43	2,311.72	2,175.95	1,587.48
-	-	-	-	-	-
2,258.39	1,716.03	1,907.43	2,311.72	2,175.95	1,587.48
447.14	448.13	491.68	488.70	502.75	541.42
1,811.25	1,267.90	1,415.75	1,823.02	1,673.20	1,046.06
5,084.40	5,793.97	6,252.34	7,436.45	3,987.87	4,338.22
2,270.66	2,594.66	2,699.42	3,548.56	3,211.50	2,957.86
48.51	48.51	48.51	49.51	49.51	49.51
3,423.89	3,482.26	4,590.48	4,961.96	7,424.54	8,562.30
-	1,438.97	1,864.35	2,639.02	2,564.01	2,722.84
5,743.05	**7,564.40**	**9,202.76**	**11,199.05**	**13,249.56**	**14,292.53**
642.64	642.64	642.64	642.64	642.64	642.64
5,100.42	6,360.66	7,767.37	9,578.81	11,578.21	12,610.17
5,743.05	7,003.30	8,410.01	10,221.45	12,220.85	13,252.81
-	-	-	-	-	-
-	561.10	792.75	977.60	1,028.71	1,039.71
5,743.05	**7,564.40**	**9,202.76**	**11,199.05**	**13,249.56**	**14,292.53**

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SIGNIFICANT RATIOS 2007-2017

				2007	2008	2009
MEASURES OF INVESTMENTS						
Return on Equity		Profit after Tax / Shareholders' Funds	(%)	20.42*	21.42	20.20
Earnings per Share****		Net Profit / No. of Shares	(Rs.)	3.69	4.73	5.23
Dividend Cover			(times)	3.69	3.78	3.49
Dividend			(%)	20.00	25.00	30.00
Book Value of an Equity Share****		Shareholders' Funds / No. of Shares	(Rs.)	19.47	22.06	25.89
MEASURES OF PERFORMANCE						
Profitability	a)	Profit before Tax / Sales	(%)	6.19*	7.10	9.01
	b)	Profit after Tax / Sales	(%)	5.74*	6.00	6.04
Capital Turnover		Sales / Total Funds	(times)	2.95	3.09	3.11
Stock Turnover		Sales / Stocks	(times)	2.93	3.46	4.01
Working Capital Turnover		Sales / Net Current Assets	(times)	4.93	5.25	5.31
MEASURES OF FINANCIAL STATUS						
Debt Equity Ratio		Loan Funds / Shareholders' Funds	(times)	0.21:1	0.16:1	0.08:1
Current Ratio		Current Assets / Current Liabilities	(times)	1.77:1	1.71:1	1.72:1
Fixed Assets to Shareholders' Funds		Net Fixed Assets / Shareholders' Funds	(times)	0.42:1	0.42:1	0.39:1

* Without Considering Prior Period Items

** Without considering Gains from Surplus Property Development

*** All ratios are calculated as per Ind AS

**** Calculated based on Equity Shares of Rs. 5/- each, as sub-divided w.e.f. October 8, 2015.

2010	2011	2012	2013	Fifteen months ended 31.03.2015	2016***	2017***
23.94	24.74**	24.50	22.68	19.37**	14.29**	11.98
7.42	11.06**	13.35	14.84	15.40**	13.59**	12.35
3.71	3.68**	4.45	4.57	4.74**	3.88**	3.53
40.00	60.00	60.00	65.00	65.00	70.00	70.00
30.98	44.69	54.49	65.43	79.53	95.08	103.11
11.20	13.42**	13.46	13.47	10.79**	10.36**	9.35
7.47	9.08**	9.17	9.09	7.23**	7.13**	6.36
3.10	2.73	2.67	2.50	2.68	2.00	1.88
4.27	4.00	4.05	3.60	3.88	3.61	3.54
5.29	4.57	5.38	4.57	5.52	3.30	2.92
0.03:1	-	-	-	-	-	-
1.53:1	2.00:1	1.93:1	1.99:1	1.96:1	2.83:1	2.74:1
0.39:1	0.40:1	0.37:1	0.32:1	0.35:1	0.26:1	0.22:1

BOARD'S REPORT TO THE MEMBERS

Your Directors are pleased to present the 84th Annual Report covering the operational and financial performance of your Company along with the Audited Financial Statements for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

(Rs. in Million)

Particulars	Year ended on March 31, 2017	Year ended on March 31, 2016
	(Audited)	(Audited)
Revenue from operations	24,972.41	24,485.97
Other Income	466.46	267.18
Total	**25,438.87**	**24,753.15**
Profit / (Loss) before Exceptional items and Taxation	**2,552.44**	**2,219.42**
Exceptional items– Income / (Loss)	(216.69)	747.07
Profit / (Loss) before Taxation	**2,335.75**	**2,966.49**
Provision for Taxation	748.27	790.54
Net Profit	**1,587.48**	**2,175.95**
Other Comprehensive Income/(Loss) (net of tax)	14.10	11.56
Total Comprehensive Income	**1,573.38**	**2,164.39**

Your Company has prepared the Financial Statements for the financial year ended March 31, 2017 under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and has recast the Financial Statements relating to the previous financial year ended March 31, 2016 in order to make them comparable.

During the financial year ended March 31, 2017, your Company recorded a turnover of Rs.24,972.4 Million as compared to the turnover of Rs.24,485.9 Million recorded during the previous financial year ended March 31, 2016. The Net Profit of your Company for the financial year ended March 31, 2017 stood at Rs.1,587.5 Million as against the Net Profit of Rs.2,175.9 Million for the financial year ended March 31, 2016. However, the Net Profit for the financial year ended March 31, 2017 included one-time Exceptional expense of Rs.216.7 Million, whereas, the Net Profit for the financial year ended March 31, 2016 included one-time Exceptional income of Rs.747.1 Million. Accordingly, the Profit before Exceptional Items and Tax for the financial year ended March 31, 2017 reflects a growth of 15% over the corresponding Profit for the financial year ended March 31, 2016. Details of the Exceptional Items for both the aforesaid financial years have been mentioned in Note No.26 of the Notes to the Financial Statements in this Annual Report.

On a consolidated basis, your Company recorded a turnover of Rs.25,043.4 Million during the financial year ended March 31, 2017 and achieved consolidated Net Profits of Rs.1,589.5 Million for the said financial year.

Your Company has been the leading footwear brand of choice for its style, comfort and quality at affordable price. During the year under review, your Company endeavored to maintain the stature with an added focus to tap the fashion conscious youth, working women and children through introduction of newer and trendier styles of footwear and has also launched premium collections of footwear for men and women. Over the past couple of years there have been considerable changes in customers' shopping preferences. Technological advancements and availability of smartphones have resulted in exponential growth of online businesses, especially in retail segment. Your Company's e-commerce website had witnessed a good response as it caters to evolving shopping habits of the consumers who look for ease and convenience. Your Company being the market leader in the organized footwear sector over the past several decades always endeavors to meet the expectations of its stakeholders and takes all steps possible to enhance the Bata brand value.

SHARE CAPITAL

The Authorized Share Capital of your Company as on March 31, 2017 stands at Rs. 700,000,000/- divided into 140,000,000 equity shares of Rs. 5/- each. The Issued Share Capital of your Company is Rs. 642,850,000/- divided into 128,570,000 equity shares of Rs. 5/- each and the Subscribed and Paid-up Share Capital is Rs. 642,637,700/- divided into 128,527,540 equity shares of Rs. 5/- each, fully paid-up.

DIVIDEND

Your Board has recommended a dividend of Rs.3.50 per share on an Equity Share of Rs. 5/- each (i.e. 70%) for the financial year ended March 31, 2017. The dividend, if declared, by the Members at the forthcoming Annual General Meeting (AGM) shall be paid to the eligible Members of the Company from Friday, July 28, 2017 onwards. The total payout of aforesaid dividend would be approximately Rs.450 Million, excluding the corporate dividend distribution tax, as applicable.

The recommendation of aforesaid dividend is in line with the Dividend Distribution Policy of the Company approved by your Board. The said Dividend Distribution Policy has been uploaded on the website of your Company *www.bata.in* and is available at the link *http://bata.in/0/pdf/DividendDistributionPolicy-BIL.pdf.*

GENERAL RESERVE

The Company has not transferred any amount to the General Reserve during the financial year ended March 31, 2017.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND DATE OF REPORT

Subsequent to the end of the financial year on March 31, 2017 till date, there has been no material change and/or commitment which may affect the financial position of the Company.

CREDIT RATING

During the year under review, ICRA Limited (ICRA) has reaffirmed the Credit Rating of '[ICRA] AA+' (pronounced as ICRA double A plus) for the Non-Fund Based Facilities of your Company. The outlook on the Long Term Rating is ‘Stable’.

DEPOSITS

Your Company has no unclaimed / unpaid matured deposit or interest due thereon since December 31, 2013. Your Company has not accepted any deposits covered under ‘Chapter V - Acceptance of Deposits by Companies’ under the Companies Act, 2013 during the financial year ended March 31, 2017.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

In terms of Section 186 of the Companies Act, 2013 and Rules framed thereunder, details of the Loans given and Investments made by your Company have been disclosed in Note No. 5 of the Notes to Financial Statements for the year ended March 31, 2017, which forms part of this Annual Report. Your Company has not given any guarantee or provided any security during the year under review.

RELATED PARTY TRANSACTIONS

During the financial year ended March 31, 2017, all transactions with the Related Parties as defined under the Companies Act, 2013 read with Rules framed thereunder were in the ‘ordinary course of business’ and ‘at arm's length' basis. Your Company does not have a ‘Material Unlisted Subsidiary’ as defined under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [‘Listing Regulations’]. Your Board shall formulate a Policy to determine Material Unlisted Subsidiary as and when considered appropriate in the future.

During the year under review, your Company did not have any Related Party Transaction which required prior approval of the Members. All Related Party Transactions of your Company had prior approval of the Audit Committee and the Board of Directors. Subsequently, the Audit Committee and the Board have reviewed the Related Party Transactions on quarterly basis. Your Company has an internal mechanism for the purpose of identification and monitoring of Related Party Transactions.

There has been no materially significant Related Party Transactions during the year under review, having potential conflict with the interest of the Company. Necessary disclosures required under the Ind AS-24 have been made in the Note No. 38 of the Notes to the Financial Statements for the year ended March 31, 2017.

SUBSIDIARIES

Your Company has three Subsidiaries. Bata Properties Limited and Way Finders Brands Limited continue to be wholly-owned subsidiaries of your Company, whereas Coastal Commercial & Exim Limited continues to be the step down wholly-owned subsidiary of your Company.

The Annual Reports of these Subsidiaries will be made available for inspection by the Members of the Company at the Registered Office of the respective subsidiary Companies and at the Registered Office of your Company at 27B, Camac Street, 1st Floor, Kolkata - 700016 between 11:00 a.m. and 1:00 p.m. on any working day. Annual Reports along with the Audited Financial Statements of each of the Subsidiaries of your Company are also available on the website of the Company at *www.bata.in.* The Annual Reports of the abovementioned Subsidiaries for the financial year ended March 31, 2017 shall be provided to the Members of the Company upon receipt of written requests from them.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, a statement containing salient features of financial statements of the aforesaid Subsidiaries has been provided in Form No. AOC-1 and included in this Annual Report.

The Audited Consolidated Financial Statements (CFS) of your Company for the financial year ended March 31, 2017, as prepared in compliance with the provisions of Ind AS-27 issued by the Institute of Chartered Accountants of India, are also forming part of this Annual Report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in the Form No. MGT-9 as on March 31, 2017 is annexed to this Board's Report and marked as Annexure I.

AUDIT AND AUDITORS

(i) Change in Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 301003-E / E-300005), the Auditors of your Company shall hold office till the conclusion of the ensuing AGM and they shall not be eligible for re-appointment due to expiry of the maximum permissible tenure as the Auditors of your Company. Your Board places on record its deep appreciation for the valuable contributions of the Auditors during their long association since the inception of your Company and wishes them success in the future.

Based on the recommendation of the Audit Committee, your Board at its meeting held on February 9, 2017, appointed M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248-W / W-100022), as the Auditors of the Company, in place of the retiring auditors M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, to hold office from the conclusion of the ensuing 84th AGM until conclusion of the 89th AGM of your Company to be held in the year 2022, subject to approval of the Members of the Company at the ensuing AGM and ratification by the Members of the Company every year thereafter, if required.

Your Company has received a certificate from M/s. B S R & Co. LLP, Chartered Accountants confirming their eligibility to be appointed as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and Rules framed thereunder. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the provisions of Regulation 33 of the Listing Regulations. The proposal for their appointment has been included in the Notice convening the 84th AGM for obtaining approval of the Members of the Company.

(ii) Secretarial Auditor

In terms of the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Board at its meeting held on February 9, 2017 appointed M/s. P. Sarawagi & Associates, Company Secretaries, 27, Brabourne Road, Kolkata - 700001 as the Secretarial Auditors of the Company, to conduct the Secretarial Audit for the financial year ended March 31, 2017 and to submit Secretarial Audit Report in Form No. MR-3.

A copy of the Secretarial Audit Report received from M/s. P. Sarawagi & Associates in the prescribed Form No. MR-3 is annexed to this Board's Report and marked as Annexure II.

(iii) Qualification, reservation or adverse remark in the Auditors' Reports and Secretarial Audit Report

There is no qualification, reservation or adverse remark made by the Auditors in their Auditors' Reports to the Financial Statements (Standalone and Consolidated) or by the Secretarial Auditor in their Secretarial Audit Report for the financial year ended March 31, 2017.

SIGNIFICANT AND MATERIAL LITIGATIONS / ORDERS

During the year under review, there were no significant material orders passed by the Regulators / Courts and no litigation was outstanding as on March 31, 2017, which would impact the going concern status and future operations of your Company. The details of litigation on tax matters are disclosed in the Auditors' Report and Financial Statements which forms part of this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In compliance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, a statement containing information on conservation of energy, technology absorption, foreign exchange earnings and outgo of the Company, in the prescribed format, is annexed to this Board's Report and marked as Annexure III.

RESEARCH & DEVELOPMENT ACTIVITIES AND ENERGY CONSERVATION

During the year under review, your Company's Research & Development activities included technological improvement of the products, introduction of advanced footwear moulds and improvement in manufacturing processes. Such activities resulted in improving the quality of footwear and productivity in manufacturing. Your Company incurred an expenditure of approx. Rs.59.6 Million on Research & Development (including product development initiatives), as against Rs.62 Million spent during the year 2015-16. Your Company has adopted a series of energy conservation measures like replacing conventional tubes with energy efficient LED lights, installation of energy efficient screw compressors, etc. at its Manufacturing Units across India. Such energy saving measures led to a savings of energy cost worth approx. Rs. 7.4 Million during the year under review. Your Company shall continue to invest on Research & Development activities and energy saving measures in its manufacturing units in the future as well. Your Company continued to emphasize on creating a pollution-free and a safe work environment for its employees.

CORPORATE SOCIAL RESPONSIBILITY

Your Board has constituted a Corporate Social Responsibility (CSR) Committee of the Board under the Chairmanship of an Independent Director. A CSR sub-committee comprising of Senior Executives of the Company and a dedicated CSR team undertake and monitor all CSR projects of your Company. Compositions of CSR Committee of your Company and other relevant details have been provided in the Corporate Governance Report which forms part of this Annual Report.

During the year under review, as part of its CSR activities your Company focused on promotion of educational initiatives by supporting the schools near its area of operations. Your Company contributed to the "Prime Minister's Swachh Bharat Abhiyan" by building toilets and facilities for drinking water and hand wash in the semi urban and rural schools. It also participated in the "Prime Minister's Skill India campaign" by enhancing employability skills of the underprivileged youth. In addition to such core CSR areas, your Company has always remained sensitive to the underprivileged people of the society and support them in improving their lives with the aim to eradicate poverty, promote preventive healthcare and promote education. Further, your Company also donated shoes to the affected people in areas hit by natural calamities/ disasters and also to the underprivileged children under its campaign "No child should walk barefoot". Your Company spent over Rs.60 Million, i.e., more than 2% of the average net profits for the past three years, towards various CSR activities during the financial year ended March 31, 2017.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR Activities has been annexed to this Board's Report and marked as Annexure IV.

SUPPORT FROM BATA SHOE ORGANIZATION

Your Company continues to receive supports from the Holding Company - Bata (BN) BV., Amsterdam, The Netherlands and also from Bata Shoe Organization (BSO). Your Company also enjoys the benefits of technical research through Global Footwear Services Pte. Ltd., Singapore (GFS). Your Company has renewed the Technical Collaboration Agreement with GFS with effect from January 1, 2011 for a period of ten years. In terms of the said Technical Collaboration Agreement, your Company receives guidance, training of personnel and services from GFS in connection with research & development, marketing, brand development, footwear technology, testing & quality control, store location, layout & design, environment, health & safety, risk & insurance management, etc. Your Company continues to obtain expertise and experience from the personnel of GFS and other BSO group Companies to improve its product range and operational processes throughout the year. In terms of the renewed Agreement as aforesaid, your Company has paid a technical services fee of Rs. 233.5 Million to GFS during the financial year ended March 31, 2017, which is less than 1% of the Turnover of your Company.

BOARD OF DIRECTORS AND BOARD MEETINGS

Your Company's Board is duly constituted which is in compliance with the requirements of the Companies Act, 2013, the Listing Regulations and provisions of the Articles of Association of the Company. Your Board has been constituted with requisite diversity, wisdom and experience commensurate to the scale of operations of your Company.

During the year under review, a total of five Meetings of your Board of Directors was held, i.e., on May 30, 2016; August 3, 2016; November 25, 2016; December 21, 2016 and February 9, 2017. Details of Board composition and Board Meetings held during the financial year 2016-17 have been provided in the Corporate Governance Report which forms part of this Annual Report.

During the year under review there has been no change in the Board of Directors of your Company, which indicates continuity of your Board. At the 83rd AGM your Company held on August 4, 2016, approval of the Members was obtained to the re-appointment of Mr. Rajeev Gopalakrishnan as the Managing Director of your Company and appointment of Mr. Ram Kumar Gupta as the Director Finance, for a period of five years from the date of their respective appointments on your Board. Your Board is of the opinion that continuous association of Mr. Rajeev Gopalakrishnan and Mr. Ram Kumar Gupta with the Board shall be beneficial to your Company and help it achieve its desired business goals. At the aforesaid AGM, the Members also approved the appointment of Mr. Christopher Kirk as a Director of your Company, liable to retire by rotation.

Mr. Shaibal Sinha, Non-Executive Director is due to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. A brief profile along with necessary disclosures of Mr. Shaibal Sinha has been annexed to the Notice convening the ensuing AGM and forms an integral part of this Annual Report. Your Board recommends re-appointment of Mr. Shaibal Sinha as a Director of the Company, liable to retire by rotation.

Mr. Uday Khanna, Mr. Ravindra Dhariwal, Mr. Akshay Chudasama and Ms. Anjali Bansal, Independent Directors of your Company have declared to the Board of Directors that they meet the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and there is no change in their status of Independence. Your Board places on records its deep appreciation for their continuous guidance, support and contribution to the Management of the Company in its pursuit to achieve greater heights.

Mr. Rajeev Gopalakrishnan, Managing Director & Chief Executive Officer, Mr. Ram Kumar Gupta, Director Finance & Chief Financial Officer and Mr. Maloy Kumar Gupta, Company Secretary & Compliance Officer continue to be the Key Managerial Personnel of your Company.

AUDIT COMMITTEE

The Board of Directors of your Company has a duly constituted Audit Committee in terms of the provisions of Section 177 of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 18 of the Listing Regulations. The terms of reference of the Audit Committee has been approved by the Board of Directors. Composition of the Audit Committee, number of meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. Recommendations made by the Audit Committee are generally accepted by your Board.

NOMINATION AND REMUNERATION POLICY

Your Board has adopted a Remuneration Policy for identification, selection and appointment of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The Policy provides for criteria for fixing remuneration of the Directors, KMPs, SMPs as well as other employees of the Company. The Policy enumerates the powers, roles and responsibilities of the Nomination and Remuneration Committee.

Your Board, on the recommendations of the Nomination and Remuneration Committee, appoints Director(s) of the Company based on his / her eligibility, experience and qualifications and such appointment is approved by the Members of the Company at General Meetings. Generally, the Managing Director and Whole-time Directors (Executive Directors) are appointed for a period of five years. Independent Directors of the Company are appointed to hold their office for a term up to five consecutive years on the Board of your Company. Based on their eligibility for re-appointment, the outcome of their performance evaluation and based on the recommendation by the Nomination and Remuneration Committee, the Independent Directors may be re-appointed by the Board for another term of five consecutive years, subject to approval of the Members of your Company. The Directors, KMPs and SMPs shall retire as per the applicable provisions of the Companies Act, 2013 and the policy of the Company. While determining remuneration of the Directors, KMPs, SMPs and other employees, the Nomination and Remuneration Committee ensures that the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate them and insure the quality required to run the Company successfully, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and such remuneration comprises a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The Company follows a compensation mix of fixed pay, benefits, allowances, perquisites, performance linked incentives and retirement benefits for its Executive Directors, KMPs, SMPs and other employees. Performance Linked Incentive is determined by overall business performance of your Company. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members of the Company. The Company pays remuneration to Independent Directors by way of sitting fees and commission on the net profits of the Company. Non-Executive Directors of your Company do not accept any sitting fees / commission on the net profits from the Company. Remuneration to Directors is paid within the limits as prescribed under the Companies Act, 2013 and the limits as approved by the Members of the Company, from time to time.

The aforesaid Nomination and Remuneration Policy has been uploaded on the website of your Company *www.bata.in* and is available at the link: *http://bata.in/0/pdf/Remuneration-Policy_2015.pdf.* Your Company conducts a Board Evaluation process for the Board of Directors as a whole, Board Committees and also for the Directors individually through self-assessment and peer assessment. The details of Board evaluation for the year 2016-17 have been provided in the Corporate Governance Report which forms part of this Annual Report.

DISCLOSURES ON REMUNERATION OF DIRECTORS AND EMPLOYEES OF THE COMPANY

Information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subsequent amendments thereto, is annexed to this Board's Report and marked as Annexure V.

A statement containing the Information of top ten employees in terms of remuneration drawn and particulars of every employee of the Company, who was in receipt of remuneration not less than the limits specified under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto, is annexed to this Board's Report and marked as Annexure VI.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

In terms of provisions of Section 177 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 22 of the Listing Regulations, your Company has a vigil mechanism in place for the Directors and Employees of the Company through which genuine concerns regarding various issues relating to inappropriate functioning of the organization can be communicated. For this purpose, your Board has a Whistle Blower Policy and has been uploaded on the website of the Company at *www.bata.in* and the same is available at the link *http://bata.in/0/pdf/Whistle-Blower-Policy.pdf.* A Vigil Mechanism Committee under the Chairmanship of the Audit Committee Chairman has been constituted. The Policy provides access to the Head of Legal Department of the Company and to the Chairman of the Audit Committee in certain circumstances.

No person has been denied an opportunity to have access to the Vigil Mechanism Committee including the Audit Committee Chairman. During the year under review, there has been no incidence reported which requires action by the Vigil Mechanism Committee.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company has adopted a Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Your Company is committed to provide a safe and secure environment to its women employees across its functions and other women stakeholders, as they are considered as integral and important part of the Organization.

An Internal Complaints Committee (ICC) with requisite number of representatives has been set up to redress complaints relating to sexual harassment, if any, received from women employees and other women associates. All employees (permanent, contractual, temporary, trainees) are covered under this policy, which also extends to cover all women stakeholders of the Company.

The following is a summary of sexual harassment complaints received and disposed off during the financial year ended March 31, 2017:

- No. of Complaints received : NIL
- No. of Complaints disposed off : Not Applicable

Your Company has been conducting awareness campaign across all its manufacturing units, warehouses, retails stores and office premises to encourage its employees to be more responsible and alert while discharging their duties.

RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company's internal financial control ensures that all assets of the Company are safeguarded and protected, proper prevention and detection of frauds and errors and all transactions are authorized, recorded and reported appropriately. Your Company operates through definitive Chart of Authorities (COAs) and Standard Operating Procedures (SOPs) in respect of its operations including financial transactions. Such COAs and SOPs are regularly monitored and if required, modified from time to time depending on business requirements.

Your Company has an adequate system of internal financial controls commensurate with its size and scale of operations which includes policies and procedures pertaining to maintenance of records containing reasonable details, accurate and fair reflections of financial transactions and dispositions of the assets of the Company.

Such practice provides reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the applicable legislations and that the same are well within the COAs and SOPs, without exception. Your Company also monitors through its Internal Audit Team the requirements of processes in order to prevent or timely detect unauthorized acquisition, use or disposition of the Company’s Assets which could have a material effect on the Financial Statements of the Company.

The Audit Committee of your Board has devised a Risk Management Policy, approved by your Board, which outlines the risk management framework for the functions involved within your Company. As per the said Policy, Risk Management Committee of your Board has been entrusted with the role and responsibilities to formulate, monitor and review risk management plans of your Company.

The Internal Audit Report and Risk Inventory Report are reviewed periodically by the Audit Committee of the Board of Directors. The Chief Internal Auditor is a permanent invitee to the Audit Committee Meetings. The Audit Committee advises on various risk mitigation exercises on a regular basis. Your Company has been maintaining a separate Internal Audit Team headed by the Chief Internal Auditor appointed by the Audit Committee of your Board.

Your Board has also constituted a Risk Management Committee comprising of the Directors and Senior Executives of the Company under the chairmanship of the Managing Director of the Company. The Terms of Reference of the Risk Management Committee and a Risk Management Policy of the Company have also been approved and adopted.

Your Board is of the opinion that the Internal Financial Controls, affecting the Financial Statements of your Company are adequate and are operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry structure and developments

The global footwear industry has been experiencing a rapid expansion and witnessing a significant growth, primarily due to increased demand for trendy yet comfortable footwear among all age groups and innovative footwear products worldwide. Due to advancements in manufacturing processes, technology innovation and integration, modern, trendy, and comfortable shoes are being continuously developed at reasonable prices in order to keep pace with the growing demand for these products in emerging countries in the World. Rapid urbanization, demographic changes including ever increasing middle class population with the disposable income, changing lifestyles, health awareness, etc., are now leading to men and women wearing a variety of footwear in their daily lives. Footwear manufacturers have been compelled to use technology to produce stylish footwear with innovative designs in order to meet such ever increasing demand.

The Global Footwear Market, by geography, is divided into four regions: North America, Europe, Asia Pacific and Rest of the World. In terms of volume, Asia Pacific is the largest contributor to the market, accounting for a market share of approximately 40% and has been growing at a steady pace since past few years and is expected to continue the growth path at the same pace in the years to come. Presently, in terms of revenue, Global Footwear Market is valued at approx. USD 220 Billion and in expected to exceed USD 260 Billion by 2023, growing at 2.5% CAGR. In terms of volume, Global Footwear Market is approx. 16 Billion pairs. India is the second largest producer of footwear in the world, next to China and has an ever-growing domestic market. Annually, India produces about 2.5 Billion pairs and it is estimated that production of footwear will exceed 4 Billion pairs by 2020. The per capita consumption of footwear in India is set to grow rapidly from its existing level of 1.7 pairs per annum. The global average per capita consumption of footwear is 3 pairs per annum, whereas the same for developed countries in the World is more than 5 pairs per annum.

(b) Opportunities and Threats

Your Company is aware of the changes in the external business environment. The ever growing competition from both domestic and foreign players in the industry will continue to remain aggressive. The Indian footwear market is witnessing a steady popularity among teenagers and youths. They are using online platforms, *inter alia,* for purchase of footwear which is slowly occupying a significant share of total sales volume. The brick and mortar Retail Industry shall witness intensifying competition from the e-commerce offerings. Your Company shall continue to adopt innovative strategies and take all necessary steps to maintain its leadership position in the organized footwear market.

Increasing demand for sports shoes and branded footwear among all age groups and increasing health awareness among the individuals will generate higher demand for athletic footwear among individuals. At the same time, a steady rise in number of working women and their growing fashion consciousness shall continue to drive higher demand of footwear in the future.

(c) Segment wise or product wise performance

Your Company operates in Footwear & Accessories Segment only and performances of major business categories and key brands of your Company during the financial year ended March 31, 2017 are highlighted below:

Retail Business

Your Company has adopted a dual strategy of driving same store growth while adding new retail stores in Malls and High Street locations. During the twelve month period ended March 31, 2017, your Company opened 100 new retail stores and 23 Franchised stores across India. These spacious new stores are located in untapped and developing markets of the Country and are based on global design, making them look enticing with contemporary display of the products. Your Company plans to add around 100 new retail stores and 50 new Franchisee stores in the current year to increase its presence in the Malls, High Street Markets and in the Tier-2 and Tier-3 cities across India. In addition, your Company shall continue to make investment on renovating 50 existing stores hence creating a delightful shopping experience for the customers by improving store layouts and creating an emphasis on key products within the retail stores. Your Company plans to focus on building the Bata Brand and attract more footfalls in the retail stores through breathtaking windows, in-stores activities and amplify various new launch of products and collections.

Digital Multi-Channel Business

Your Company's online business has registered a good growth during the year under review. Your Company sold more than 6.3 lacs pairs of footwear through online channels and achieved a turnover of Rs.692 Million. Your Company's e-commerce presence has penetrated in more than 750 cities and towns across India.

During the year under review, your Company's e-commerce Division mainly focused on increasing its customer database by reaching out to new set of target audience and also establishing successful association with many reputed Companies and banks, e.g., HDFC Bank, Standard Chartered Bank, State Bank of India, Deutsche Bank, Samsung, SpiceJet Airlines, etc. Such alliances helped your Company increase its brand awareness and customer database. Your Company's products continued to be sold through its partners' websites including Amazon, Myntra, Jabong, Flipkart, etc. Your Company has launched a 'Click and Collect' service for its Stores in Delhi NCR Region. The customers can now shop the entire range of products available online with the click of a button and have their preferred footwear or accessories delivered to the local Bata retail store of their choice. Your Company has launched online exclusive product lines for both Spring-Summer Season and Autumn-Winter Season generating a good response from the customers. The website of your Company has been made more user-friendly with facilities like easy navigation, simplistic designs, effortless checkout process and effective product shoots. Your Company has also launched Bata Mobile Application with interactive user-interface which has also been well accepted in the market. Your Company has strengthened its e-commerce team and had recently launched Bata Blog, which acts as a style inspiration for the young audience and also provides frequent online customer surveys and customer feedback for improved services. Going forward, your Company shall expand its Digital Multi-Channel Business through various measures including placement of online kiosks in major retail stores, tie-up with payment banks and also increasing the presence of its product offerings through partners' websites.

Hush Puppies

The year 2016-17 saw various new initiatives for Hush Puppies - your Company's international brand known for comfort, quality and style. Launching of new 'Signature Collection' across its exclusive stores, marking a new tradition of contemporary and fashionable shoes for the new younger generation, etc. were the major highlights for the brand. Apart from this, an increased focus on ladies footwear as a premium comfort category has been visible in the new and refreshing lines of 'The Body Shoe' for women and the new successful sporty casual collection. In addition to being available through the retail stores, wholesale network and e-commerce channel of the Company, the brand has now expanded its presence through 75 exclusive stores and 56 shop- in-shops in premium departmental stores. During the year under review, Hush Puppies continues to strongly re-position itself as an International Premium Lifestyle Casual Footwear brand. Your Company shall continue to focus on offering new and unique products under this brand, with increased focus on comfort, contemporary fashion and style making 'Hush Puppies' the most desired lifestyle footwear brand in India.

Children's footwear

In order to cater to the children's ever changing footwear demand, your Company has been introducing many new designs and innovative footwear. Through Bubblegummers brand of footwear, your Company has always been striving to make quality shoes with uncompromising comfort and features that safeguard their little feet. Bubblegummers is retailed through all Bata stores across the Country and has been the first point of contact to start our consumers' journey to establish long term association with Bata. With 18% of the Country's population below the age of 10 years, potential to grow in the children category of footwear is huge which makes this category as one of the key focus areas for your Company.

Your Company has established an association with The Walt Disney Company India Pvt. Ltd. and working with a set of designers from Disney, to create a complete collection covering all types of footwear ranging from casual shoes, canvas shoes and ballerinas to everyday-wear sandals and chappals. Your Company has been exploring the possibilities to create exclusive 'Disney Corners' in some of its key retail stores across major cities in India to highlight the collection and add value to the children category of footwear range.

Non-Retail Business

Your Company's non-retail business division comprises of urban wholesale, industrial and institutional business divisions. The urban wholesale business of your Company has been endeavouring to penetrate the markets through a wide network of approx. 400 distributors across India. During the year under review, the wholesale trade across India witnessed a slowdown as the business has been impacted by some external factors beyond its control. Your Company has strengthened its urban wholesale business monitoring team and efforts are being made to increase its market share in the wholesale footwear business.

Customer Care Initiatives

Your Company has a dedicated customer care team with a toll free number and other multiple channels of customer interaction like email, Facebook, twitter, etc. to attend customer grievances and to resolve the same amicably. Your Company aims to provide best in class support to its customers by addressing their queries and feedback through a dedicated helpdesk. Your Company's customer loyalty program viz, ' The Bata Club' has recorded a continuous growth by exceeding 10 Million memberships. Various promotional events and customer engagement programs have been conducted throughout the year to ensure that your Company records a higher footfall and conversion rate in its retail stores as well as on its digital multi-channel platform.

(d) Outlook

With changing lifestyles and increasing affluence, domestic demand for footwear is projected to grow at a faster rate than the Country has ever seen. India has a good potential for the footwear industry in view of its young population, rapid change in lifestyle, increase in disposable income of middle-class people and continuous growth in number of working women. Customers' preference for branded products will provide a better opportunity to the players in organized footwear markets in India. Your Company is taking appropriate steps to tap these opportunities in order to improve its market share and retain its leadership position in the organized footwear segment of the industry.

(e) Risks and concerns and Contingent Liabilities

Your Company operates in a globally competitive business environment and in a complex regulatory environment. In addition, steep increase in rental cost, high cost of raw materials and changes in the customers' shopping preference are considered as risk factors. Your Company monitors its major risks and concerns at regular intervals. Appropriate steps are taken in consultations with all concerned including the Risk Management Committee and Audit Committee of the Board to mitigate such risks.

During the normal course of its business operations, your Company has been subjected to several legal cases in connection with or incidental thereto. These litigations include civil cases, excise and customs related cases, etc. filed by and against the Company. These cases are being pursued with due importance and in consultation with legal experts in respective areas. Your Board believes that the outcome of these cases is unlikely to cause a materially adverse effect on the Company's profitability or business performance. Your Company has a Contingent Liability of Rs.576.9 Million as on March 31, 2017 as compared to Rs.949.4 Million as on March 31, 2016. Attention is drawn to the explanations mentioned in Note No. 33 of the Notes to Financial Statements for the year ended March 31, 2017. In view of the present status and based on legal advice received, your Board is of the opinion that no provision is required to be made against these Contingent Liabilities during the year under review.

(f) Discussion on financial performance

Your Company has been able to achieve profitable growth continuously for a decade now and believes that this is sustainable, barring unforeseen circumstances.

The Earning per Share (EPS) (Basic and Diluted) of your Company for the financial year ended March 31, 2017 was at Rs.12.35. The EPS for the previous financial year ended March 31, 2016 was Rs.16.93, which was higher primarily due to exceptional income. Excluding such exceptional items, the EPS of your Company for the financial year ended March 31, 2017 was Rs.14.04 as compared to Rs.11.12 for the previous financial year.

As informed through earlier Annual Reports, your Company does not have any Bank Borrowings since April, 2010 and the entire capital expenditure has been funded through internal sources.

Capital Expenditure incurred during the year under review amounted to Rs.386.8 Million as compared to Rs.488.1 Million (excluding Rs.306.3 Million on account of the receipt of constructed space under the erstwhile joint venture project at Batanagar) during the previous year ended March 31, 2016.

(g) Material developments in human resource / industrial relations front, including number of people employed

Your Company has been continuously working to improve human resources skills, competencies and capabilities in the Company, which is critical to achieve desired results in lines with the strategic business ambitions. Some key initiatives have been taken during the year 2016-17 in this direction. These are summarized below:

- Execution of Long Term Agreements (LTAs) for settlements of dues with the Worker's Union at the manufacturing units of the Company at Southcan, Bangalore and BataShatak at Hosur, Tamil Nadu.
- Successful implementation of a Voluntary Retirement Scheme (VRS) at the manufacturing unit of the Company at Faridabad, Haryana, wherein all the workers have accepted the VRS and their dues have been settled. Operations at Faridabad have been discontinued since December, 2016.
- Industrial relations at all the manufacturing units of your Company have been harmonious and peaceful with active involvement of the employees in the collective bargaining process. Your Company has also encouraged wholehearted participation of the employees and union in improving productivity as well as quality of its products.
- The Retail Training Academy of your Company imparted training to 31 District Managers and Retail Managers for 13.5 weeks duration Advanced District Administration Professional Training (ADAPT) program, to 109 Store Managers for 7.5 weeks duration Store Managers Advance Retail Training (SMART) program and 204 experienced Store Managers under a week long Fully Integrated Retail Store Training (FIRST) program.
- Retail Training Academy (RTA) imparts in-store Product Category specific training program to Sales Promoters across stores. Currently three different programs, namely Power Champs, Comfort Champs and Non-Footwear Products Champs are being conducted that covers all technologies and products available in the Stores. So far more than 300 Sales Promoters were trained under the Champs Training Program. This program helps Sales Promoters understand products, technologies and any special features thus acquiring the product specific selling skills.
- Under the *'Passion to Serve'* program across retail stores in key metro cities, the Store Managers and the Sales Promoters along with District Managers were trained in this two days' training session. The training was also followed by mystery shopping in order to assess the impact. As part of the program a career path was also laid out for a performing Sales Promoter. During the year, over 100 Store Managers and 1011 Sales Promoters were trained.

As on March 31, 2017, there were 4,668 permanent employees on the rolls of your Company.

CAUTIONARY STATEMENT

There are certain Statements which have been made in the Management Discussion and Analysis Report describing the estimates, expectations or predictions, may be read as 'forward-looking statements' within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed or implied. The important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, changes in Government Policies, Governing Laws, Tax regimes, global economic developments and other factors such as litigation and labor negotiations.

CORPORATE GOVERNANCE

In compliance with the provisions of Regulation 34 of the Listing Regulations read with Schedule V to the said Regulations, the Corporate Governance Report of your Company for the financial year ended March 31, 2017 and a Certificate from M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, the Statutory Auditors, on compliance with the provisions of Corporate Governance requirements as prescribed under the Listing Regulations, are annexed and forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT (BRR)

In compliance with the provisions of Regulation 34(2)(f) of the Listing Regulations read with the SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015, your Company has prepared a BRR in the prescribed format for the financial year ended March 31, 2017, describing initiatives undertaken by it from an environment, social and governance perspective in the format as specified by the SEBI which is annexed to the Board's Report and marked as Annexure VII. The BRR has been uploaded on the website of the Company *www.bata.in* and is available at the link *http://bata.in/bataindia/sc-181_cat-42/investor-relations.html.*

ACKNOWLEDGEMENTS

Your Board is grateful for continuous patronage of the valued customers of your Company and for the unstinted support and trust reposed by our shareholders. Your Board continues to remain thankful to Bata Shoe Organization (BSO) for their continuous support and guidance.

Your Board wishes to place on record its deep appreciation of the Independent Directors and the Non-Executive Directors of your Company for their immense contribution by way of strategic guidance, sharing of knowledge, experience and wisdom, which help your Company take right decisions in achieving its business goals. Your Board appreciates the relentless efforts of the employees, workmen and staff including the Management Team headed by the Managing Director, who always leads from the front in achieving a very commendable business performance year-on-year despite a challenging business environment.

Your Board acknowledges the support and co-operation received from all regulatory authorities of the Central Government and all State Governments in India. Your Board takes this opportunity to thank all its vendors, suppliers, dealers, banks and other stakeholders as it considers them essential partners in progress.

For and on behalf of the Board of Directors

UDAY KHANNA
Chairman
(DIN: 00079129)

Place : Gurgaon
Date : May 15, 2017

Annexure I

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L19201WB1931PLC007261
Registration Date	December 23, 1931
Name of the Company	Bata India Limited
Category / Sub-Category of the Company	Public Company-Limited by Shares
Address of the Registered Office and contact details	27B, Camac Street, 1st Floor, Kolkata - 700016 Telephone: (033) 3980 2001 Fax: (033) 2289 5748 E-mail: corporate.relations@bata.com
Whether Listed Company	Yes
Name, address and contact details of the Registrar and Transfer Agent	M/s. R & D Infotech Private Limited 7A, Beltala Road, 1st Floor, Kolkata - 700026 Telephone Nos.: (033) 2419 2641 / 2642 Fax: (033) 2419 2642 E-mail: rd.infotech@vsnl.net / bata@rdinfotech.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Footwear & Accessories- Retail	47713	87.55
2.	Footwear- Non Retail	46413	12.45

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held by the Company	Applicable Section
1.	Bata (BN) B.V. Prins Bernhardplein200 1097 JB, Amsterdam, The Netherlands	Company Registration No. 33155481	Holding	52.96	2(46)
2.	Bata Properties Limited 6A, S. N. Banerjee Road Kolkata - 700013	U70101WB1987PLC042839	Subsidiary	100	2(87)
3.	Coastal Commercial & Exim Limited 16A, Shakespeare Sarani Kolkata - 700071	U51311WB1991PLC053364	Wholly-owned Subsidiary of Bata Properties Limited, as referred in Sl. No. 2 above	-	2(87)
4.	Way Finders Brands Limited 204, Rashbehari Avenue Kolkata - 700029	U51909WB2014PLC204637	Subsidiary	100	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	68065514	0	68065514	52.96	68065514	0	68065514	52.96	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):	**68065514**	**0**	**68065514**	**52.96**	**68065514**	**0**	**68065514**	**52.96**	**0.00**
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**68065514**	**0**	**68065514**	**52.96**	**68065514**	**0**	**68065514**	**52.96**	**0.00**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	17044226	2302	17046528	13.26	17139909	2302	17142211	13.34	0.08
b) Banks / FI	105380	2048	107428	0.08	292852	2048	294900	0.23	0.15
c) Central Govt.	0	0	0	0	0	0	0	0.00	0
d) State Govt.(s)	0	0	0	0	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0.00	0
f) Insurance Companies	6810293	300	6810593	5.30	9938267	300	9938567	7.73	2.43
g) FIIs	11540959	824	11541783	8.98	8720202	824	8721026	6.79	-2.19
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0
i) Others	0	0	0	0	0	0	0	0.00	0
Sub-total (B)(1):	**35500858**	**5474**	**35506332**	**27.63**	**36091230**	**5474**	**36096704**	**28.08**	**0.46**
(2) Non-Institutions									
(a) Bodies Corporate									
i) Indian	7584735	14884	7599619	5.91	7311093	14484	7325577	5.70	-0.21
ii) Overseas	0	0	0	0	0	0	0	0.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	14179871	2004477	16184348	12.59	13791444	1861782	15653226	12.18	-0.41
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1161671	0	1161671	0.90	1376463	0	1376463	1.07	0.17
c) Others									
Directors and relatives	10056	0	10056	0.01	10056	0	10056	0.01	0.00
Sub-total (B)(2):	**22936333**	**2019361**	**24955694**	**19.41**	**22489056**	**1876266**	**24365322**	**18.96**	**-0.45**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**58437191**	**2024835**	**60462026**	**47.04**	**58580286**	**1881740**	**60462026**	**47.04**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**126502705**	**2024835**	**128527540**	**100.00**	**126645800**	**1881740**	**128527540**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	BATA (BN) B.V. Amsterdam, The Netherlands	68065514	52.96	0	68065514	52.96	0	0
	Total	**68065514**	**52.96**	**0**	**68065514**	**52.96**	**0**	**0**

iii) Change in Promoters' Shareholding:

There was no change in shareholding of Promoter during the Financial Year ended March 31, 2017.

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the top ten Shareholders		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**LIFE INSURANCE CORPORATION OF INDIA**					
	At the beginning of the year		**5947338**	**4.63**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	12.08.2016	Buy	241621	0.19	6188959	4.82
	19.08.2016	Buy	311202	0.24	6500161	5.06
	26.08.2016	Buy	447151	0.35	6947312	5.41
	09.09.2016	Buy	100000	0.08	7047312	5.48
	16.09.2016	Buy	236449	0.18	7283761	5.67
	23.09.2016	Buy	263551	0.21	7547312	5.87
	18.11.2016	Buy	336654	0.26	7883966	6.13
	25.11.2016	Buy	250000	0.19	8133966	6.33
	02.12.2016	Buy	50000	0.04	8183966	6.37
	09.12.2016	Buy	200000	0.16	8383966	6.52
	At the end of the year				**8383966**	**6.52**
2	**FIL INVESTMENTS (MAURITIUS) LIMITED**					
	At the beginning of the year		**2549511**	**1.98**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	08.04.2016	Sell	-489377	-0.38	2060134	1.60
	10.06.2016	Sell	-120827	-0.09	1939307	1.51
	17.06.2016	Sell	-73574	-0.06	1865733	1.45
	24.06.2016	Sell	-157640	-0.12	1708093	1.33
	01.07.2016	Sell	-19070	-0.01	1689023	1.31
	30.09.2016	Buy	425129	0.33	2114152	1.64
	11.11.2016	Buy	225193	0.18	2339345	1.82
	18.11.2016	Buy	109910	0.09	2449255	1.91
	25.11.2016	Buy	116401	0.09	2565656	2.00
	At the end of the year				**2565656**	**2.00**

Sl. No.	For Each of the top ten Shareholders		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3	**FRANKLIN TEMPLETON MUTUAL FUND A/C. FRANKLIN INDIA PRIMA PLUS**					
	At the beginning of the year		**1550000**	**1.21**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	24.06.2016	Buy	100000	0.08	1650000	1.28
	12.08.2016	Buy	100000	0.08	1750000	1.36
	26.08.2016	Buy	20000	0.02	1770000	1.38
	23.09.2016	Buy	21714	0.02	1791714	1.39
	30.09.2016	Buy	108286	0.08	1900000	1.48
	07.10.2016	Buy	100000	0.08	2000000	1.56
	04.11.2016	Buy	30000	0.02	2030000	1.58
	18.11.2016	Buy	50000	0.04	2080000	1.62
	25.11.2016	Buy	70000	0.05	2150000	1.67
	30.12.2016	Buy	23426	0.02	2173426	1.69
	At the end of the year				**2173426**	**1.69**
4	**IDFC PREMIER EQUITY FUND**					
	At the beginning of the year		**1486077**	**1.16**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	11.11.2016	Buy	732	0.00	1486809	1.16
	18.11.2016	Buy	70000	0.05	1556809	1.21
	09.12.2016	Buy	4646	0.00	1561455	1.21
	At the end of the year				**1561455**	**1.21**
5	**FRANKLIN TEMPLETON MUTUAL FUND A/C. FRANKLIN INDIA PRIMA FUND**					
	At the beginning of the year		**1267538**	**0.99**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	03.06.2016	Sell	-100000	-0.08	1167538	0.91
	01.07.2016	Buy	32041	0.02	1199579	0.93
	05.08.2016	Sell	-132057	-0.10	1067522	0.83
	07.10.2016	Buy	200000	0.16	1267522	0.99
	21.10.2016	Buy	50000	0.04	1317522	1.03
	18.11.2016	Buy	45000	0.04	1362522	1.06
	25.11.2016	Buy	25000	0.02	1387522	1.08
	At the end of the year				**1387522**	**1.08**
6	**KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LTD.**					
	At the beginning of the year		**N.A.**	**N.A.**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	13.01.2017	Buy	312977	0.24	312977	0.24
	10.02.2017	Buy	125000	0.10	437977	0.34
	17.02.2017	Buy	570094	0.44	1008071	0.78
	24.02.2017	Buy	93153	0.07	1101224	0.86
	03.03.2017	Buy	198665	0.15	1299889	1.01
	At the end of the year				**1299889**	**1.01**

Sl. No.	For Each of the top ten Shareholders		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7	**ICICI PRUDENTIAL LONG TERM EQUITY FUND (TAX SAVING)**					
	At the beginning of the year		**1563714**	**1.22**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	12.08.2016	Buy	301308	0.23	1865022	1.45
	19.08.2016	Buy	80938	0.06	1945960	1.51
	14.10.2016	Buy	120895	0.09	2066855	1.61
	21.10.2016	Buy	120230	0.09	2187085	1.70
	18.11.2016	Buy	7241	0.01	2194326	1.71
	16.12.2016	Buy	337408	0.26	2531734	1.97
	10.02.2017	Sell	-963175	-0.75	1568559	1.22
	03.03.2017	Sell	-290922	-0.23	1277637	0.99
	17.03.2017	Sell	-129913	-0.10	1147724	0.89
	At the end of the year				**1147724**	**0.89**
8	**HDFC STANDARD LIFE INSURANCE COMPANY LIMITED**					
	At the beginning of the year		**225000**	**0.18**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	05.08.2016	Buy	247024	0.19	472024	0.37
	12.08.2016	Buy	73000	0.06	545024	0.42
	26.08.2016	Buy	50000	0.04	595024	0.46
	02.09.2016	Buy	175000	0.14	770024	0.60
	09.09.2016	Buy	457	0.00	770481	0.60
	16.09.2016	Buy	25000	0.02	795481	0.62
	23.09.2016	Buy	12075	0.01	807556	0.63
	30.09.2016	Buy	40217	0.03	847773	0.66
	07.10.2016	Buy	27932	0.02	875705	0.68
	14.10.2016	Sell	-3512	0.00	872193	0.68
	11.11.2016	Buy	100000	0.08	972193	0.76
	18.11.2016	Buy	100000	0.08	1072193	0.83
	02.12.2016	Buy	50000	0.04	1122193	0.87
	30.12.2016	Sell	-102	0.00	1122091	0.87
	17.02.2017	Sell	-9200	-0.01	1112891	0.87
	24.02.2017	Buy	9200	0.01	1122091	0.87
	31.03.2017	Buy	830	0.00	1122921	0.87
	At the end of the year				**1122921**	**0.87**

Sl. No.	For Each of the top ten Shareholders		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9	**BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C. BIRLA SUN LIFE MNC FUND**					
	At the beginning of the year		**531680**	**0.41**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	15.04.2016	Buy	297000	0.23	828680	0.64
	29.04.2016	Buy	145080	0.23	973760	0.76
	06.05.2016	Buy	53100	0.08	1026860	0.80
	13.05.2016	Buy	45900	0.07	1072760	0.83
	20.05.2016	Buy	25740	0.02	1098500	0.85
	27.05.2016	Buy	23760	0.02	1122260	0.87
	03.06.2016	Buy	27090	0.02	1149350	0.89
	01.07.2016	Buy	4050	0.00	1153400	0.90
	08.07.2016	Buy	7155	0.01	1160555	0.90
	15.07.2016	Buy	4285	0.00	1164840	0.91
	22.07.2016	Buy	4420	0.00	1169260	0.91
	29.07.2016	Buy	5940	0.00	1175200	0.91
	05.08.2016	Buy	8097	0.01	1183297	0.92
	12.08.2016	Buy	3780	0.00	1187077	0.92
	19.08.2016	Buy	1620	0.00	1188697	0.92
	26.08.2016	Buy	1620	0.00	1190317	0.93
	04.11.2016	Buy	4500	0.00	1194817	0.93
	27.11.2017	Sell	-70200	-0.05	1124617	0.88
	24.03.2017	Sell	-16503	-0.01	1108114	0.86
	At the end of the year				**1108114**	**0.86**
10	**BAJAJ HOLDINGS AND INVESTMENT LIMITED**					
	At the beginning of the year		**1067022**	**0.83**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
		Buy/Sell	0	0.00	0	0.00
	At the end of the year				**1067022**	**0.83**
11	**HDFC TRUSTEE COMPANY LIMITED - A/C. HDFC MID - CAPOPPORTUNITIES FUND**					
	At the beginning of the year		**1213000**	**0.94**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	12.08.2016	Sell	-213000	-0.17		
	Ceased to be part of top ten shareholders of the Company w.e.f. 12.08.2016				**1000000**	**0.78**
	At the end of the year				**N.A.**	**N.A.**

Sl. No.	For Each of the top ten Shareholders		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
12	**AXIS MUTUAL FUND TRUSTEE LIMITED A/C. AXIS MUTUAL FUND A/C. AXIS LONG TERM EQUITY FUND**					
	At the beginning of the year		**3095202**	**2.41**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	08.04.2016	Buy	50000	0.04	3145202	2.45
	15.04.2016	Buy	250000	0.19	3395202	2.64
	06.05.2016	Buy	300000	0.23	3695202	2.88
	13.05.2016	Buy	200000	0.16	3895202	3.03
	03.06.2016	Sell	-400000	-0.31	3495202	2.72
	05.08.2016	Sell	-795202	-0.62	2700000	2.10
	23.09.2016	Sell	-100000	-0.08	2600000	2.02
	30.09.2016	Sell	-800000	-0.62	1800000	1.40
	07.10.2016	Sell	-204922	-0.16	1595078	1.24
	14.10.2016	Sell	-95080	-0.07	1499998	1.17
	21.10.2016	Sell	-200000	-0.16	1299998	1.01
	28.10.2016	Sell	-400000	-0.31	899998	0.70
	04.11.2016	Sell	-109444	-0.09	790554	0.62
	11.11.2016	Sell	-543943	-0.42	246611	0.19
	18.11.2016	Sell	-246611	-0.19	0	0.00
	Do not form part of top ten shareholders of the Company w.e.f. 18.11.2016				**0**	**0.00**
	At the end of the year				**N.A.**	**N.A.**
13	**M/S VIDYA INVESTMENT AND TRADING CO. PVT. LIMITED**					
	At the beginning of the year		**2049263**	**1.59**		
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	24.06.2016	Sell	-849263	-0.66	1200000	0.93
	01.07.2016	Buy	849263	0.66	2049263	1.59
	25.11.2016	Sell	-456376	-0.36	1592887	1.24
	02.12.2016	Sell	-210894	-0.16	1381993	1.08
	09.12.2016	Sell	-537608	-0.42	844385	0.66
	16.12.2016	Sell	-253248	-0.20	591137	0.46
	23.12.2016	Sell	-317000	-0.25	274137	0.21
	30.12.2016	Sell	-274137	-0.21	0	0.00
	Do not form part of top ten shareholders of the Company w.e.f. 30.12.2016				**0**	**0.00**
	At the end of the year				**N.A.**	**N.A.**

Note: The above information is based on download of beneficial ownership received from Depositories.

v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	**Mr. Uday Khanna, Chairman and Independent Director**				
	At the beginning of the year	**10000**	**0.01**		
	Date wise increase (+) / decrease (-) with reasons, during the year	0	0.00	0	0.00
	At the end of the year			**10000**	**0.01**
2.	**Mr. Ram Kumar Gupta, Director Finance and Chief Financial Officer**				
	At the beginning of the year	**56**	**0.00**		
	Date wise increase (+) / decrease (-) with reasons, during the year	0	0.00	0	0.00
	At the end of the year			**56**	**0.00**

Other than Mr. Uday Khanna and Mr. Ram Kumar Gupta, no other Director and Key Managerial Personnel held any share in the Company during the financial year ended March 31, 2017.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment relating to Secured Loans, Unsecured Loans and / or Deposits: NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director(s) and / or Manager: (Rs. in Million)

Sl. No.	Particulars of Remuneration	Name of the Managing Director and Whole-time Directors		Total Amount
		Rajeev Gopalakrishnan, Managing Director and Chief Executive Officer	Ram Kumar Gupta, Director Finance and Chief Financial Officer	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961.	36.35	16.36	52.71
	(b) Value of perquisites under Section 17(2) of the Income-Tax Act, 1961.	0.97	0.04	1.01
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961.	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	– as % of profit	-	-	-
	– Others, specify	-	-	-
5.	Others, please specify	-	-	-
Total (A)		**37.32**	**16.40**	**53.72**
Ceiling as per the Act		(10% of Net Profits of the Company calculated under Section 198 of the Companies Act, 2013)		260.62

B. Remuneration to other Directors:

(Rs. in Million)

Sl. No.	Particulars of Remuneration	Independent Directors				
		Name of the Directors				Total Amount
		Mr. Uday Khanna	Mr. Akshay Chudasama	Ms. Anjali Bansal	Mr. Ravindra Dhariwal	
1.	– Fee for attending Board / Committee Meetings	0.90	0.75	0.70	1.35	3.70
2.	– Commission	2.30	1.15	1.15	0.98	5.58
3.	– Others, please specify	-	-	-	-	-
Total (B)		**3.20**	**1.90**	**1.85**	**2.33**	**9.28**
Ceiling as per the Act		(1% of Net Profits of the Company calculated under Section 198 of the Companies Act, 2013)				126.06
Total Managerial Remuneration [Total (A) + Total (B)]						**63.00**
Overall ceiling as per the Act		(11% of Net Profits of the Company calculated under Section 198 of the Companies Act, 2013)				286.68

Mr. Christopher Kirk and Mr. Shaibal Sinha, Non-Executive Directors of the Company do not accept sitting fees and / or Commission on the Net Profits from the Company.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(Rs. in Million)

Sl. No.	Particulars of Remuneration	Maloy Kumar Gupta, Company Secretary & Compliance Officer
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	3.71
	(b) Value of perquisites under Section 17(2) of the Income-Tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	– as % of profit	-
	– Others, specify	-
5.	Others, please specify	-
	Total	**3.71**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties / punishments / compounding of offences for breach of any section of the Companies Act, 2013 against the Company, its Directors or other officers in default, during the financial year ended March 31, 2017.

For and on behalf of the Board of Directors

Uday Khanna
Chairman
(DIN: 00079129)

Place : Gurgaon
Date : May 15, 2017

Annexure II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members
BATA INDIA LIMITED
CIN: L19201WB1931PLC007261

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BATA INDIA LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, generally complied with the statutory provisions listed hereunder, and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of :

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECBs);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) :

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) The Company belongs to the Footwear Industry. To the best of our knowledge and believe and as confirmed by the Management of the Company there is no specific law applicable to the Footwear Industry in India.

We have also examined compliance with the applicable clauses of the following :

(i) Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The revised uniform Listing Agreement entered into by the Company on 18th February, 2016 with the BSE Limited, the National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited.

During the year under review the Company has generally complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, it is observed that the provisions of the FEMA and rules and regulations made thereunder to the extent of ODI and ECBs; and provisions of Regulations and Guidelines mentioned in (c), (d), (e), (g) and (h) under item no. (v) of para 3 above, were not applicable to the Company during the year under review.

We further report that:

I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except in case of the Board Meeting held on 21st December, 2016 called on a shorter notice pursuant to the proviso to Section 173(3) of the Companies Act, 2013; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

III. During the year under review, majority decision is carried through while the Minutes of the Meetings of the Board and Committees thereof, held during the audit period did not reveal any dissenting member's view. As confirmed by the Management, there were no dissenting views expressed by any of the Directors on any business transacted at the meetings of the Board and Committees thereof, held during the year under review.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that no specific event having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. has taken place during the year under review.

For P. SARAWAGI & ASSOCIATES
Company Secretaries

P.K. Sarawagi
Proprietor
Membership No. : FCS-3381
C. P. No. : 4882

Place : Kolkata
Date : May 15, 2017

This Report is to be read with our letter of even date which is annexed to this Report as Annexure - A and forms integral part of this Report.

Annexure - A

To,
The Members
BATA INDIA LIMITED
CIN: L19201WB1931PLC007261

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For P. SARAWAGI & ASSOCIATES
Company Secretaries

P.K. Sarawagi
Proprietor
Membership No. FCS-3381
C. P. No. : 4882

Place : Kolkata
Date : May 15, 2017

Annexure - III

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of the Boards' Report for the financial year ended March 31, 2017

(A) **CONSERVATION OF ENERGY**

i. The steps taken or impact on conservation of energy:

a) Optimization of different rubber processing steps like compounding / mixing / pressing in Rubber factory for maximum utilization of input energy.

b) Installation of Translucent sheets & natural air driven turbo fans on roof for working in shop floor with day light.

c) Installation of energy efficient LED lights by replacing high energy consumed lights.

d) Introduced Variable Frequency Drive (VFD) motors in conveyors to save energy.

ii. The steps taken by the company for utilizing alternate sources of energy:

Introduction of "Solar Energy" is under evaluation.

iii. The capital investment on energy conservation equipments:

Financial Year	**2016-17**	**2015-16**	**2014- 15**
Amount (Rs. in Million)	0.55	0.37	30.42

(B) **TECHNOLOGY ABSORPTION**

i. The efforts made towards technology absorption:

a) Material Development

b) Process Development

c) Product Development

d) Footwear Moulds

e) Waste Utilization

f) Energy savings

g) Enhancing of Safe work Environment

h) Cater to export specification requirement

i) Computerization & Data processing

ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

1. Developed new range of soft "Patapata" EVA Hawai by introducing Ethylene based co-polymer – XUS-39001 for better performance & cost effectiveness.
2. Developed & introduced high performance EVA screen printing Ink & EVA primer "NUV- 5100" for better performance on EVA screen Printed Hawai & BBG sandal.
3. Introduced Rutile grade Titanium Di-oxide by replacing Anatase grade Titanium Di-oxide in making white N.R. Latex as adhesive for Canvas shoe for better optical whiteness.
4. Developed & introduced new range of Industrial Safety Boots "BS-2013" Derby & Oxford and "Spirit" Derby & Oxford as per BIS latest standard IS:15298-(Part-2)-2011.
5. Developed & introduced approx **353 New Articles** during the financial year as per marketing divisions demand.

6. Developed & introduced New /alternative chemicals, by replacing existing Chemicals material for producing more cost effective shoes without deteriorating the quality.
7. Developed & introduced a new water based PU adhesive & N.R. Latex for printed Canvas footwear with better bond strength between upper & sole.
8. Developed & introduced new Disney branded DIP & Canvas shoe.
9. Developed & introduced successfully EVA spray colour from Malaysia-for EVA Sandal with better durability.
10. Value engineering of Rubber, EVA, PU formulation done to get cost effective product, maintaining physical properties within specification.
11. Developed & Introduced moulded sock cushion insole & polyfoam heel cushion in specific shoes for added comfort.
12. Developed & introduced single white colour compound for making shoes in DIP for better quality & cost savings.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NIL

a) the details of technology imported;

b) the year of import;

c) whether the technology been fully absorbed;

d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.

iv. Expenditure incurred on Research and Development (2016-17)

Capital	: -
Recurring	: Rs. 59.56 Million
Total	: Rs. 59.56 Million

(C) **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Activities relating to export	: Rs. 163.50 Million
Total Foreign exchange used	: Rs. 2,034.75 Million
Total Foreign exchange earned	: Rs. 201.84 Million

For and on behalf of the Board of Directors

UDAY KHANNA
Chairman
(DIN: 00079129)

Place : Gurgaon
Date : May 15, 2017

Annexure IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

Corporate Social Responsibility of the Company and its Policy

Your Company works on the belief that organizations should exist to serve a social purpose and enhance the lives of people connected through the business. Your Company has a CSR policy in place which aims to ensure that your Company continues to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders. Your Company plans to take up CSR programs, which benefits the communities in and around the vicinity of its operational presence and over a period of time, results in enhancing the quality of life of the people in those areas.

During the financial year ended March 31, 2017, your Company focused on promotion of educational initiatives by supporting the schools near its areas of operations. It contributed to the 'Prime Minister's *Swachh Bharat Abhiyan'* by building toilets and facilities for drinking water & hand wash in the semi urban and rural schools. It also participated in the 'Prime Minister's Skill India campaign' by enhancing employability skills of the underprivileged youth. Your Company was also engaged in undertaking educational awareness workshops amongst the school children and has been in donating shoes amongst the underprivileged children and communities at large, with the aim to eradicate poverty, promote preventive healthcare and promote education.

During the year under review, your Company was engaged with 19 schools and touched lives of about 10,000 school children through various programs, trained 839 youth in retail sales employability training program under the 'Skill India campaign', with 67% of them gaining placements and is in the process to build nearly 125 school toilets along with providing 18 drinking water & hand wash facilities to the school children under the '*Swachh Vidyalaya* campaign'. Your Company also maintains these toilets and builds capacities of the school children and authorities as per the guidelines of Minimum *Swachh Vidyalaya* Package of the Ministry of Human Resource Development, Government of India.

The CSR Policy of your Company elucidates the responsibilities of the Board of Directors and the CSR Committee thereof as well as implementation and monitoring process towards achieving the Company's CSR goals. The CSR Policy of your Company has been uploaded on the website of your Company *www.bata.in* and is available at *http://bata.in/0/pdf/CorporateSocialResponsibilityPolicy.pdf*.

CSR Committee

The Board of Directors of your Company has constituted a CSR Committee of Directors in terms of the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 to identify, approve and monitor proper execution and implementation of the CSR Projects and CSR Activities undertaken by the Company.

The CSR Committee of the Board presently comprises of two Independent Directors and two Executive Directors. Mr. Akshay Chudasama, Independent Director, is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

Details of CSR expenditures

Particulars	Amount (Rs. in Million)	Amount (Rs. in Million)
A. Net Profits of the Company for the:		
• financial year ended December 31, 2013	2939.26	
• financial year ended March 31, 2015	3089.21	
• financial year ended March 31, 2016	2728.24	
B. Aggregate Net Profits of the Company for the last three financial years		8756.71
C. Average Net Profit of the Company for the last three financial years		**2918.90**
D. Prescribed CSR Expenditure (2% of amount stated in Item no. C above)		**58.38**
E. Details of CSR Expenditure:		
• **Amount spent**		**60.02**
• **Amount unspent**		**Nil**

F. Details of CSR Activities undertaken by the Company:

Sl. No.	CSR Projects / activity identified	Sector in which the project is covered	Location(s)	Amount Outlay (budget) Project or Activity wise	Amount spent on the projects or programs (Rs. in Million)	Cumulative Expenditure up to the reporting period (Rs. in Million)	Amount spent: Direct or through implementing agency
1.	Promotion of quality education in the schools • Infrastructural upgrade • Organizing teachers' day, sports day, etc. • Celebrating Special days and events • Awareness workshops, health check-up camps • Computer classes • Sports classes • Financial support for girl child education	Promotion of Education, including Special Education	Kolkata, West Bengal; Gurgaon, Haryana; Patna, Bihar; Delhi;	9.74	9.74	9.74	Direct Agencies: NGO – SHARP, NGO – NIIT Foundation, NGO- HLFPPT, NGO- Rishi Chaitanya Trust (Shakti Vidya Nidhi Kosh), NGO – NCPEDP NGO- Sugam
2.	Conducting employment enhancement vocational skills amongst underprivileged youth	Skill Development	Delhi; Jaipur, Rajasthan; Bangalore, Karnataka; Pune, Mumbai, Maharashtra; Chennai, Coimbatore, Tamil Nadu	6.78	6.78	6.78	Agencies: NGO - Sambhav Foundation, NGO - Centum Foundation

Sl. No.	CSR Projects / activity identified	Sector in which the project is covered	Location(s)	Amount Outlay (budget) Project or Activity wise	Amount spent on the projects or programs (Rs. in Million)	Cumulative Expenditure up to the reporting period (Rs. in Million)	Amount spent: Direct or through implementing agency
3.	Donation of shoes to the underprivileged children and communities at large	Eradicating poverty & reducing inequalities faced by socially & economically backward groups, Preventive Healthcare	Pune, Maharashtra; Bangalore, Karnataka; Haryana; Delhi; Kolkata, West Bengal	24.82	24.82	24.82	Agencies: NGO – SEEDS, NGO- Sambhav Foundation, NGO- Concern India Foundation, NGO- Rishi Chaitanya Trust (Shakti Vidya Nidhi Kosh)
4.	Infrastructure development for drinking water and sanitation facilities in schools near our area of operations	Promoting preventive healthcare and sanitation	Gurgaon, Haryana	16.88	16.88	16.88	Agencies: NGO - Sulabh International Social Service Organization, NGO- Sulabh International Centre of Action Sociology
5.	Promotion of Sports amongst the youth from the community near our area of operations	Community Development	Gurgaon, Haryana	1.00	1.00	1.00	Agencies : NGO- Bata Sports Club
6.	Sustainable environment - Repair & Building of Rain Water Harvesting Structures in the community near our area of operations	Ensuring environmental sustainability & conservation of natural resources	Gurgaon, Haryana	0.80	0.80	0.80	Direct
	TOTAL			**60.02**	**60.02**	**60.02**	

Details of Implementing Agencies:

Your Company has partnered with various non-profit organizations in order to leverage upon the collective expertise, to implement CSR programs.

a) **Sustainable Environment and Ecological Development Society (SEEDS)** - Your Company partnered with them for undertaking shoe donation drive amongst the school children in Delhi. The organization is registered under Societies Registration Act, 1860 and a humanitarian non-profit organization working to make vulnerable communities resilient to disasters and work with school kids on disaster management training.

b) **School Health Annual Programme (SHARP) -** Your Company partnered with them on taking up various educational health awareness workshops at schools adopted under BCP. It is registered under Societies Registration Act, 1860 and it works with an objective of providing healthy and a hygienic environment to Government and private school children and reaches out to the community health interventions as well. SHARP being the premier NGO in the field of school health has been working in the schools, hospitals and the community for the last 15 years and has established itself as the largest School Health NGO in the country.

c) **Sambhav Foundation -** Your Company partnered with them to impart training on retail sales to the underprivileged youth in Delhi, Mumbai, Pune, Chennai & Coimbatore. It is a registered under the Indian Trust Act, 1882 and it works towards skilling underprivileged youth in the communities through its NSDC (National Skills Development Corporation) certified implementing partners. It also works on the issues of prevention of disability.

d) **Centum Foundation -** Your Company partnered with them to impart training on retail sales to the youth in Bangalore and Jaipur. It is registered under the provisions of the Societies Registration Act, 1860 and is engaged in the activities of vocational training and implementing other projects of social importance and committed to build an empowered India by providing skills for employability through Centum Works Skills India (CWSI), NSDC certified partner.

e) **Sulabh International Center for Action Sociology (SICAS)** - Your Company partnered with them to build at government schools. It is registered under Societies Registration Act, 1860 and has been a pioneer organization to work on providing health & sanitation facilities to the communities.

f) **Sulabh International Social Service Organization (SISSO)** - Your Company partnered with them to maintain the school toilets at government schools. It is registered under Societies Registration Act, 1860 and has been a pioneer organization to work on providing health & sanitation facilities to the communities.

g) **Hindustan Latex Family Planning Promotion Trust (HLFPPT) -** Your Company partnered with them to undertake the school health program in the schools. HLFPPT is a not-for-profit organization, promoted by HLL Lifecare Limited (a Government of India Enterprise) and is registered as per 12th Act of 1955, Travancore-Cochi Literary Scientific Charitable Societies Registration Act. The NGO is a pioneer in undertaking adolescent healthcare and school health programs.

h) **NIIT Foundation -** Your Company partnered with them to implement computer project for the children in the schools. It is registered under Societies Registration Act, 1860 and is a pioneer in IT Education.

i) **Sugam NGO -** Your Company partnered with them to support a non formal school for the underprivileged kids in a slum area. Sugam NGO is a non-profit registered under Societies Registration Act 21 of 1980.

j) **Rishi Chaitanya Trust (Project- Shakti Vidya Nidhi Kosh) -** Your Company partnered with them to support education for the girl child and donation of shoes to underprivileged girls. It is registered under the Indian Trust Act, 1882. The project for which the support has been provided during the year is called Shakti Vidya Nidhi Kosh, which works for empowerment of girl child at a Pan India level by running schools for them, imparting training on various vocation skills, sponsoring marriage of orphan girls, etc.

Responsibility Statement

On behalf of the CSR Committee, we hereby affirm that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

RAJEEV GOPALAKRISHNAN	**AKSHAY CHUDASAMA**
Managing Director &	Chairman,
Chief Executive Officer	CSR Committee
(DIN: 03438046)	(DIN: 00010630)

Annexure V

Information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of Directors and Key Managerial Personnel to the median remuneration of the employees of the Company for the financial year 2016-17:

Sl. No.	Name of Director and KMP	Designation	Ratio of remuneration of each Director / KMP to median remuneration of employees	Percentage increase in Remuneration
1.	Mr. Rajeev Gopalakrishnan	Managing Director & CEO	83.68	4.39%
2.	Mr. Ram Kumar Gupta	Director Finance & CFO	38.13	17.29%
3.	Mr. Maloy Kumar Gupta	Company Secretary & Compliance Officer	7.67	15%

Note:

a) The Independent Directors of the Company are entitled to sitting fee and commission on net profit as per statutory provisions of the Companies Act, 2013 and as per terms approved by the Members of the Company. The details of remuneration of the Non-Executive Directors of the Company have been provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the Non-Executive Directors' Remuneration is, therefore, not considered for the purpose above.

b) Percentage increase in remuneration indicates annual total compensation increase, as approved by the Nomination and Remuneration Committee of the Board of Directors of the Company for the financial year 2016-17.

c) Employees for the purpose above include all employees excluding employees governed under collective bargaining process.

(ii) The percentage increase in the median remuneration of employees in the financial year was 9.81%.

(iii) There were 4,668 permanent employees on the rolls of the Company as on March 31, 2017.

(iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 11.03%, whereas the increase in the managerial remuneration was 8.49%. The average increase of remuneration every year is an outcome of Company's market competitiveness as against similar Companies. The increase of remuneration this year is a reflection of the compensation philosophy of the Company and in line with the benchmarking results.

(v) It is hereby affirmed that the remuneration paid to all the Directors, Key Managerial Personnel, Senior Managerial Personnel and employees of the Company during the financial year ended March 31, 2017, were as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

UDAY KHANNA
Chairman
(DIN: 00079129)

Place : Gurgaon
Date : May 15, 2017

Annexure VI

BATA INDIA LIMITED

Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2017

Top 10 Employees including Employees employed throughout the financial year under review and in receipt of remuneration aggregating not less than Rs. 1,02,00,000 per annum.

Sl. No.	Name	Designation	Nature of Employment, whether contractual or otherwise	Qualification	Age (in years)	Date of Appointment	Experience- No. of years including previous employment	Remuneration (Rs. in Millions)	Last Employment -Designation
1.	Rajeev Gopalakrishnan	Managing Director	Permanent	B. Tech - Mechanical Engineering.	52	31-01-2011	26	41.41	Bata Bangladesh Ltd. - Managing Director
2.	Ram Kumar Gupta	Director - Finance	Permanent	B.Com, A.C.A.	58	01-07-2015	37	17.53	Bata Shoe Company (Kenya) Ltd. - Director - Finance
3.	Sanjay Kanth	Sr. Vice President - Manufacturing	Permanent	B.A. - Economics, Diploma in Marketing Mgmt, MBA - Operations, MDP	55	02-07-2012	32	13.91	Adidas Technical Services Pvt. Ltd. - Head of Operations
4.	Matteo Lambert	Vice President - Product Development & Research	Permanent	Bachelor Degree in Literature and Social Studies	45	06-06-2013	18	15.52	ARTSANA - Purchase Manager
5.	Juan Pablo Malaver	Chief Collection Manager	Permanent	Master in Footwear and Accessories Design	38	27-04-2015	10	13.70	3A Antonini - Lumberjack - Designer/Developer
6.	Inderpreet Singh	Head Retail - Family	Permanent	B. Tech - Textile Technology, PGP in Fashion Mgmt.	37	01-01-2016	12	10.81	Bata Exports Pvt. Ltd. (Sri Lanka) - Company Manager
7.	Kiran Joshi	Vice President - Procurement	Permanent	B. Sc, M. Sc, Management in Footwear Technology	44	19-07-2010	20	7.25	Adidas Technical Services - Head - Sourcing
8.	Vikas Baijal	Senior Vice President - HR	Permanent	B. Sc, Master of Social Work	49	13-01-2014	27	7.19	Bharat Hotel Ltd - Vice President - HR
9.	Raman Krishnamoorthy	Vice President - IT	Permanent	B.Com, ICWAI	53	25-09-2013	29	7.05	Vesuvius India Ltd. - Regional PM - APAC IT
10.	Uttam Kumar	Chief Merchandising Manager	Permanent	Bachelor of Marketing Mgmt., Diploma in Footwear Tech.	34	16-08-2005	13	6.46	Leiner Shoes Pvt Ltd - Senior Merchandiser

Employees employed for part of the financial year under review and in receipt of remuneration not less than Rs.8,50,000 per month.

Sl. No.	Name	Designation	Nature of Employment, whether contractual or otherwise	Qualification	Age (in years)	Date of Appointment / Resignation	Experience - No. of years including previous employment	Remuneration (Rs. in Millions)	Last Employment -Designation
1.	Piyush Gupta	Vice President - Finance	Permanent	B.Com, A.C.A.	45	16-11-2015/ 30-09-2016	21	5.27	Coca-Cola Pvt Ltd. (Sr. Manager-Finance)
2.	Enrico Tonolli	Sr. Vice President - Merchandising	Permanent	Diploma in Accountancy	68	01-01-1985/ 30-09-2016	46	14.72	Bata Europe, Paris - Shoeline Builder
3.	R Jayaprakash	Vice President - Manufacturing	Permanent	B.A, PG Diploma in Business Mgmt.	52	01-03-1990/ 15-07-2016	27	4.79	Worked only in Bata India Ltd.
4.	Sumit Kumar	Vice President - Marketing & Customer Services	Permanent	B.Com, MBA - Marketing, Diploma in Hotel Mgmt. & Catering Technology	40	02-09-2013/ 31-05-2016	15	2.08	Marc & Spencer, UK , Business Head - Marketing

Notes:

1. Remuneration as shown above includes, inter alia, Company's contribution to provident funds, pension funds, house rent allowance, leave travel facility, medical insurance premium and taxable value of perquisites.
2. None of the employee mentioned above is a relative of any of the Director of the Company.
3. None of the employee has drawn in excess of remuneration drawn by MD / WTD and holds not less than 2% of the Equity Shares of the Company as on March 31, 2017.

For and on behalf of the Board of Directors

Place : Gurgaon
Date : May 15, 2017

UDAY KHANNA
Chairman
(DIN: 00079129)

Annexure VII

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company:	L19201WB1931PLC007261
2.	Name of the Company:	Bata India Limited
3.	Registered address:	27B, Camac Street, 1st Floor Kolkata- 700016, West Bengal.
4.	Website:	www.bata.in
5.	E-mail id:	corporate.relations@bata.com
6.	Financial Year reported:	April 1, 2016 - March 31, 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	Footwear & Accessories NIC Code: 47713
8.	List three key products / services that the Company manufactures/ provides (as in balance sheet):	Footwear & Accessories
9.	Total number of locations where business activity is undertaken by the Company:	
i.	Number of International Locations:	None
ii.	Number of National Locations:	The Company has 4 operational manufacturing units located at (i) Batanagar, 24 Parganas, West Bengal, (ii) Batagunj - Patna, Bihar, (iii) Peenaya Industrial Area, Bangalore, (iv) Sipcot Industrial Complex, Hosur and also operates through more than 1290 retail stores across cities / towns in India.
10.	Markets served by the Company:	The Company has its retail presence mainly in the Metro cities, A-1 cities, Tier-I, II &Tier-III cities in India. For non-urban areas, the Company sells its footwear through its network of around 400 Distributors.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital:	Rs.642.64 Million
2.	Total Turnover:	Rs.24,972.41 Million
3.	Total profit after taxes:	Rs.1,587.48 Million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	Rs.60.02 Million, i.e., 3.78% of profit after tax
5.	List of activities in which CSR expenditures have been incurred:	The details of CSR activities undertaken by the Company and CSR expenditures incurred thereon during the financial year 2016-17 by the Company have been provided in the Annual Report on CSR, annexed with the Board's Report.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company / Companies?	Yes, the Company has three Wholly Owned Subsidiaries (WOSs) as on March 31, 2017, viz., (i) Bata Properties Limited, (ii) Coastal Commercial & Exim Limited and (iii) Way Finders Brands Limited.
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company?	The operations of these WOSs being insignificant, presently there is no direct participation by these WOSs in the BR initiatives of the parent Company.
3.	Does any other entity / entities (suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes. The Company actively supports and encourages its suppliers and other stakeholders to participate in the BR initiatives of the Company. The Company ensures prohibition of child labour and forced labour in its workplaces and refrain itself from engaging with such vendors, suppliers and distributors who engage child labour or forced labour in their business operations. At present the Company does not have any established mechanism to ascertain the level of participation of the vendors, suppliers, distributors, etc. in various BR initiatives of the Company. Hence, it is difficult to quantify the percentage of such entities for disclosure purposes.

SECTION D: BR INFORMATION

1.	Details of Director responsible for BR:	
(a).	Details of the Director responsible for implementation of the BR policies:	
	1. DIN:	03438046
	2. Name:	Mr. Rajeev Gopalakrishnan
	3. Designation:	Managing Director

(b).	Details of the BR head:	
No.	Particulars	Details
1.	DIN:	03438046
2.	Name:	Mr. Rajeev Gopalakrishnan
3.	Designation:	Managing Director
4.	Telephone Number:	(0124) 3990500
5.	E-mail id:	head.brinitiatives@bata.com;

2. Principle-wise (as per NVGs) BR policies

(a) **Details of compliance (Reply in Y/N)**

		Business Ethics	Product Respon-sibility	Wellbeing of Em-ployees	Stake-holder Engage-ment & CSR	Human Rights	Environ-ment	Public Policy	CSR	Customer Relation
Sl. No.	**Questions**	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
1.	Do you have policy/policies for....?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	The Policies of the Company generally conform to the Principles of National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business, issued by the Ministry of Corporate Affairs, Government of India in July, 2011.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	The Policies which are mandatorily required to be uploaded on the Website of the Company have been uploaded on www.bata.in and are available at the link *http://bata.in/bataindia/a-36_s-181_c-42/investor-relations.html* under the - "Investor Relations Category."								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance Redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?**	Y	Y	Y	Y	Y	Y	Y	Y	Y

* The Company also takes inputs / supports from outside Agencies, whenever considered necessary, in preparation and implementation of respective Policies in order to adopt the best industry practices.

** Audit / evaluation of the working of these Policies had been conducted by the Internal Audit Team of the Company.

(b**) If answer to the question at serial number 1 against any principle, is 'No', please explain why:** (Tick up to 2)

- Not Applicable.

3. Governance related to BR

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company has constituted a 'Business Responsibility Committee' to access the BR performance on an on-going basis and BR Head updates the committee. A detailed presentation was made before the Board of Directors on annual basis.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the first BR Report of the Company for publication. The BR Report for the financial year 2016-17 may be viewed on the website of the Company www.bata.in or is available on the link http://bata.in/bataindia/sc-181_cat-42/investor-relations.html.The Company has plans to publish the BR Report annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   The Company considers Corporate Governance as an integral part of good management. The Board of Directors of the Company has adopted a Code of Conduct and Business Ethics (along with Anti-Bribery and Corruption Directives). The Company has introduced a vigil mechanism across all its functions and establishments through a Whistle Blower Policy as approved by the Board of Directors of the Company and has uploaded the Whistle Blower Policy on the website of the Company: www.bata.in.The Code of Conduct is applicable to the Board of Directors and all employees of the Company and its subsidiaries. An annual affirmation on compliance and adherence to the Code of Conduct and Business Ethics is taken from the Directors and Senior Managerial Personnel including Functional Heads. The Anti Bribery and Corruption Directive and the Ethical View Reporting Policy also extends to the Company's business Partners, e.g., suppliers, vendors, distributors, contractors, etc.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so**.

   In addition to the introduction of a Whistle Blower Mechanism to enable all stakeholders to freely communicate their grievances, the Company has also implemented its Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and uploaded the same on the website of the Company, www.bata.in. The Company has also created an exclusive E-mail Id: share.dept@bata.co.in, to enable the Shareholders/ Investors of the Company to communicate their grievances directly.

   During the financial year ended March 31, 2017, the Company did not receive any complaint from its stakeholders under the Whistle Blower Policy or under the Policy on prevention of Sexual Harassment of Women. However, the details of complaints received and resolved during the year under review have been provided in the Corporate Governance Report included in this Annual Report.

PRINCIPLE 2: BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   i. The Company is manufacturing Safety shoes and selling to different Industries for using by their workmen to get the opportunities towards less risk for their life.

   ii. The Company has also replaced Natural Resourced Rubber & Leather by synthetic EVA (Ethylene Vinyl Acetate) in Sole making & PU coated PVC in Shoe upper making respectively.

iii. The Company has also introduced usages of recycled waste Rubber from Tyre Industries for Rubber outsole making.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Consumption per unit of Production	Current Financial Year 2016-17	Previous Financial Year 2015-16
Electrical Energy (Kwh per pair of Shoes)	0.64	0.66
Thermal Energy (Equivalent kwh per pair of shoes)	0.53	0.69
CO2 Emission (Kg CO2 per pair of Shoes) [consider : 0.537 kg CO2 /1 kwh Grid electricity & 0.268 kg CO2 / kwh fuel oil]	0.49	0.54

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Although the shoe manufacturing process does not have broad based impact on energy, yet the Company continuously takes appropriate measures to reduce the consumption of thermal and electrical energy and water. The Company has installed modern and efficient machineries across its manufacturing units and has been able to save usage of energy and water. The Company also continuously encourages its employees to save natural resources of the mother earth, e.g., energy and water, wherever possible. During the financial year ended March 31, 2017 the Company achieved 14% reduction in consumption of energy in its manufacturing units across India and also achieved 1% reduction in consumption of water in its manufacturing processes.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. The Company has established an internal mechanism of continual improvement towards sustainable excellence, improving its manufacturing system to create a safe work place and offers endless opportunities to our employees to excel and exploit their potential. The use of appropriate mode of transportation is a continuous part of effective supply-chain mechanism and the Company's endeavor to reduce transport related environmental impacts is an ongoing process.

Major associates of the Company, who are engaged in supplying of maximum level of raw materials for shoe manufacturing process in all manufacturing units across India, are located nearby to the respective units. This helps the Company minimize its transportation cost and environmental impact.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company has taken necessary steps to procure goods and services from the local and small producers surrounding its manufacturing units and enhancing their capabilities for a sustainable growth. The Company always prefers to procure goods and services, e.g., Security / Housekeeping / loading-unloading operations, etc. from nearby suitable source of supply.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company has introduced the mechanism to recycle its products and wastes to maintain the ecological balances of the mother earth. Such initiatives of the Company include, the following:

- The wastes -EVA packing bags are now recycled during EVA mixing process.
- Rubber / PVC / EVA wastes are recycled during mastication process.
- Waste water after STP at Company's Bataganj Factory is being used for gardening and road washing purposes.
- Used / waste oil, generated from different machines in manufacturing units are sold only to the agencies approved by the Central Pollution Control Board for recycling and re-using elsewhere in other industries.
- Different scrap materials, e.g., leather cuttings / waste papers / metallic parts, etc. are being sold to the outside agencies for their uses elsewhere in other industries.

PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL BEING OF ALL EMPLOYEES

1. Please indicate the Total number of employees.

As on March 31, 2017, the Company has total number of 8,034 employees.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Out of the above, 3,366 persons were hired on temporary/ contractual/casual basis.

3. Please indicate the Number of permanent women employees.

There are 171 permanent women employees.

4. Please indicate the Number of permanent employees with disabilities.

NIL

5. Do you have an employee association that is recognized by management.

Yes, there are recognized trade unions in the manufacturing units of the Company as recognized by its management. These trade unions are affiliated to various central trade union bodies.

6. What percentage of your permanent employees is members of this recognized employee association?

53.66%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

During the financial year ended March 31, 2017, the Company did not receive any complaints relating to child labour, forced labour, involuntary labour or under the Policy of prevention of sexual harassment of women at workplace or for discretionary employment.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees: 60%

(b) Permanent Women Employees: 30%

(c) Casual/Temporary/Contractual Employees: 40%

(d) Employees with Disabilities: Not Applicable

PRINCIPLE 4: BUSINESS SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

1. Has the Company mapped its internal and external stakeholders?

The Company understands the requirements of its various stakeholders. However, the Company is in the process of mapping its key internal and external stakeholders for a better understanding of their concerns and expectations.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders**.

   Once the mapping is finalized, the Company will be able to identify its various categories of stakeholders and include them in the business process accordingly.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The CSR programs of the Company has been designed in such a manner that it ensures benefits to the poor, needy, underprivileged, deserving and the socio-economic backward communities of the society at large. The Company has been actively associated with the Bata Children's Program (BCP) initiatives of Bata Shoe Organization (BSO) globally, towards improving the lives of the underprivileged children, especially the girl children.

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The Company's Code of Ethics as well as Suppliers' Code of Conduct covers all aspects of human rights. These policies are also extended to all business partners and stakeholders of the Company including its Suppliers, Contractors and partner NGOs.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   NIL

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   The Company's Environment, Health & Safety (EHS)Policy extends to cover the Company and all its relevant Stakeholders, viz, Suppliers, Contractors, near its operational areas, etc.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   The Company has taken necessary steps towards reduction of GHGs emission in its manufacturing process and has a clear roadmap to reduce the concerns relating to the global warming.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   The Company has identified potential environmental risks in its manufacturing units across India. Necessary steps and safeguarding measures have been taken and monitored by the Company to reduce its impact on the environment.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.Y/N. If yes, please give hyperlink for web page etc**.

   The Company has taken up several initiatives on clean technology, energy efficiency and renewable energy, e.g., Waste Heat Recovery System (WHRS) at its manufacturing unit at Batanagar, West Bengal.

   The Company has taken up several initiatives on clean technology, energy efficiency. Etc. e.g., all manufacturing units are equipped with effluent treatment plants , which are working efficiently & effectively to meet the Pollution Control Board's standard towards discharging treated effluent. On "Clean Ganga" initiatives of Central Government, "Zero Effluent Discharge" vision is implemented at Bataganj factory by utilizing treated effluent for gardening & in wash rooms. Special thrusts are given on Waste Management, Conservation of energy, water and natural resources.

On Water Conservation initiatives, Rain Water Harvesting Plant was established at the factory at Bangalore during the year 2010 and it is working efficiently and effectively towards utilization of rain water. On Energy Conservation initiatives, at Batanagar factory Bio-fuel based Briquette fired boiler is running efficiently & effectively by replacing fossil fuel oil fired boiler and also introduced various low energy sensitive equipments by replacing high energy consumed devices. Further, in all factories, Company has moved to Water Based (WB) adhesives from petroleum Solvent Based (SB) adhesives. At Batanagar, asbestos roof are being replaced by metallic sheets in phased manner.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, emission/waste generated by the Company are within the permissible limits prescribed by CPCB / SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   The Company did not receive any show cause / legal notice from CPCB / SPCB during the financial year ended March 31, 2017 and no show cause / legal notice related to CPCB / SPCB are pending with the Company as on the end of financial year.

PRINCIPLE 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The Company believes that conducting business as a good corporate citizen of the Country enhances brand value and leads to a sustainable growth. The Company has been associated with several associations in the corporate industry, viz.,

   a. Confederation of Indian Industry (CII).

   b. Council for Footwear Leather & Accessories (CFLA).

   c. Retail Association of India (RAI).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes, the Company has worked with the organizations in the following areas:

   a. Structural changes in policies to boost growth of the footwear industry.

   b. Sustainable practices in disposal of Hazardous waste and on different EHS practices.

   c. Elimination of unfair labour practices including child labour in the Footwear industry.

PRINCIPLE 8: BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company from its very inception, has been involved with charities and a host of philanthropic and social activities. Recognizing communities and employees as the key success factors for business prosperity, the Company remains committed to their development. The CSR initiatives of the Company ensures its commitment to operate in an economically, socially and environmentally sustainable manner, in the best interest of all the stakeholders.

   During the financial year ended March 31, 2017, the Company focused on promotion of educational initiatives by supporting the schools near its operational areas. It contributed to the '*Swachh Bharat Abhiyan'* campaign undertaken by the Government of India by building toilets and providing facilities for drinking water and hand wash in the semi-urban and rural schools. It also participated in the '*Skill India'* campaign undertaken by Government of

India by enhancing employability skills of the underprivileged youth. The Company has been engaged in undertaking educational awareness workshops amongst the school children and also engaged in donation of shoes amongst the underprivileged kids and communities at large with the aim to eradicate poverty, promote preventive healthcare and promote education.

During the year under review, the Company has been associated with 19 schools and touched lives of about 10,000 school children through various programs. The Company imparted training to 839 youth in retail sales employability training program under the 'Skill India campaign', with 67% of them gaining placements and is in the process to build nearly 125 school toilets along with providing 18 drinking water and hand wash facilities to the school children under the '*Swachh Vidyalaya* campaign'. The Company also maintains these toilets and builds capacities of the school children and authorities as per the guidelines of Minimum *Swachh Vidyalaya* Package of the Ministry of Human Resource Development, Government of India.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company's CSR activities are undertaken by an internal dedicated team. The Company partners Non-Governmental Organizations (NGOs), Government Institutions and well known Corporate Bodies in designing and implementation of selected projects.

3. Have you done any impact assessment of your initiative?

The Company conducts periodic assessments for its projects under the CSR programs. This includes baseline and end-line surveys by the end of the project. Based on the findings of the surveys, the effectiveness of the program is measured against the CSR KPIs for the Company. The continuous monitoring and evaluation mechanisms throughout the project cycle helps in improvement of the quality of project and achieve maximum results to ensure benefits to the stakeholders.

4. What is your Company's direct contribution to community development projects and the details of the projects undertaken:

During the financial year ended March 31, 2017, the Company has spent a total amount of more than Rs. 60 Million towards various CSR projects. The details thereof have been provided in the Annual Report on CSR as attached to the Board's Report. A brief summary thereof is as under:

Sl. No.	Focus Area	Amount (Rs. in Million)
1.	Promoting Education at Schools	9.74
2.	Promoting Health and Sanitation	16.88
3.	Eradicating Poverty through Happy Feet Initiative	24.82
4	Promotion of Sports amongst the Youth	1.00
5.	Sustainable Environment- Repair & Building of Rain Water Harvesting Structures	0.80
6.	Promotion of Skill Development	6.78
Total		**60.02**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Before initiating a community development project, a comprehensive base line survey is conducted to identify the local needs, stakeholder commitments and it also helps in creating a buy-in from the local communities. The Company believes in participatory approach while planning and implementing the community development initiatives. The Company's CSR projects at several locations are developed in consultation and participation with various stakeholders including the local communities. Each location has an independent program implementation committee which ensures planning and implementation of projects, periodic reviews and information sharing with stake holders. The local committees work under the overall guidance and framework defined by the Corporate CSR Team of the Company.

PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   During the year under review, the Company has further strengthen its Customer Care Team and complaints redressal processes for speedy resolution of customers complaints. As on March 31, 2017, an insignificant number of complaints was in the process of being resolved and the same has been amicably resolved subsequently.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   Considering the nature of product manufactured and sold by the Company, it is not necessary to display additional product information on the product labels.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends**?

   Yes, the Company had recently obtained the Customers' Shopping Experience Feedback through its various key retail stores.

REPORT ON CORPORATE GOVERNANCE

[In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')]

(1) COMPANY'S PHILOSOPHY

The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustains long term value for all the stakeholders. The Company always endeavours to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it absolutely ethical to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate governance to be considered as a good corporate citizen of the Country.

(2) BOARD OF DIRECTORS

COMPOSITION AND CATEGORY OF DIRECTORS

The Board of Directors of the Company is duly constituted under the Chairmanship of an Independent Director and comprises of three more Independent Directors, two Non-Executive Directors and two Executive Directors. The Board has an appropriate mix of knowledge, wisdom and varied industry experience to guide the Company in achieving its objectives in a sustainable manner.

The Board of Directors meets at least once in every quarter and also as and when required. During the financial year ended March 31, 2017, five Board Meetings were held, i.e., on May 30, 2016; August 3, 2016; November 25, 2016; December 21, 2016 and February 9, 2017.

The Composition and category of each Director on the Board and attendance at the Board Meetings and at the last Annual General Meeting (AGM) together with details of other Directorships and Committee Memberships are given below:

Name of the Director	Category of Director	Attendance at Meetings		Directorship / Committee Membership in Other Companies (including Bata India Limited)	
		No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in Public Limited Companies*	No. of Committee Memberships / Chairpersonship**
Mr. Uday Khanna	Chairman & Independent Director	4	Yes	5	7 (Chairman of 3)
Mr. Ravindra Dhariwal	Independent Director	5	Yes	8	9 (Chairman of 2)
Mr. Akshay Chudasama	Independent Director	4	Yes	6	4
Ms. Anjali Bansal	Independent Director	4	Yes	4	1
Mr. Christopher Kirk	Non-Executive Director	3	No	1	1
Mr. Shaibal Sinha	Non-Executive Director	3	Yes	1	1
Mr. Rajeev Gopalakrishnan	Managing Director (Executive Director)	5	Yes	3	1
Mr. Ram Kumar Gupta	Director Finance (Executive Director)	5	Yes	4	1

NOTE:

* Excludes Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013 or Section 25 of the erstwhile Companies Act, 1956.

** Includes only Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1)(b) of the Listing Regulations.

In compliance with the requirements of Schedule IV to the Companies Act, 2013 read with Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on May 3, 2016, where all the Independent Directors were present.

There is no inter-se relationship between the Directors of the Company.

APPOINTMENT AND TENURE OF THE DIRECTORS

The Directors of the Company are appointed by the Members at the General Meetings. Generally, the Managing Director and Whole-time Directors (Executive Directors) are appointed for a period of five years. The Whole-time Directors and the Non-Executive Directors (other than the Independent Directors) are liable to retire by rotation at AGM and if eligible, may seek approval of the Members for their re-appointment.

In terms of the provisions of Section 149(5) of the Companies Act, 2013 and Rules framed thereunder, the Independent Directors of the Company are appointed for a period of five years by the Members of the Company at the General Meetings.

A formal letter of appointment setting out the terms and conditions of appointment, roles and functions, responsibilities, duties, fees and remuneration, liabilities, resignation / removal, etc., as specified under Schedule IV to the Companies Act, 2013 has been issued to each of the Independent Directors subsequent to obtaining approval of the Members to their respective appointments. The terms and conditions of such appointments of the Independent Directors are also made available on the website of the Company at *www.bata.in*.

In compliance with Regulation 36(3) of the Listing Regulations read with the Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the required information about the Director proposed to be re-appointed has been annexed to the Notice convening the 84th AGM.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In order to encourage active participation from the Independent Directors and also to enable them to understand the business environment of the Company, a Familiarization Programme for the Independent Directors has been adopted and implemented.

Once appointed, the Independent Directors undergo Familiarization Programme of the Company. Necessary information and supportive documents in respect of the footwear industry, the regulatory environment under which the Company operates and Annual Reports of past financial years are provided to the Independent Directors. The Independent Directors visit the Corporate Office of the Company and its manufacturing units and regional offices and hold one-on-one discussions with key Functional Heads of the Company to understand various functions which are critical to business performance of the Company. The Independent Directors are also provided with financial results, internal audit findings, risk inventories and other specific documents as sought for from time to time. The Independent Directors are also made aware of various Policies and Code of Conduct and Business Ethics adopted by the Board.

During the year under review, the Company conducted various Familiarization Programmes for the Independent Directors of the Company. The details of such Programmes are uploaded on the website of the Company at *www.bata.in* and available at the link *http://bata.in/0/pdf/Familiarization-Program-for-Independent-Directors.pdf.*

CODE OF CONDUCT

The Board of Directors of the Company has adopted a Code of Conduct for the Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads of the Company. The said Code of Conduct of the Company has been uploaded on the website of the Company at *www.bata.in* and is available at the link *http://bata.in/0/pdf/BIL-CodeofConductforDirectors&SMPs.pdf*.

Annual Declaration by the Managing Director (Chief Executive Officer)

I do hereby declare that pursuant to Schedule V (D) read with Regulation 34(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2017.

Rajeev Gopalakrishnan
Managing Director (CEO)
(DIN: 03438046)

(3) AUDIT COMMITTEE

The Board of Directors of the Company has constituted an Audit Committee of the Board in terms of the requirements of Section 177 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 18 of the Listing Regulations. The Audit Committee of the Company meets every quarter, *inter alia*, to review the financial results for the previous quarter before the same are approved at Board Meetings, pursuant to Regulation 33 of the Listing Regulations. The Audit Committee may also meet from time to time, if required.

The Audit Committee has been vested with*, inter alia,* the following powers:

i. to investigate any activity within its terms of reference;

ii. to seek information from any employee;

iii. to obtain outside legal or other professional advice;

iv. to secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of reference

The Audit Committee reviews the Reports of the Internal Auditor and the Statutory Auditors periodically and discusses their findings. The role of the Audit Committee is as follows:

a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b. Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and the fixation of audit fees.

c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report.

e. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, if any, and making appropriate recommendations to the Board to take up steps in this matter;

f. Review and monitor the auditor's independence and performance, and effectiveness of audit process.

g. Approval or any subsequent modification of transactions of the Company with related parties;

h. Scrutiny of inter-corporate loans and investments;

i. Valuation of undertakings or assets of the Company, wherever it is necessary;

j. Evaluation of internal financial controls and risk management systems;

k. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

l. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

m. Discussion with internal auditors any significant findings and follow up there on;

n. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

o. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, if any;

p. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

q. To review the functioning of the Whistle Blower Mechanism;

r. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

s. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

In addition, the Audit Committee also mandatorily reviews the following:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weaknesses, if any, issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

Composition of the Committee, Meetings and Attendance

The Audit Committee consists of four Independent Directors and two Non-Executive Directors. Mr. Ravindra Dhariwal, Independent Director is the Chairman of the Committee.

The Audit Committee met four times during the financial year ended March 31, 2017, i.e., on May 30, 2016; August 3, 2016; November 25, 2016 and February 9, 2017. Category of Directors as Audit Committee Members and their attendance at the aforesaid Audit Committee Meetings are detailed below:

Sl. No.	Name of the Member	Category	No. of Meetings attended
1.	Mr. Ravindra Dhariwal, Chairman	Independent Director	4
2.	Mr. Uday Khanna	Independent Director	4
3.	Mr. Akshay Chudasama	Independent Director	3
4.	Ms. Anjali Bansal	Independent Director	4
5.	Mr. Christopher Kirk	Non-Executive Director	3
6.	Mr. Shaibal Sinha	Non-Executive Director	3

The Chairman of the Audit Committee was present at the Eighty Third Annual General Meeting of the Company held on August 4, 2016.

The Executive Directors, the Statutory Auditors, the Chief Internal Auditor and the Head of Finance Functions are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee and he is in attendance at the Audit Committee Meetings.

(4) NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 19 of the Listing Regulations.

Terms of Reference

The terms of reference of the Committee include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Composition of the Committee, Meetings and Attendance

The Nomination and Remuneration Committee consists of four Independent Directors and two Non-Executive Directors. Ms. Anjali Bansal, Independent Director, is the Chairperson of the Committee.

The Nomination and Remuneration Committee met five times during the financial year ended March 31, 2017, i.e., on May 3, 2016; May 30, 2016; August 3, 2016; November 25, 2016 and February 9, 2017. Category of Directors as the Nomination and Remuneration Committee Members and their attendance at the aforesaid Meetings are detailed below:

Sl. No.	Name of the Member	Category	No. of Meetings attended
1.	Ms. Anjali Bansal, Chairperson	Independent Director	5
2.	Mr. Uday Khanna	Independent Director	5
3.	Mr. Ravindra Dhariwal	Independent Director	5
4.	Mr. Akshay Chudasama	Independent Director	4
5.	Mr. Christopher Kirk	Non-Executive Director	3
6.	Mr. Shaibal Sinha	Non-Executive Director	3

The Chairperson of the Nomination and Remuneration Committee was present at the Eighty Third Annual General Meeting of the Company held on August 4, 2016.

The Managing Director, the Director Finance and the Head of Human Resource Functions are permanent invitees to the Meetings of the Nomination and Remuneration Committee. The Company Secretary acts as the Secretary to the Committee and he is in attendance at the Nomination and Remuneration Committee Meetings.

Performance Evaluation of the Board, Committees and Directors

Your Company understands the requirements of an effective Board Evaluation process and accordingly conducts a Performance Evaluation every year in respect of the following:

i. Board of Directors as a whole

ii. Committees of the Board of Directors

iii. Individual Directors including the Chairman of the Board of Directors.

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidance Note on Board Evaluation issued by SEBI in January 2017, your Company has carried out a Performance Evaluation for the Board / Committees / Directors of your Company for the financial year ended March 31, 2017.

The key objectives of conducting the Board Evaluation were to ensure that the Board and various Committees of the Board have appropriate composition of Directors and they have been functioning collectively to achieve common business goals of your Company. Similarly the key objective of conducting performance evaluation of the Directors through individual assessment and peer assessment was to ascertain if the Directors actively participate in Board Meetings and contribute to achieve the common business goal of the Company.

The Directors carry out the aforesaid Performance Evaluation in a confidential manner and provide their feedback on a rating scale of 1-5. Duly completed formats were sent to the Chairman of the Board and the Chairman / Chairperson of the respective Committees of the Board for their consideration. The Performance Evaluation feedback of the Chairman was sent to the Chairperson of the Nomination and Remuneration Committee.

Outcome of such Performance Evaluation exercise was tabled at the Nomination and Remuneration Committee Meeting and also discussed at a separate Meeting of the Independent Directors, both of which were held on April 20, 2017.

The Nomination and Remuneration Committee forwarded their recommendation based on such Performance Evaluation to the Board of Directors and the same was tabled at the Board Meeting held on May 15, 2017. All the criteria of Evaluation as envisaged in the SEBI Circular of Guidance Note on Board Evaluation had been adhered to by your Company. Based on the aforesaid Performance Evaluation, your Board decided to continue the terms of appointment of the Chairman, the Independent Directors, the Executive Directors and the Non-Executive Directors.

(5) REMUNERATION TO DIRECTORS

Nomination and Remuneration Policy

In compliance with the requirements of Section 178 of the Companies Act, 2013, Rules framed thereunder and pursuant to the provisions of Regulation 19(4) of the Listing Regulations, the Board of Directors of the Company has a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel, Functional Heads and other employees of the Company. The Policy provides for criteria and qualifications for appointment of Director, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs), remuneration to them, Board diversity etc. The said policy is available on the Company's website *www.bata.in* at the link *http://bata.in/0/pdf/Remuneration-Policy_2015.pdf.*

- **Non-Executive Directors**

The Board of Directors decides the remuneration of the Non-Executive Directors in accordance with the provision of the Articles of Association of the Company and with the approval of the shareholders of the Company. Such remuneration is also in lines with the Nomination and Remuneration Policy of the Company and in terms of the specific requirements under the Companies Act, 2013 and of the Listing Regulations.

Non-Executive Directors do not accept sitting fees and / or Commission on Net Profits from the Company. The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the year under review. The non-Executive Directors do not hold any shares in the Company.

Remuneration by way of sitting fees for attending Board Meetings and Committee Meetings are paid to the Independent Directors. The Independent Directors are also entitled to a Commission on Net Profits not exceeding 1% in aggregate of the Net Profits computed in the manner referred to in Section 198 of the Companies Act, 2013 and Rules framed thereunder, which will be distributed among them after the forthcoming Annual General Meeting, in such proportion as may be determined by the Board.

The details of sitting fees and Commission on Net Profits paid to the Independent Directors during the financial year ended March 31, 2017 and the number of Equity Shares in the Company held by the Independent Directors are also mentioned below:

Name of the Director	Sitting Fees paid (Rs. in Million)	Commission paid for the period ended March 31, 2016 (Rs. in Million)	No. of Shares Held
Mr. Uday Khanna	0.90	2.30	10000
Mr. Ravindra Dhariwal	1.35	0.98	-
Mr. Akshay Chudasama	0.75	1.15	-
Ms. Anjali Bansal	0.70	1.15	-

- **Executive Directors**

The details of remuneration and perquisites paid to the Executive Directors during the year under review are as under:

(Rs. in Million)

Name of the Director	Salary	Performance Linked Incentive	Perquisites
Mr. Rajeev Gopalakrishnan (Managing Director)	33.80	4.89	2.72
Mr. Ram Kumar Gupta (Director Finance)	15.79	1.61	0.13

Performance Linked Incentive is determined by the Nomination and Remuneration Committee of the Board based on the overall business performance of the Company. As the liabilities for Gratuity and Leave Encashment are provided on actuarial basis for the Company as a whole, these amounts pertaining to the Directors are not included above. Remuneration and perquisites of the Executive Directors as detailed above, also include retirement benefits and items, which do not form part of their remuneration and perquisites under Section 197 and 198 of the Companies Act, 2013 and Rules framed thereunder.

The Agreements with the Executive Director(s) are contractual in nature. These Agreements may be terminated at any time by either party giving six months' notice in writing without any cause. In the event the notice is delivered by the Executive Director(s), the Company shall have the option of determining the services of the Executive Director(s) forthwith without any further liabilities whatsoever. In such event, the concerned Executive Director shall be entitled to be paid his full salary for a period of six months as per the Agreement as well as incentive which he would have earned during the same period.

The Company does not have any Stock Options Scheme for its Directors or employees.

(6) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors of the Company has constituted a Stakeholders Relationship Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 20 of the Listing Regulations.

The Stakeholders Relationship Committee consists of two Executive Directors and an Independent Director. Mr. Uday Khanna, Independent Director, is the Chairman of the Committee.

The Committee met four times during the financial year ended March 31, 2017, i.e., on May 30, 2016; August 3, 2016; November 25, 2016 and February 9, 2017. Category of Directors as Members of the Stakeholders Relationship Committee and their attendances at these Meetings are detailed below:

Sl. No.	Name of the Member	Category	No. of Meetings attended
1.	Mr. Uday Khanna, Chairman	Independent Director	4
2.	Mr. Rajeev Gopalakrishnan	Executive Director	4
3.	Mr. Ram Kumar Gupta	Executive Director	4

Mr. Maloy Kumar Gupta, Company Secretary is the Compliance Officer of the Company. The Company Secretary acts as the Secretary to the Committee and he is in attendance at the Stakeholders Relationship Committee Meetings.

The Chairman of the Stakeholders Relationship Committee was present at the Eighty Third Annual General Meeting of the Company held on August 4, 2016.

In compliance with the requirements of the SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, the Company has obtained exclusive User ID and Password for processing the investor complaints in a centralized web based SEBI Complaints Redress System - 'SCORES'. This enables the investors to view online the action taken by the Company on their complaints and current status thereof, by logging on to the SEBI's website *www.sebi.gov.in*. No shareholder's complaint was lying unresolved as on March 31, 2017 under 'SCORES'.

It is confirmed that there was no request for registration of share transfers / transmissions lying pending as on March 31, 2017 and that all requests for issue of new certificates, sub-division or consolidation of shareholdings, etc., received up to March 31, 2017 have since been processed. The Company has an efficient system in place to record and process all requests for dematerialization and re-materialization of shares in the Company through National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL).

Nature of complaints received and resolved during the financial year ended on March 31, 2017:

Sl. No.	Subject matter of Complaints	Complaints pending as on April 1, 2016	Complaints Received during the financial year ended March 31, 2017	Total Complaints during the financial year ended March 31, 2017	Complaints Redressed up to March 31, 2017	Complaints pending as on March 31, 2017
1.	Non-receipt of Dividend	1	4	5	3	2
2.	Transfer / Transmission of Shares	-	-	-	-	-
3.	Dematerialization / Re-materialization of Shares	-	-	-	-	-
4.	Others	1	7	8	8	0
Total		**2**	**11**	**13**	**11**	**2**

It is also confirmed that 2 (two) investor's complaints lying pending as on March 31, 2017 as indicated above have since been resolved.

(7) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted a Corporate Social Responsibility Committee (CSR Committee) of the Board in terms of the requirements of Section 135 of the Companies Act, 2013 and Rules framed thereunder. The CSR Committee consists of two Independent Directors and two Executive Directors. Mr. Akshay Chudasama, Independent Director, is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee and he is in attendance at the CSR Committee Meetings.

Pursuant to the provisions of the CSR Policy of the Company, the CSR Committee met four times during the financial year ended March 31, 2017, i.e., on May 30, 2016; August 3, 2016; November 25, 2016 and February 9, 2017. Members of the CSR Committee and their attendances at these Meetings are detailed below:

Sl. No.	Name of the Member	Category	No. of Meetings attended
1.	Mr. Akshay Chudasama, Chairman	Independent Director	3
2.	Mr. Ravindra Dhariwal	Independent Director	4
3.	Mr. Rajeev Gopalakrishnan	Executive Director	4
4.	Mr. Ram Kumar Gupta	Executive Director	4

In order to ensure that the Company undertakes CSR activities strictly in line with the CSR Policy of the Company, a CSR Sub-committee has also been constituted comprising of selected Functional Heads. A dedicated team under the leadership of the Functional Head of Human Resources is in place to implement, monitor and report CSR activities undertaken by the Company from time to time.

(8) RISK MANAGEMENT COMMITTEE

The Board of Directors has voluntarily constituted a Risk Management Committee where majority of Members of the Committee consists of Members of the Board of Directors including one Independent Director. Mr. Rajeev Gopalakrishnan, Managing Director is the Chairman of the Risk Management Committee. In addition to the Directors, some of the key Senior Management Personnel are also Members of this Committee.

Based on the recommendation of the Audit Committee, the Board of Directors has adopted a Risk Management Policy of the Company. In terms of the Risk Management Policy, Risk Inventory Reports prepared by the Chief Internal Auditor are circulated to the Directors of the Company in order to keep them informed about the risk assessment and risk minimization processes. The Risk Inventory Report is presented at the Audit Committee Meetings for review on quarterly basis. Based on recommendations and advice of the Committee, necessary action is taken to mitigate potential risks of the Company. The Risk Management Committee meets at regular intervals to access potential risks and concern for the Company as well as the best course of action the Company should take to mitigate and avoid such risks.

The Committee met two times during the financial year ended March 31, 2017, i.e., on May 30, 2016 and November 25, 2016. The Name and Category of Directors as Members of the Risk Management Committee including other members and their attendance at the aforesaid Meetings are detailed below:

Sl. No.	Name of the Member	Category	No. of Meetings attended
1.	Mr. Rajeev Gopalakrishnan, Chairman	Executive Director	2
2.	Mr. Ravindra Dhariwal	Independent Director	2
3.	Mr. Ram Kumar Gupta	Executive Director	2
4.	Mr. Christopher Kirk	Non-Executive Director	2
5.	Mr. Sanjay Kanth	Senior Vice President - Manufacturing & Sourcing	-
6.	Mr. Vikas Baijal	Senior Vice President - Human Resource	1
7.	Mr. Vinod Kumar Mangla	Chief Internal Auditor	2

The Company Secretary acts as the Secretary to the Committee and he is in attendance at the Risk Management Committee Meetings.

(9) MANAGEMENT COMMITTEE

The Board of Directors has constituted a Management Committee of the Directors in order to facilitate decision making process relating to day-to-day routine affairs of the Company for smooth administrative convenience and has delegated necessary powers / authorities, *inter alia*, the following to the Management Committee:

- To issue Power of Attorney;
- To issue of new Share Certificates;
- To open, close, relocate Bank Accounts of the Company and to change the authorized signatories to operate the Bank Accounts;
- To initiate, defend, prosecute all litigations, issue of Consent Term / Deed of Settlement, matters relating to Intellectual Property Rights, trade union;
- To authorize the Directors / Executives of the Company to sign and execute all Lease Agreements / Leave & License Agreements and other Agreements, etc.

The Management Committee consists of two Executive Directors and an Independent Director. Mr. Rajeev Gopalakrishnan, Managing Director is the Chairman of the Committee. The Minutes of the Management Committee meetings are generally placed before the next Board Meeting.

The Management Committee met six times during the financial year ended March 31, 2017, i.e., on April 25, 2016; June 24, 2016; September 29, 2016; November 1, 2016; January 19, 2017 and March 9, 2017.

Name and Category of the Members of the Management Committee and their attendance at the aforesaid Meetings are detailed below:

Sl. No.	Name of the Member	Category	No. of Meetings attended
1.	Mr. Rajeev Gopalakrishnan, Chairman	Executive Director	5
2.	Mr. Ravindra Dhariwal	Independent Director	6
3.	Mr. Ram Kumar Gupta	Executive Director	6

The Company Secretary acts as the Secretary to the Committee and he is in attendance at the Management Committee Meetings.

(10) GENERAL BODY MEETINGS

(a) **The last three AGMs were held as under**:

Financial Year ended	Day & Date	Time	Venue
March 31, 2016	Thursday, August 4, 2016	10:00 a.m.	'Kalamandir', 48, Shakespeare Sarani, Kolkata- 700017
March 31, 2015*	Wednesday, August 5, 2015	10:00 a.m.	
December 31, 2013	Wednesday, May 21, 2014	10:30 a.m.	

**Financial Year comprised of fifteen months from January 1, 2014 to March 31, 2015.*

(b) **Details of Special Resolutions passed in the previous three Annual General Meetings**:

Date of AGM	Details of the Special Resolutions passed
August 4, 2016	(i) Re-appointment of Mr. Rajeev Gopalakrishnan as the Managing Director of the Company for a period of five consecutive years with effect from February 23, 2016 and fixation of his remuneration.
	(ii) Appointment of Mr. Ram Kumar Gupta, as a Whole-time Director of the Company designated as Director Finance for a period of five consecutive years with effect from August 19, 2015.
August 5, 2015	(i) Payment of commission upto 1% of the Net Profits of the Company to its Non-Executive Directors of the Company for a period of five years commencing from April 1, 2015.
	(ii) Alteration in the Capital Clause of the Memorandum of Association of the Company where the Authorised Capital stands changed from Rs. 700,000,000/- (Rupees Seventy Crore) divided into 70,000,000 Equity Shares of Rs. 10/- each to Rs. 700,000,000/- (Rupees Seventy Crore) divided into 140,000,000 Equity Shares of Rs. 5/- each.
	(iii) Adoption of new set of Articles of Association bearing Article 1 to Article 135 in substitution and to entire exclusion of the Company's existing Article of Association bearing Article 1 to Article 121.
May 21, 2014	No Special Resolution was passed at the Eighty First Annual General Meeting of the Company.

(c) **Details of Special Resolutions passed at the Extraordinary General Meeting:**

An Extraordinary General Meeting (EGM) was held by the Company on August 4, 2014 and the following Special Resolutions were passed at the said EGM for:

(i) Appointment of Mr. Kumar Nitesh (DIN: 06876230) as Managing Director-Retail of the Company for a period of five years with effect from May 21, 2014, who is liable to retire by rotation at the Annual General Meeting and to fix the remuneration payable to him.
(ii) Increase in remuneration of the Managing Director(s) and Whole time Director(s) of the Company.
(iii) Authorization to the Board of Directors of the Company under Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to provide security against the borrowings not exceeding a sum of Rs. 3,000 Million.

(iv) Authorization to the Board of Directors of the Company to borrow money in excess of the prescribed limits under Section 180(1)(c) of the Companies Act, 2013 and Rules framed thereunder, provided that the total outstanding amount so borrowed by the Company shall not at any time exceed the limit of Rs. 5,000 Million or equivalent thereof.

(v) Appointment of Registrar and Transfer Agents of the Company, *viz*. M/s. R & D Infotech Private Limited of 7A, Beltala Road, 1st Floor, Kolkata - 700 026 to keep the Register of Members, copies of Annual Return and other documents and Registers at the office and at such places within Kolkata in the State of West Bengal.

(d) No Resolution was passed during the financial year ended March 31, 2017 through Postal Ballot under Section 110 of the Companies Act, 2013 and Rules framed thereunder.

(e) The Company does not propose to conduct any Special Resolution through Postal Ballot under Section 110 of the Companies Act, 2013 and Rules framed thereunder on or before the forthcoming Annual General Meeting.

(11) MEANS OF COMMUNICATION

Financial Results: Prior intimation of Board Meeting where to consider and approve Unaudited/ Audited Financial Results of the Company is given to the Stock Exchanges and also disseminated on the website of the Company at *www.bata.in*. The aforesaid Financial Results are immediately intimated to the Stock Exchanges, after the same are approved at Board Meeting. The Annual Audited Financial Statements are posted to every Member of the Company in the prescribed manner. In terms of Regulation 10 of the Listing Regulations, the Company complies with the online filing requirements on electronic platforms of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) *viz.* BSE Corporate Listing Centre and NSE Electronic Application Processing System (NEAPS), respectively. Also, the same are simultaneously intimated to The Calcutta Stock Exchange Limited (CSE).

Newspapers: The Financial Results of the Company are published in prominent daily Newspapers, viz. “The Economic Times” (English) and in the “Ei Samay” (Bengali).

Website: The website of the Company *www.bata.in* contains a dedicated section “Investor Relations” which contains details / information of interest to various stakeholders, including Financial Results, Shareholding Pattern, Press Releases, Company Policies, etc. The shareholders / investors can view the details of electronic filings done by the Company on the respective websites of BSE Limited and National Stock Exchange of India Limited i.e., *www.bseindia.com* and *www.nseindia.com*.

Press / News releases: Official press releases including Press Release on Financial Results of the Company are sent to the Stock Exchanges and the same are simultaneously hosted on the website of the Company.

Presentations to institutional investors / analysts: All price sensitive information is promptly intimated to the Stock Exchanges before releasing to the Media, other stakeholders and uploading on Company Website.

(12) RELATED PARTY TRANSACTIONS

Prior approval of the Audit Committee is obtained for all Related Party Transactions of the Company. During the financial year ended March 31, 2017, the Company did not have any ‘material’ related party transaction that may have potential conflict with the interests of the Company at large.

The Board of Directors of the Company has adopted a Related Party Transaction Policy in place, pursuant to the requirements of Section 188 of the Companies Act, 2013 and Rules framed thereunder and Regulation 23 of the Listing Regulations. The said Related Party Transaction Policy is available on the website of the Company *www.bata.in* at the link *http://bata.in/0/pdf/RelatedPartyTransactionPolicy.pdf.*

The Disclosure on Related Party Transactions forms integral part of the Notes to Financial Statements of the Company for the financial year ended March 31, 2017 (both standalone and consolidated basis) as included in this Annual Report.

(13) SUBSIDIARY COMPANIES

The Company has three wholly owned subsidiaries *viz.,* Bata Properties Limited, Coastal Commercial & Exim Limited and Way Finders Brands Limited. None of these subsidiaries is a ‘Material Subsidiary’ within the meaning of Regulation 16 (c) of the Listing Regulations.

The Audit Committee of the Company reviews the financial statements of these unlisted subsidiaries at periodic intervals. The Minutes of the Board Meetings of these unlisted subsidiaries are placed at the Board Meeting of the Company on quarterly basis. All significant transactions and arrangements, if any, entered into by the unlisted subsidiaries are periodically reported to the Board of Directors. These unlisted subsidiaries have not made any investment during the year under review. The Board of Directors of the Company shall, if required, formulate a policy for determining 'Material Subsidiary' as and when considered appropriate in the future.

(14) GENERAL SHAREHOLDER INFORMATION

(a) The 84th Annual General Meeting (AGM) of the Company will be held at 'KALAMANDIR', 48, Shakespeare Sarani, Kolkata - 700017 on Tuesday, July 18, 2017 at 10:00 a.m.

(b) Financial Year

The Financial Year of the Company is from 1st April to 31st March.

Financial Calendar (tentative dates)

First quarter results (June 30)	By mid August 2017
Second quarter results (September 30)	By mid November 2017
Third quarter results (December 31)	By mid February 2018
Fourth quarter & annual audited results of the current Financial Year (March 31)	By end of May 2018

(c) Book Closure: Saturday, July 8, 2017 to Tuesday, July 18, 2017 (both days inclusive).

(d) Dividend Payment Date: Dividend for the financial year ended March 31, 2017, if declared at the AGM, shall be paid from Friday, July 28, 2017 onwards.

(e) Listing of Equity Shares on the Stock Exchanges with Stock Code: The Equity Shares of the Company are listed on the following Stock Exchanges:

i) The Calcutta Stock Exchange Limited (CSE)
7, Lyons Range, Kolkata - 700001
[Company's Stock Code: 10000003]

ii) BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001
[Company's Stock Code: 500043]

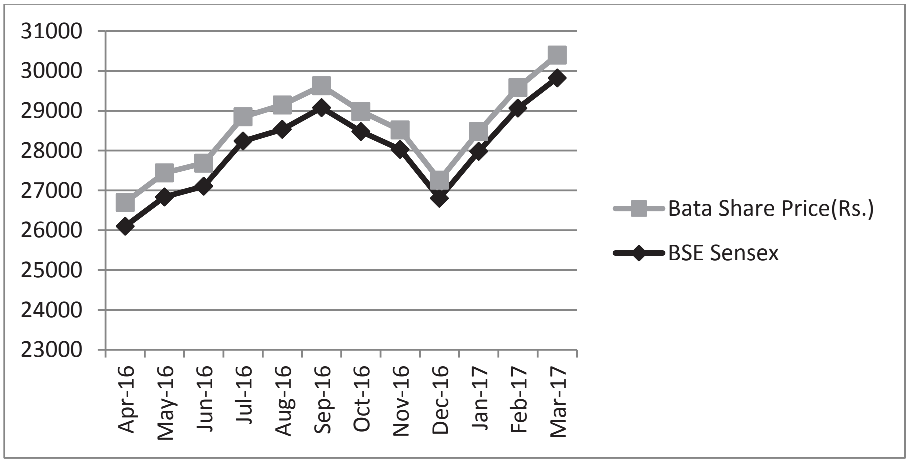
iii) National Stock Exchange of India Limited (NSE)
Exchange Plaza, 5th Floor, Plot No. C-1, Block G,
Bandra Kurla Complex, Mumbai – 400051
[Company's Stock Code: BATAINDIA]

The annual listing fees for the year 2016-17 and 2017-18 have been paid to all these Stock Exchanges.

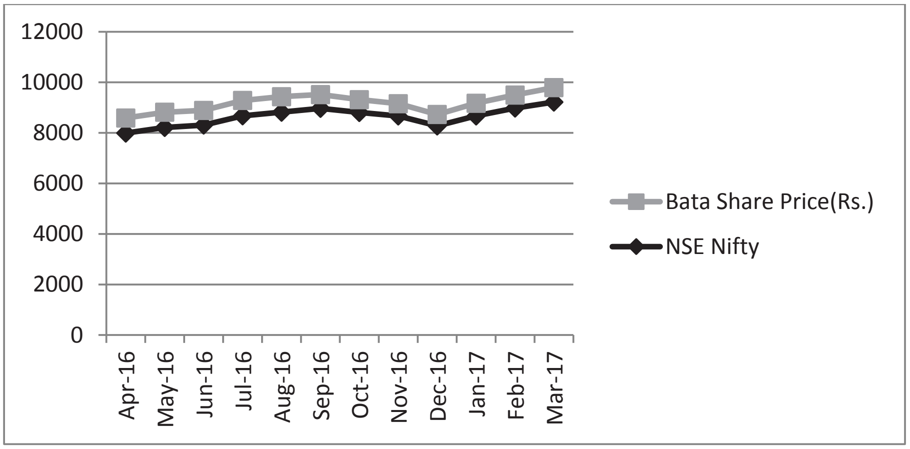
(f) Stock Market Performance

Month & Year	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April 2016	598.40	501.25	1506493	597.50	502.40	8759041
May 2016	601.50	532.30	951699	602.20	530.05	11118282
June 2016	580.00	505.00	810803	580.50	502.45	6140721
July 2016	608.00	542.50	815057	608.75	542.00	8736795
Aug 2016	613.55	508.00	1814544	613.65	520.35	15453259
Sept 2016	548.00	475.65	1049187	548.00	475.25	10916117
Oct 2016	508.70	470.00	610313	507.50	469.80	7308049
Nov 2016	486.95	400.00	1228844	486.40	399.20	10256246
Dec 2016	452.70	404.35	887726	452.00	404.00	10411423
Jan 2017	499.30	445.00	870345	499.00	444.40	7261879
Feb 2017	515.60	476.00	1433932	514.50	474.75	11088855
Mar 2017	574.70	492.45	961697	572.80	491.90	12611455

Note: During the financial year ended March 31, 2017, there was no trading in the shares of the Company at CSE.



Bata India Limited Share Price vs BSE Sensex



Bata India Limited Share Price vs NSE Nifty

(g) Registrar and Share Transfer Agents (RTA): The Company has engaged the services of M/s. R & D Infotech Private Limited, 7A, Beltala Road, 1st Floor, Kolkata - 700026 w.e.f. January 1, 2007, for processing the transfers, transmission, sub-division, consolidation, splitting of shares, etc. and to process the members' requests for dematerialization and / or rematerialization of shares.

(h) Share Transfer System: The Board has delegated the powers of share operations to a Committee comprising of Mr. Ram Kumar Gupta, Director Finance, Mr. Maloy Kumar Gupta, Company Secretary and Mr. Jyotirmoy Banerjee, Investor Relations Manager. The Committee generally meets once in a week to approve, *inter alia*, the requests for transfer and transmission of shares. There are no pending transfers of shares as on March 31, 2017.

Documents and Share Certificates lodged by the shareholders / investors are verified and entered in relevant Registers by the RTA in consultation with the Company.

In compliance with the provisions of Regulation 40(9) of the Listing Regulation, a Practicing Company Secretary conducts Audit of the Share Operations System of the Company maintained at the office of the RTA. The Company endeavours to implement the suggestions / recommendations of the Auditors to the extent possible.

(i) Shareholder's / Investor's Complaints

The Company and the RTA attend to the Shareholder's / Investor's Complaints within the minimum possible time not exceeding 7 days to 15 days and endeavours have been taken to resolve the same within the statutory time limit except in disputed cases or cases involving legal issue, etc.

A Practising Company Secretary conducts quarterly audit of the records maintained by the Company / RTA and submits quarterly Audit Report to the Company. The said audit report is placed before the Board of Directors of the Company at the immediate next Board Meeting.

The Company has received certificates from the Stock Exchanges (CSE / NSE / BSE) confirming that there was no pending complaints as on March 31, 2017 on the records of the Stock Exchanges.

(j) Dematerialization of Shares and Liquidity

Since the equity shares of the Company are compulsorily traded in dematerialized form, the members are advised to hold their shares in dematerialized mode with any Depository Participants (DPs) registered with NSDL and CDSL. Requests for dematerialization of shares should be sent directly by the DPs concerned to the RTA at M/s. R & D Infotech Private Limited, 7A, Beltala Road, 1st Floor, Kolkata - 700026. Any delay on the part of the DPs to send the Demat Request Forms (DRF) and relevant Share Certificates beyond 15 days from the date of generation of the Demat Request Number (DRN) by the DPs will be rejected / cancelled. This is being done to ensure that no demat requests remain pending with the RTA beyond a period of 21 days. Shareholders / Investors should, therefore, ensure that their DPs do not delay in sending the DRF and relevant Share Certificates to the RTA immediately after generating the DRN. The International Securities Identification Number (ISIN) assigned to the Shares of the Company under the Depository System is INE176A01028 and the Shares of the Company are frequently traded at the BSE and NSE.

As on March 31, 2017, 98.53% of the total paid-up share capital of the Company representing 126645800 Equity Shares is held in dematerialized mode. The balance 1.47% paid-up share capital representing 1881740 Equity Shares is held in physical mode and these shareholders are requested to dematerialize their shares in their own interests to avail the benefits of holding shares in dematerialized mode. The entire Promoters' shareholding representing 52.96% of the paid-up share capital is held in dematerialized mode.

During the financial year ended March 31, 2017, total 603 requests for dematerialization of 143428 shares of the Company consisted of 0.11% of the paid-up share capital were received and processed successfully.

(k) Distribution of shareholding as on March 31, 2017:

Range of shares	No. of shareholders	No. of shares
1 – 5000	111950	15117430
5001 - 10000	142	1035013
10001 - 50000	126	2751801
50001 - 100000	28	2107081
100001 and Above	65	107516215
Total	**112311**	**128527540**

(l) Pattern of shareholding as on March 31, 2017:

Sl. No.	Category	No. of Shareholders	No. of Shares	% of Paid-up Share Capital
1.	**Promoters Shareholding**			
(i)	Indian Promoters	-	-	-
(ii)	Foreign Promoters	1	68065514	52.96
Total Promoters Shareholding (A)		**1**	**68065514**	**52.96**
2.	**Public Shareholdings**			
(i)	Resident Individual	109219	16488256	12.83
(ii)	Domestic Companies	1482	7325577	5.70
(iii)	N.R.I.	1412	541433	0.42
(iv)	Mutual Fund	70	17142211	13.34
(v)	Financial Institutions (FIs)	13	9939067	7.73
(vi)	Banks	27	294400	0.23
(vii)	F.I.I.	85	8721026	6.79
(viii)	Directors	2	10056	0.01
Total Public Shareholding (B)		**112310**	**60462026**	**47.04**
Total (A)+(B)		**112311**	**128527540**	**100.00**

(m) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments as on March 31, 2017.

(n) Factory Locations: The Company's factories are located at the following places:

i) Batanagar, 24 Parganas (S), West Bengal;
ii) Bataganj, Patna, Bihar;
iii) Faridabad New Industrial Town, Faridabad, Haryana *[upto December 31, 2016]*;
iv) Peenya Industrial Area, Bangalore, Karnataka;
v) Batashatak, Sipcot Industrial Complex, Phase I, Hosur, Tamil Nadu.

(o) Address for Correspondence

(i) BATA INDIA LIMITED

Registered Office

27B, Camac Street, 1st Floor, Kolkata - 700016

Telephone Nos.	:	(033) 3980 2001 / 2021; 2289 5796 (Direct)
Fax No.	:	(033) 2289 5748
E-mail ID	:	corporate.relations@bata.com
Contact Persons		
Mr. Maloy Kumar Gupta	:	Company Secretary & Compliance Officer
E-mail ID	:	maloy.gupta@bata.co.in
Mr. J. Banerjee	:	Investor Relations Manager
E-mail ID	:	share.dept@bata.co.in

(ii) REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s. R & D Infotech Private Limited
Unit: Bata India Limited
7A, Beltala Road, 1st Floor, Kolkata - 700026

Telephone Nos.	:	(033) 2419 2641 / 2642
Fax No.	:	(033) 2419 2642
E-mail ID	:	rd.infotech@vsnl.net / bata@rdinfotech.in
Contact Person	:	Mr. Ratan Kumar Mishra, Director

(15) OTHER DISCLOSURES

NO NON- COMPLIANCE DURING LAST THREE YEARS

There has been no instance of non-compliances by the Company on any matter related to capital markets during the last three years. No penalty / stricture have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on such matters.

WHISTLE BLOWER MECHANISM

The Company has established an effective Whistle Blower Mechanism and the Board of Directors has adopted a Whistle Blower Policy. No person has been denied access to the Audit Committee. The details of such vigil mechanism have been provided in the "Boards' Report to the Members" section of this Annual Report.

DETAILS OF MANDATORY AND NON-MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

The Quarterly / Yearly Reports on compliance of Corporate Governance in the prescribed format have been submitted to the Stock Exchanges where the Shares of the Company are listed within the stipulated time. The Company has complied with all mandatory requirements to the extent applicable to the Company.

DISCRETIONARY CORPORATE GOVERNANCE REQUIREMENTS

In terms of Regulation 27(1) of the Listing Regulations read with Schedule II to the said Regulations, the disclosure on account of the extent to which the discretionary requirements as specified in Part E of Schedule II are given below:

(i) The Chairman does not maintain any office at the expense of the Company;

(ii) In view of publication of the Financial Results of the Company in newspapers and disseminating the same on the website of the Company as well as on the website of the Stock Exchanges, the Company does not consider it prudent to circulate the half-yearly Results separately to the Shareholders;

(iii) The Company's Financial Statements have been accompanied with unmodified audit opinion - both on quarterly and yearly basis and also both on standalone and consolidated basis;

(iv) The Chairman and the Managing Director (CEO) of the Company are two different individuals;

(v) The Chief Internal Auditor of the Company reports directly to the Audit Committee and is a permanent invitee to all the Audit Committee Meetings. In addition, he is also a Member of the Risk Management Committee of the Board.

(16) CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The following certificate was placed at the Board Meeting held on May 15, 2017.

We, Rajeev Gopalakrishnan, Managing Director (CEO) and Ram Kumar Gupta, Director Finance (CFO), to the best our knowledge and belief certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief, we state that:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2017 which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee that:

   (i) There has not been any significant changes in internal control over financial reporting during the financial year ended March 31, 2017;

   (ii) There has not been significant changes in accounting policies during the financial year ended March 31, 2017, except to the extent, if any, disclosed in the notes to the financial statements; and

   (iii) We have not become aware of any significant fraud or involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

	Ram Kumar Gupta	Rajeev Gopalakrishnan
Place : Gurgaon	Director Finance (CFO)	Managing Director (CEO)
Date : May 15, 2017	(DIN: 01125065)	(DIN: 03438046)

CORPORATE GOVERNANCE COMPLIANCE

The Company has duly complied with the requirements laid down in the provisions of the Listing Regulations for the purpose of ensuring Corporate Governance. A certificate to this effect obtained from M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company, has been attached to this Annual Report.

For and on behalf of the Board of Directors

Uday Khanna
Chairman
(DIN: 00079129)

Place : Gurgaon
Date : May 15, 2017

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of Bata India Limited

1. The accompanying Corporate Governance Report prepared by Bata India Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2017. This report is required by the Company for annual submission to the Stock exchanges and to be sent to the Members of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

    i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

    ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

    iii. Obtained and read the Directors Register as on March 31, 2017 and verified that atleast one women director was on the Board during the year;

    iv. Obtained and read the minutes of the following meetings held during the period from April 1, 2016 to March 31,2017:

        (a) Board of Directors;

        (b) Audit committee;

        (c) Nomination and Remuneration committee;

        (d) Risk Management Committee;

        (e) Stakeholders Relationship Committee; and

        (f) Corporate Social Responsibility Committee;

v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from the management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2017, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 95169

Place of Signature: Gurgaon
Date: May 15, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Bata India Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Bata India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. The Company has provided requisite disclosures in Note 45 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 95169

Place: Gurgaon
Date: May 15, 2017

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Bata India Limited (the Company)

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(i)(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i)(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.

(ii)(a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii)(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

(vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, custom duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii)(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. million)	Period to which the amount relates	Forum where the dispute is pending
Various State Sales Tax Acts	Purchase tax dispute at Faridabad	8.2	1984-1985	Supreme Court
Various State Sales Tax Acts	Revenue Recovery against non-payment of demand in assessment	6.7	1994-1995 1998-1999 2000-2001	STAT, Kerala
Various State Sales Tax Acts	Tax in dispute u/s 92 of Central Sales Tax act regarding non submission of forms.	2.8	1991-1992	High court, UP
Karnataka Sales Tax Act	Unclaimed input tax credit adjusted against VAT	4.1	2005-2006 to 2008-2009	Joint Commissioner's Appeal
Various State Sales Tax Acts	Misclassification of Article for VAT payment	9.7	2005-06 to 2006-07	VAT for tribunal, Kerala
Central Excise Act,1944	Excise duty demand on closing balance of exempted footwear	1.5	1987-88	CESTAT- Kolkata
Central Excise Act,1944	Duty demanded for sale of footwear at domestic tariff area which final hearing before commissioner concluded and order is pending.	7.0	1997-99	Commissioner of Central Excise, Chennai
Central Excise Act,1944	Disallowance for trade discount for sale of footwear to retail outlet.	2.8	1995-97	CESTAT-Chennai
Central Excise Act,1944	Excise duty demanded for movement of raw material to job worker without payment of duty.	15.5	2004-05 to 2005-06	CESTAT-Kolkata
Central Excise Act,1944	Disallowing abatement @ 40% on MRP for institutional sales. Sale of Industrial Boots and Mine Safety Boots.	9.0	2007 2008 2009 2010	CESTAT-Kolkata
Central Excise Act,1944	Non-compliance of the condition of the notification for marking MRP on factory seconds cleared on payment of appropriate C.E. duty,	21.5	July 2004 to Jan 2008	CESTAT- Kolkata
Central Excise Act,1944	Exclusion of Sales tax @8% for payment of an amount equal to 8%/10% on exempted footwear as per CCR 6(3)(b)	3.0	August 2004 to Jan 2008	CESTAT- Kolkata
Finance Act, 1994	Disallowance of service tax input credit on input service availed for outward transportation	4.3	2006-2010	Commissioner of Central Excise, Kolkata
Customs Act,1942	Duty Demand on account of short levy of customs duty (anti-dumping duty) for which hearing before commissioner concluded and order received	10.8	2001	CESTAT- Kolkata
Finance Act,1994	Availment of wrong input service tax credit	86.2	April 2008 to May 2012	CESTAT- Chennai
Customs Act,1942	Wrong availment of concessional rate of customs duty etc., against which the hearing has not been finalised as yet.	83.8	1998-2003	CESTAT- Kolkata
Income Tax Act,1961	Short term capital gains	117.5	2007-2008	ITAT, Kolkata
Income tax Act,1961	Disallowance of certain expenditure	312.8	AY 2011-2012 to AY 2013-2014	Commissioner of Income Tax (Appeal), Kolkata

(viii) The Company has neither taken any loan from financial institution or bank nor issued any debentures, therefore the provision of clause (viii) of the Order is not applicable, hence not commented upon.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 95169

Place : Gurgaon
Date: May 15, 2017

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date on the standalone Ind AS financial statements of Bata India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bata India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Sanjay Vij
Partner
Membership Number: 95169

Place: Gurgaon
Date: May 15, 2017

BALANCE SHEET AS AT 31 MARCH 2017
(Amount in INR millions except as otherwise stated)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4a	2,645.75	3,015.15	3,057.44
Capital work-in-progress		242.29	134.34	165.80
Intangible assets	4b	13.77	5.96	9.42
Intangible assets under development	41,42	56.06	56.06	315.91
Financial assets				
Investments	5a	49.51	49.51	49.51
Loans	5b	980.94	818.60	758.46
Deferred tax assets (net)	6	1,004.33	890.79	747.70
Other non-current assets	7	737.57	854.62	880.28
		5,730.22	**5,825.03**	**5,984.52**
Current assets				
Inventories	8	7,054.39	6,788.95	7,046.98
Financial assets				
Trade receivables	9	671.48	696.39	583.99
Cash and cash equivalent	10	616.99	888.74	520.76
Other bank balances	11	4,592.13	2,516.31	1,578.92
Loans	5b	32.44	77.34	35.18
Others current financial asset	5c	261.92	204.95	226.63
Other current assets	7	266.40	306.18	240.15
		13,495.75	**11,478.86**	**10,232.61**
Total Assets		**19,225.97**	**17,303.89**	**16,217.13**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	642.64	642.64	642.64
Other equity				
Securities premium	13a	501.36	501.36	501.36
Retained earnings	13b	12,134.47	11,088.41	9,415.21
Others (including items of other comprehensive Income)	13c	(25.66)	(11.56)	-
		13,252.81	**12,220.85**	10,559.21
LIABILITIES				
Non-current liabilities				
Trade payables	14	1,039.71	1,028.71	977.60
		1,039.71	**1,028.71**	**977.60**
Current liabilities				
Financial liabilities				
Trade payables	14	4,072.15	3,248.57	3,567.40
Other financial liabilities	15	401.84	431.95	463.51
Other current liabilities	16	302.84	308.10	381.87
Current tax liabilities (net)	17a	113.16	25.74	106.85
Provisions	17b	43.46	39.97	160.69
		4,933.45	**4,054.33**	**4,680.32**
Total Equity and Liabilities		**19,225.97**	**17,303.89**	**16,217.13**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration number: 301003E/E300005
Chartered Accountants

Per Sanjay Vij
Partner
Membership no.: 95169
Place: Gurgaon
Date: May 15, 2017

For and on behalf of the Board of Directors

Uday Khanna
Chairman
DIN: 00079129

Rajeev Gopalakrishnan
Managing Director
DIN: 03438046

Maloy Kumar Gupta
Company Secretary
Membership no.: A-24123

Ram Kumar Gupta
Director Finance
DIN: 01125065

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions except as otherwise stated)

	Notes	31 March 2017	31 March 2016
REVENUE			
Revenue from operations	18	24,972.41	24,485.97
Other income	19	466.46	267.18
Total Income		**25,438.87**	**24,753.15**
EXPENSES			
Cost of raw material and components consumed	20	2,914.18	3,027.91
Purchase of traded goods	20	8,878.15	8,283.18
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	21	(263.53)	136.08
Excise duty on sale of goods		300.80	332.05
Employee benefits expense	22	2,726.95	2,609.25
Finance costs	23	40.34	17.43
Depreciation and amortization expense	24	650.05	788.01
Other expenses	25	7,639.49	7,339.82
Total expenses		**22,886.43**	**22,533.73**
Profit before exceptional items and tax		**2,552.44**	**2,219.42**
Exceptional Items	26	216.69	(747.07)
Profit before tax		**2,335.75**	**2,966.49**
Tax expense:			
Current tax	6	924.70	933.63
Tax for earlier year	6	(62.83)	-
Deferred Tax (credit)/charge	6	(113.60)	(143.09)
Profit for the year		**1,587.48**	**2,175.95**
Other Comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans	27	(21.56)	(17.68)
Income tax effect	27	7.46	6.12
Other comprehensive income for the year, net of tax		**(14.10)**	**(11.56)**
Total comprehensive income for the year, net of tax		**1,573.38**	**2,164.39**
Earnings per equity share			
(1) Basic	29	12.35	16.93
(2) Diluted	29	12.35	16.93

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration number: 301003E/E300005
Chartered Accountants

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Company Secretary
Membership no.: A-24123

Ram Kumar Gupta
Director Finance
DIN: 01125065

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions except as otherwise stated)

(a) Equity Share Capital

	No.	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2015	64,263,770	642.64
Equity shares of INR 10/- each sub-divided into equity shares of INR 5/- each (Refer note 12)	64,263,770	-
At 31 March 2016	128,527,540	642.64
Issue of share capital	-	-
At 31 March 2017	**128,527,540**	**642.64**

(b) Other equity

For the year ended 31 March, 2017:

	Attributable to the equity holders of the company				Other Equity
	Reserves and Surplus			Items of OCI	
	Securities premium account (Note 13a)	Surplus in the statement of profit and loss (Note 13b)	General reserve (Note 13b)	Re-measurement gains (losses) on defined benefit plans (Note 13c)	
As at 1 April 2016	**501.36**	**9,589.58**	**1,498.83**	**(11.56)**	**11,578.21**
Profit for the period	-	1,587.48	-	-	1,587.48
Other comprehensive income (Note 27)	-	-	-	(14.10)	(14.10)
Total comprehensive income	**501.36**	**11,177.06**	**1,498.83**	**(25.66)**	**13,151.59**
Cash dividends (Note 28)	-	(449.85)	-	-	(449.85)
Dividend distribution tax (Note 28)	-	(91.57)	-	-	(91.57)
At 31 March 2017	**501.36**	**10,635.64**	**1,498.83**	**(25.66)**	**12,610.17**

For the year ended 31 March 2016:

	Attributable to the equity holders of the company				Other Equity
	Reserves and Surplus			Items of OCI	
	Securities premium account (Note 13a)	Surplus in the statement of profit and loss (Note 13b)	General reserve (Note 13b)	Re-measurement gains (losses) on defined benefit plans (Note 13c)	
As at 1 April 2015	**501.36**	**7,916.38**	**1,498.83**	**-**	**9,916.57**
Profit for the period	-	2,175.95	-	-	2,175.95
Other comprehensive income (Note 27)	-	-	-	(11.56)	(11.56)
Total comprehensive income	**501.36**	**10,092.33**	**1,498.83**	**(11.56)**	**12,080.96**
Cash Dividends (Note 28)	-	(417.71)	-	-	(417.71)
Dividend distribution tax (Note 28)	-	(85.04)	-	-	(85.04)
At 31 March 2016	**501.36**	**9,589.58**	**1,498.83**	**(11.56)**	**11,578.21**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration number: 301003E/E300005
Chartered Accountants

Per Sanjay Vij
Partner
Membership no.: 95169
Place: Gurgaon
Date: May 15, 2017

For and on behalf of the Board of Directors

Uday Khanna
Chairman
DIN: 00079129

Rajeev Gopalakrishnan
Managing Director
DIN: 03438046

Maloy Kumar Gupta
Company Secretary
Membership no.: A-24123

Ram Kumar Gupta
Director Finance
DIN: 01125065

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions except as otherwise stated)

		Notes	As at 31 March 2017	As at 31 March 2016
A	**Cash flow from operating activities**			
1	**Profit before tax**		2,335.75	2,966.49
2	**Adjustments to reconcile profit before tax to net cash flows:**			
	Depreciation of property, plant & equipment	24	646.03	784.55
	Amortisation of intangible assets	24	4.02	3.46
	Gain on assets received from erswhile JV	26	-	(306.31)
	Provisions for contingencies written back	26	-	(123.24)
	Expenditure incurred on software development written off	26	-	290.55
	Straightlining on lease rental		39.10	60.20
	Loss on sale of fixed assets (net)	25	62.65	47.16
	Allowance for doubtful debt, loans, advances	25	-	50.15
	Finance expense (including fair value change in financial instruments)	23	40.34	17.43
	Finance income (including fair value change in financial instruments)	19	(443.26)	(260.58)
	Liabilities no longer required written back	19	(5.92)	-
3	**Operating profit before working capital changes (1+2)**		**2,678.71**	**3,529.86**
4	**Movements in Working Capital:**			
	Decrease/(Increase) in trade & other receivables		75.73	(162.55)
	Decrease /(Increase) in inventories		(265.44)	258.03
	Increase/(Decreae) in trade and Other Payables		823.58	(318.83)
	Increase/(Decrease) in short term provisions		(18.07)	(15.17)
	Decrease/(Increase) in other current assets		39.78	(66.03)
	Decrease/(Increase) in other current financial assets		50.15	(18.84)
	Increase/(Decrease) in other current liabilities		(5.26)	(73.78)
	Increase/(Decrease) in other financial liabilities		(54.90)	(32.95)
	Change in Working Capital		**645.57**	**(430.12)**
5	**Changes in non current assets and liabilities**			
	Decrease/(Increase) in loans & advances		(95.16)	19.28
	Increase/(Decrease) in trade payables		(28.10)	(9.08)
	Decrease/(Increase) in other non-current assets		19.68	7.22
	Changes in non current assets and liabilities		**(103.58)**	**17.42**
6	**Cash Generated From Operations (3+4+5)**		**3,220.70**	**3,117.16**
7	**Less : Taxes paid**		**(652.05)**	**(1,073.57)**
8	**Net cash flow from operating activities (6-7)**		**2,568.65**	**2,043.59**
B	**Cash flow from investing activities:**			
	Purchase of property, plant and equipment		(512.30)	(403.94)
	Proceeds from sale of property, plant and equipment		35.70	4.97
	Repayments/(Investments) in bank deposits (having original maturity of more than three months)		(2,074.72)	(940.13)
	Interest received (finance income)		268.98	179.55
	Net cash flow used in Investing Activities:		**(2,282.34)**	**(1,159.55)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions except as otherwise stated)

		Notes	As at 31 March 2017	As at 31 March 2016
C	**Net cash flow from financing activities:**			
	Dividend paid to equity shareholders	28	(448.75)	(416.53)
	Dividend distribution tax	28	(91.57)	(85.04)
	Interest paid		(16.65)	(17.23)
	Net cash used in financing activities:		**(556.97)**	**(518.80)**
D	**Net change in cash & cash equivalents (A+B+C)**		**(270.66)**	**365.24**
E - 1	Cash & cash equivalents as at end of the year		629.86	900.52
E - 2	Cash & cash equivalents as at the beginning of year		900.52	535.28
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)		**(270.66)**	**365.24**

	As at 31 March 2017	As at 31 March 2016
Components of cash and cash equivalents		
Cash on hand	99.27	113.55
With banks		
- on deposit with original maturity of upto 3 months	-	300.00
- on current accounts	517.72	475.19
- unpaid dividend accounts*	12.87	11.78
Total cash and cash equivalents	**629.86**	**900.52**

*The company can utilize these balances only towards settlement of the respective unpaid dividend and unpaid matured deposits.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration number: 301003E/E300005
Chartered Accountants

Per Sanjay Vij
Partner
Membership no.: 95169
Place: Gurgaon
Date: May 15, 2017

For and on behalf of the Board of Directors

Uday Khanna
Chairman
DIN: 00079129

Rajeev Gopalakrishnan
Managing Director
DIN: 03438046

Maloy Kumar Gupta
Company Secretary
Membership no.: A-24123

Ram Kumar Gupta
Director Finance
DIN: 01125065

1. Corporate information

Bata India Limited is primarily engaged in the business of manufacturing and trading of footwear and accessories through its retail and wholesale network. The financial statements are authorised for issue in accordance with a resolution passed in the board meeting held on May 15, 2017.

Bata India Limited is a public company domiciled in India. Its shares are listed on three stock exchanges in India. The registered office of the company is located at 27B, Camac Street, 1st floor, Kolkata - 700016.

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 44 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost or at amortised cost except for the following assets and liabilities:

Items	Measurement Basis
Net defined benefit (asset)/liability	Fair Value of plan assets less present value of defined benefit obligations
Derivatives	Fair Value

The financial statements are presented in INR and all values are rounded to the nearest Million (INR 000,000), except when otherwise stated.

2.2 Summary of significant accounting policies

a. Current Vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- ► Expected to be realised or intended to be sold or consumed in normal operating cycle
- ► Held primarily for the purpose of trading
- ► Expected to be realised within twelve months after the reporting period, or
- ► Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ► Expected to be settled in normal operating cycle
- ► Held primarily for the purpose of trading
- ► Due to be settled within twelve months after the reporting period, or
- ► There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

b. Cash dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Interim dividends, if any, are recorded as a liability on the date of declaration by the Company's Board of directors.

c. Fair Value Measurements

The Company measures financial instruments, such as forward contracts at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

d. Property, plant & equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (See Note 44).

Property, plant & equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. In case of assets acquired in exchange for a non-monetary asset, the cost of such an item of property, plant and equipment is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a regular major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of Property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e. Depreciation on Property, plant & equipment

i. Lease hold improvements (LHI) & furniture & fixtures at stores are amortised on straight line basis over the period of lease or useful life (not exceeding 9 years), whichever is lower.

ii. Depreciation on other Property, plant & equipment is provided on written down value method at the rates based on the estimated useful life of the assets as described below:

Category of Property, plant & equipment	Useful Lives
Buildings - Factory Buildings - Other than Factory Buildings - Fences, Wells, Tube wells	 30 years 10 years - 60 Years 5 years
Plant & Machinery - Moulds - Data processing equipment - Servers - Other Plant and Machinery	 8 years 3 Years 6 Years 5 Years - 15 Years
Furniture & Fittings - Others	 10 years
Vehicles	8 years
Office Equipment	10 Years

The Company, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

iii. Depreciation on Property, plant & equipment added/disposed off during the year is provided on pro-rata basis with respect to date of acquisition/ disposal.

f. Intangible Assets

Intangible assets acquired separately are recorded at cost at the time of initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets (Computer Software) with finite lives are amortised over the useful economic life (not exceeding five years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

► The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
► Its intention to complete and its ability and intention to use or sell the asset
► How the asset will generate future economic benefits
► The availability of resources to complete the asset
► The ability to measure reliably the expenditure incurred during its development

g. Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

► Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

► Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

► Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the company on its own account, rather it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i. Sale of Goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company provides normal warranty provisions for manufacturing defects for 3 months on all its products sold, in line with the industry practice. The Company does not provide any extended warranties to its customers.

The Company operates a loyalty points programme " The Bata Club", which allows customers to accumulate points when they purchase products in the Company's retail stores. The points can be redeemed against consideration payable for subsequent purchases. Consideration received is allocated between the products sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred based on actuarial valuation and recognised as revenue when the points are redeemed.

ii. Interest:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

iii. Export Benefits:

Export benefits in the form of Duty Drawback, Duty Entitlement Pass Book (DEPB) and other schemes are recognized in the Statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

i. Foreign Currency Transactions

The Company's financial statements are presented in INR, which is also the Company’s functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

j. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k. Retirement and Other Employee Benefits

i) Retirement benefit in the form of pension costs is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the pension fund. The Company recognizes contribution payable to the pension fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

ii) The Provident Fund (administered by a Trust) is a defined benefit scheme where by the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to confirm to the interest rate declared by the government for the Employees Provident Fund. The Company has adopted actuary valuation based on project unit credit method to arrive at provident fund liability as at year end.

iii) The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

► The date of the plan amendment or curtailment, and
► The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

► Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
► Net interest expense or income

iv) Compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an actuary, at each year end.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

v) Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss in the year such scheme is accepted by the employees/workers.

l. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company is lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. A lease which is not a finance lease is classified as Operating lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either (a) another systematic basis is more represantative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

m. Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

n. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, are recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate and when circumstances indicate that the carrying value may be impaired.

o. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on actuarial valuation. The initial estimate of warranty-related costs is revised annually.

p. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one Company and a financial liability or equity instrument of another Company.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in five categories:

- Debt Instrument at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Investments in equities of subsidiaries at cost

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, Security deposits & other receivables.

Debt instrument at FVTOCI

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Investments in equities of subsidiaries

Investments in equities of subsidiaries are carried at cost in separate financial statements.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

► The rights to receive cash flows from the asset have expired, or

► The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass- through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are carried at amortised cost or at Fair value through OCI. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The application of simplified approach does not require the Company to track changes in credit risk. Based on the past history and track records the company has assessed the risk of default by the customer and expects the credit loss to be insignificant. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head ‘other expenses’ in the P&L.

The balance sheet presentation for various financial instruments is described below:

► Financial assets measured as at amortised cost. ECL is presented as an allowance, i.e., as an integral part of measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as:

- financial liabilities at fair value through profit or loss,
- financial liabilities measured at amortised cost,
- loans and borrowings and payables,
- derivatives designated as hedging instruments in an effective hedge relationship.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include:

- financial liabilities held for trading
- financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, if and only if, the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities measured at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate. Interest expense and foreign exchange gain and losses are recognised in statement of profit and loss.

Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The Company has not reclassified any financial asset during the current year or previous year.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

► Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

► Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, the ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

3. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Company’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a (i) Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

a (ii) Operating lease commitments -Company as lessee

The Company has taken shop premises under operating lease agreements. The lease agreements generally have an escalation clause and there are no sub-leases. These lease are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. The Company based on a evaluation of the terms and conditions of the agreements assessed that the escalation are as per the mutually agreed terms and are not structured to increase necessarily in line with expected general inflation and hence operating lease payments are continued to be recognised as an expense in The Statement of profit and loss on straight line basis over the lease term.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b.1 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 32.

b.2 Revenue recognition – Loyalty programme

The Company estimates the fair value of points awarded under the Loyalty programme " The Bata Club", by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences. As points issued under the programme expire on expiry of specified period in accordance with the programme, such estimates are subject to significant uncertainty. As at 31 March 2017, the estimated liability towards unredeemed points amounted to approximately INR 9.02 million (31 March 2016: INR 7.01 million, 1 April 2015: INR 1.21 million).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

4a **Property, plant and equipment**

	Freehold Land	Buildings	Lease Hold Improvements	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipments	Total
Cost or valuation								
At 1 April 2015	240.84	774.05	401.73	408.06	1,213.12	12.64	7.00	3,057.44
Additions	-	313.77	184.42	156.76	134.28	5.18	-	794.41
Disposals	-	(2.26)	(13.83)	(12.50)	(35.20)	-	-	(63.79)
At 31 March 2016	**240.84**	**1,085.56**	**572.32**	**552.32**	**1,312.20**	**17.82**	**7.00**	**3,788.06**
Additions	-	25.88	153.22	52.11	143.76	-	-	374.97
Disposals	-	(16.85)	(36.63)	(16.67)	(73.92)	(0.11)	(0.22)	(144.40)
At 31 March 2017	**240.84**	**1,094.59**	**688.91**	**587.76**	**1,382.04**	**17.71**	**6.78**	**4,018.63**
Depreciation								
At 1 April 2015	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	101.78	114.49	182.37	377.67	6.62	1.61	784.55
Disposals	-	(2.26)	-	(0.57)	(8.82)	-	-	(11.65)
At 31 March 2016	**-**	**99.52**	**114.49**	**181.80**	**368.85**	**6.62**	**1.61**	**772.90**
Depreciation charge for the year	-	68.01	112.38	133.97	325.38	5.37	0.92	646.03
Disposals	-	(0.93)	(6.18)	(4.85)	(33.66)	-	(0.43)	(46.05)
At 31 March 2017	**-**	**166.60**	**220.69**	**310.92**	**660.57**	**11.99**	**2.10**	**1,372.88**
Net Book Value								
At 31 March 2017	240.84	927.99	468.22	276.84	721.47	5.72	4.68	2,645.75
At 31 March 2016	240.84	986.04	457.81	370.52	943.35	11.20	5.39	3,015.15
At 1 April 2015	240.84	774.05	401.73	408.06	1,213.12	12.64	7.00	3,057.44

4b

Intangible assets	Computer Software	Total
Cost		
At 1 April 2015	**9.42**	**9.42**
Addition	-	-
At 31 March 2016	**9.42**	**9.42**
Addition	11.83	11.83
At 31 March 2017	**21.25**	**21.25**
Amortisation		
At 1 April 2015	**-**	**-**
Amortisation	3.46	3.46
At 31 March 2016	**3.46**	**3.46**
Amortisation	4.02	4.02
At 31 March 2017	**7.48**	**7.48**
Net book Value		-
At 31 March 2017	13.77	13.77
At 31 March 2016	5.96	5.96
At 1 April 2015	9.42	9.42

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

5. Financial assets	**Non Current**			**Current**		
	31 March 2017	**31 March 2016**	**1 April 2015**	**31 March 2017**	**31 March 2016**	**1 April 2015**
a. Investments						
Investment in equity instruments of subsidiaries (cost) **Unquoted:**						
4,851,000 (31 March 2016 : 4,851,000, 1 April 2015 :4,851,000) equity shares of INR 10 each fully paid-up in Bata Properties Limited	48.51	48.51	48.51	-	-	-
100,000 (31 March 2016 : 100,000, 1 April 2015 :100,000) equity shares of INR 10 each fully paid-up in Way Finders Brands Limited	1.00	1.00	1.00	-	-	-
Total Investment in subsidiaries (a)	49.51	49.51	49.51	-	-	-
Investments in Cooperative Societies (cost) **Unquoted:**						
250 (31 March 2016 : 250, 1 April 2015 :250) equity shares of INR 10 each fully paid-up in Bata Employees' Co-operative Consumers' Stores Limited, Hathidah	0.00	0.00	0.00	-	-	-
5 (31 March 2016 : 5, 1 April 2015 :5) equity shares of INR 10 each fully paid-up in Bhadrakali Market Co-operative Society Limited, Nasik	0.00	0.00	0.00	-	-	-
Total Investment in Cooperative Societies (b)	0.00	0.00	0.00	-	-	-
TOTAL (a+b)	**49.51**	**49.51**	**49.51**	**-**	**-**	**-**
Aggregate book value of quoted investments	**-**	**-**	**-**	**-**	**-**	**-**
Aggregate market value of quoted investments	**-**	**-**	**-**	**-**	**-**	**-**
Aggregate value of unquoted investments	**49.51**	**49.51**	**49.51**	**-**	**-**	**-**
b. Loans (at amortised cost)						
Loans and advances **To Related Parties**						
Unsecured, Considered Good	109.23	62.32	-	7.88	33.92	22.10
	109.23	62.32	-	7.88	33.92	22.10
Security Deposits						
Unsecured, Considered Good	871.71	756.28	760.53	24.56	43.42	13.08
Less : Provision for Doubtful Deposits	-	-	(2.07)	-	-	-
	871.71	756.28	758.46	24.56	43.42	13.08
TOTAL	**980.94**	**818.60**	**758.46**	**32.44**	**77.34**	**35.18**
c. Other Financial assets (at amortised cost)						
Interest accrued on loans and advances, deposits and investments	-	-	-	192.33	85.22	83.59
Advances recoverable in cash or kind (unsecured, considered good)	-	-	-	69.08	103.37	139.62
Advances recoverable in cash or kind (unsecured, considered doubtful)	-	-	-	72.80	104.60	62.25
Less: Provision for doubtful advances	-	-	-	(72.80)	(104.60)	(62.25)
Insurance claim receivable	-	-	-	0.51	16.36	3.42
TOTAL	**-**	**-**	**-**	**261.92**	**204.95**	**226.63**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

6. Deferred tax assets (net)

	31 March 2017	31 March 2016
Current income tax :		
Current income tax charge	924.70	933.63
Adjustment in respect of current income tax of previous year	(62.83)	-
Deferred tax :		
Relating to origination & reversal of temporary difference	(113.60)	(143.09)
	748.27	**790.54**

	31 March 2017	31 March 2016	1 April 2015
Deferred tax assets			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	464.47	385.37	274.46
Impact of expenditure charged to the statement of profit and loss in the current/earlier period but allowable for tax purposes on payment basis	503.47	455.20	440.40
Provision for doubtful debts and advances	28.96	42.55	25.13
Effect of measuring financial instruments at fair value	7.43	7.67	7.71
	1,004.33	**890.79**	**747.70**

Reconciliation of effective tax rate

	31 March 2017		31 March 2016	
Profit before tax		2,335.75		2,966.49
Tax using the Company's domestic tax rate	34.608%	808.36	34.608%	1,026.64
Effect of non deductible expenses		23.18		6.54
Effect of deductible expenses at higher rate		(20.44)		(20.53)
Effect of Income taxable at lower rate (sale of brand & gain on assets from Erstwhile JV (refer note 26))		-		(222.11)
Reversal of tax of earlier years		(62.83)		-
Total		**748.27**		**790.54**
Tax as per statement of profit and loss		**748.27**		**790.54**

7. Other Assets

	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Unsecured and considered good						
Capital advances	27.52	9.97	93.37	-	-	-
Supplier advances	-	-	-	26.76	49.29	23.06
Advance income tax (net of provision)	377.63	492.55	427.58	-	-	-
Recoverable from statutory authorities	85.31	86.51	85.39	102.39	76.81	58.44
Prepaid expenses	247.11	265.59	273.94	137.25	180.08	158.65
	737.57	**854.62**	**880.28**	**266.40**	**306.18**	**240.15**
Unsecured, considered doubtful						
Recoverable from statutory authorities	10.36	10.36	8.29	-	-	-
Less: Provision for doubtful balances	(10.36)	(10.36)	(8.29)	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
Total	**737.57**	**854.62**	**880.28**	**266.40**	**306.18**	**240.15**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

8. Inventories

	Current		
	31 March 2017	**31 March 2016**	**1 April 2015**
Raw materials and components (including goods in transit INR NIL million (31 March 2016: INR 3.33 million, 01 April 2015 INR 7.38 million)	249.25	187.16	242.11
Work-in-progress	127.89	292.28	319.48
Finished goods * (including goods in transit INR 359.57 million (31 March 2016: INR 497.97 million, 01 April 2015 INR 780.48 million)	6,665.13	6,297.02	6,470.76
Stores and spares	12.12	12.49	14.63
Total inventories at the lower of cost and net realisable value	**7,054.39**	**6,788.95**	**7,046.98**

*Finished goods include Stock in trade, as both are stocked together
The write down of inventories to net realisable value during the year amounted to INR 135.30 million (31 March 2016 : INR 126.75). The write down is included in cost of materials consumed and increase/decrease in inventories.

9. Trade receivables

	Current		
	31 March 2017	**31 March 2016**	**1 April 2015**
Trade receivables	650.85	675.05	564.62
Trade receivables from related parties (Refer note 38)	20.63	21.34	19.37
	671.48	**696.39**	**583.99**
Breakup of security details and more than 6 months overdue:			
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	13.04	9.11	6.38
Unsecured, considered doubtful	0.52	8.00	0.20
Less : Provision for doubtful receivables	(0.52)	(8.00)	(0.20)
	13.04	9.11	6.38
Trade receivables			
Unsecured, considered good	658.44	687.28	577.61
	671.48	**696.39**	**583.99**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days. For explanations on the Company's credit risk management processes, refer to Note 43.

10. Cash and Cash Equivalent

	31 March 2017	**31 March 2016**	**1 April 2015**
Balances with banks:			
- On Current Account	517.72	475.19	423.54
- Deposits with original maturity of less than three months	-	300.00	-
Cash on hand	99.27	113.55	97.22
	616.99	**888.74**	**520.76**

Short term deposits are made for varying periods between one day and three months, depending upon immediate cash requirements of the Company, and the Company earns interest at the respective short term deposit rates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

11. Other bank balances

	Non Current			Current		
	31 March 2017	**31 March 2016**	**1 April 2015**	**31 March 2017**	**31 March 2016**	**1 April 2015**
Unpaid dividend accounts	-	-	-	12.87	11.78	14.52
Deposits with original maturity for more than 3 months but upto 12 months	-	-	-	4,579.26	2,504.53	1,564.40
	-	**-**	**-**	**4,592.13**	**2,516.31**	**1,578.92**

12. Share Capital**

	31 March 2017	31 March 2016	1 April 2015
Authorised share capital Equity share capital 140,000,000 equity shares of INR 5 each (March 31, 2016: 140,000,000 equity shares of INR 5 each, April 01, 2015 : 70,000,000 equity shares of INR 10/- each)	700.00	700.00	700.00
Issued share capital* Equity share capital 128,570,000 equity shares of INR 5 each (March 31, 2016: 128,570,000 equity shares of INR 5 each, April 01, 2015 : 64,285,000 equity shares of INR 10/- each)	642.85	642.85	642.85
Subscribed and fully paid up share capital Equity share capital 128,527,540 equity shares of INR 5 each (March 31, 2016: 128,527,540 equity shares of INR 5 each, April 01, 2015 : 64,263,770 equity shares of INR 10/- each)	642.64	642.64	642.64
TOTAL	**642.64**	**642.64**	**642.64**

***Shares held in abeyance**
42,460 equity shares of INR 5 each (March 31, 2016: 42,460 equity shares of INR 5 each, April 1, 2015: 21,230 equity shares of INR 10 each) were held in abeyance on account of pending adjudication of the shareholders right to receive those shares/ inability of depository to establish ownership rights.

**** Sub division of Equity Shares**
Pursuant to shareholders' approval dated 5th August 2015, the company had sub-divided face value of equity shares of INR 10/- each into two equity shares of INR 5/- each. Accordingly, the basic and diluted earnings per share and the number of shares disclosed in Note 29 have been computed for the current year and re-computed for the previous period based on the revised no. of shares and face value of INR 5/- per equity shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

	31 March 2017		31 March 2016	
	No. of shares	INR millions	No. of shares	INR millions
At the beginning of the year	128,527,540	642.64	64,263,770	642.64
64,263,770 equity shares of INR 10/- each sub-divided into 128,527,540 equity shares of INR 5/- each	-	-	64,263,770	-
Outstanding at the end of the year	**128,527,540**	**642.64**	**128,527,540**	**642.64**

B. Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 5 per share (previous year INR 5 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Shares held by holding company	31 March 2017	31 March 2016	1 April 2015
Out of Equity Shares issued by the Company, shares held by its holding Company is as follows : **Bata (BN) B.V., Amsterdam, The Netherlands, the holding company** 68,065,514 equity shares of INR 5/- each (March 31, 2016: 68,065,514 equity shares of INR 5/- each, April 1,2015: 34,032,757 equity shares of INR 10/- each fully paid)	340.33	340.33	340.33
	340.33	340.33	340.33

D. Details of shareholders holdings more than 5% shares in Company

Name of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	Number of shares held	% of holding in class	Number of shares held	% of holding in class	Number of shares held	% of holding in class
Equity shares of INR 5 each fully paid (March 31, 2016 INR 5 each fully paid, April 1, 2015 INR 10 each fully paid)						
Bata (BN) B.V., Amsterdam, The Netherlands, the holding Company	68,065,514	52.96%	68,065,514	52.96%	34,032,757	52.96%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

13. Other Equity

	31 March 2017	31 March 2016
a) Securities Premium:		
Opening Balance	501.36	501.36
Add/(less) : Movement during the year	-	-
Closing balance	**501.36**	**501.36**
b) Retained Earnings		
(i) General reserve:		
Opening Balance	1,498.83	1,498.83
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Closing balance	**1,498.83**	**1,498.83**
(ii) Surplus/ Retained earnings		
Opening Balance	9,589.58	7,916.38
Add: Net profit/ (Net Loss) after tax transferred from statement of profit and loss	1,587.48	2,175.95
Less: Appropriations		
Final dividend for 31 March 2016: INR 3.50 per share(31 March 2015: INR 3.25 per share)	(449.85)	(417.71)
Dividend Distribution Tax on final dividend	(91.57)	(85.04)
Net surplus in the statement of profit and loss	**10,635.64**	**9,589.58**
Total (i + ii)	**12,134.47**	**11,088.41**
c) Others (including items of other comprehensive Income)	**(25.66)**	**(11.56)**
	(25.66)	**(11.56)**

14. Trade payables

	Non current			Current		
	31 March 2017	**31 March 2016**	**1 April 2015**	**31 March 2017**	**31 March 2016**	**1 April 2015**
Trade payables to Micro, Small and Medium Enterprises	-	-	-	39.90	14.59	17.62
Trade payables to related parties	-	-	-	22.34	101.85	55.45
Trade payables to others	1,039.71	1,028.71	977.60	4,009.91	3,132.13	3,494.33
TOTAL	**1,039.71**	**1,028.71**	**977.60**	**4,072.15**	**3,248.57**	**3,567.40**

Terms and conditions of the above financial liabilities:

► Trade payables are non-interest bearing and are normally settled on 30 - 90 day terms

► For terms and conditions with related parties, refer to Note 38

15. Other Financial Liabilities

	Non current			Current		
	31 March 2017	**31 March 2016**	**1 April 2015**	**31 March 2017**	**31 March 2016**	**1 April 2015**
Payable for capital goods	-	-	-	92.75	120.58	148.41
Deposit from agents and franchisees	-	-	-	296.22	299.59	304.51
Unpaid Dividend	-	-	-	12.87	11.78	10.59
Total other financial liabilities	**-**	**-**	**-**	**401.84**	**431.95**	**463.51**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

16. Other Liabilities

	Non current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Advance from customers*	-	-	-	0.24	30.76	38.89
Statutory dues payable	-	-	-	212.77	173.35	252.70
Unearned revenue	-	-	-	89.83	103.99	90.28
Total	**-**	**-**	**-**	**302.84**	**308.10**	**381.87**

*Includes INR 0.24 million(31 march, 2016 INR Nil) payable to related to party (refer note 38)

17. Provisions

	Non current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
a) Current tax liabilities						
Provision for income tax (net)	-	-	-	113.16	25.74	106.85
	-	**-**		**113.16**	**25.74**	**106.85**
b) Provision						
Provision for gratuity (refer note 32)	-	-	-	2.86	-	0.09
Provision for leave benefits	-	-	-	16.68	18.31	19.24
Provision for warranties*	-	-	-	12.45	9.99	7.25
Provision for contingencies**	-	-	-	11.47	11.67	134.11
	-	**-**	**-**	**43.46**	**39.97**	**160.69**
Total	**-**	**-**	**-**	**156.62**	**65.71**	**267.54**

***Provision for warranties**

The warranty claim provision covers the expenses relating to the cost of products sold. Provision in respect of warranties is made on the basis of valuation carried out by an independent actuary as at period end. It is expected that cost will be incurred over the warranty period as per the warranty terms.

	31 March 2017	31 March 2016
Opening balance	9.99	7.25
Arising during the year	154.55	181.03
Utilized during the year	(102.10)	(110.92)
Written back during the year	(49.99)	(67.37)
Closing balance	**12.45**	**9.99**

****Provision for contingencies**

The breakup and movement of provision for contingencies are as follows:

	ESI		Labour Case, House Tax and Other Civil Cases		Liability for Land Development (Refer note no. 31)		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Opening balance	5.16	5.16	6.51	5.71	-	123.24	11.67	134.11
Arising during the year	-	-	-	0.80	-	-	-	0.80
Utilized during the year	-	-	(0.20)	-	-	-	(0.20)	-
Written back during the year	-	-	-	-	-	(123.24)	-	(123.24)
Closing balance as on 31st March	**5.16**	**5.16**	**6.31**	**6.51**	**-**	**-**	**11.47**	**11.67**

i) The Company sets up and maintains provision for trade related and other litigations or disputes when a reasonable estimate can be made. The amount of provisions are based upon estimates provided by the Company's legal department, which are revisited on a timely basis. The exact timing of the settlement of the litigations and consequently, the outflow is uncertain.

ii) In view of large number of labour cases and other civil cases, it is not practicable to disclose the details of each case separately. The exact timing of the settlement of the litigation and consequently, the outflow is uncertain.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

18. Revenue From Operations

	31 March 2017	31 March 2016
Sale of Products (including excise duty)*		
Sale of goods	24,920.99	24,460.64
Revenue from redemption of loyalty points	35.70	14.30
Total sale of products	**24,956.69**	**24,474.94**
Other operating revenue		
Others (including export incentives, scrap sales etc.)	15.72	11.03
Total	**24,972.41**	**24,485.97**

*Sale of goods include excise duty collected from customers of INR 300.80 million (31 March , 2016 : INR 332.05 million). Sale of goods net of excise duty is INR 24,655.88 million (31 March, 2016 : INR 24,142.89 million)

19. Other income

	31 March 2017	31 March 2016
Non Operating Income		
Finance Income		
- Deposits with bank	326.93	174.76
- Others	116.33	85.82
	443.26	260.58
Liabilities no longer required written back	5.92	-
Foreign exchange fluctuation (net)	0.77	4.69
Insurance claim received	1.10	1.91
Other non-operating income	15.41	-
	466.46	**267.18**

20. Cost of raw material and components consumed

	31 March 2017	31 March 2016
a. Raw material and components consumed		
Inventory at the beginning of the year	187.16	242.11
Add: Purchases	2,976.27	2,972.96
	3,163.43	**3,215.07**
Less: inventory at the end of the year	(249.25)	(187.16)
Cost of raw material and components consumed	**2,914.18**	**3,027.91**
b. Purchases of traded goods		
Purchases	8,878.15	8,283.18
Purchase of traded goods	**8,878.15**	**8,283.18**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

21. Increase/ Decrease in Inventories

	31 March 2017	31 March 2016
Inventories at the end of the year		
Finished goods*	6,665.13	6,297.02
Work-in-progress	127.89	292.28
	6,793.02	6,589.30
Inventories at the beginning of the year		
Finished goods*	6,297.02	6,470.76
Work-in-progress	292.28	319.48
	6,589.30	6,790.24
(Increase)/Decrease in inventories before excise duty	**(203.72)**	**200.96**
Increase/(Decrease) of excise duty on change in inventories	(59.81)	(64.88)
	(263.53)	**136.08**
Details of inventory		
Finished goods*:		
Footwear	6,450.18	6,015.88
Accessories, garments and others	214.95	281.14
	6,665.13	**6,297.02**
Work-in-progress:		
Footwear	127.89	292.28
	127.89	**292.28**

*Finished goods include Stock in trade, as both are stocked together

22. Employee Benefits Expense

	31 March 2017	31 March 2016
Salaries, wages and bonus	2,475.69	2,348.60
Contribution to provident and other funds	135.55	123.41
Gratuity expense (refer note 32)	22.01	21.52
Staff welfare expenses	93.70	115.72
	2,726.95	**2,609.25**

23. Finance Costs

	31 March 2017	31 March 2016
Interest Expense	40.34	17.43
	40.34	**17.43**

24. Depreciation and amortisation expense

	31 March 2017	31 March 2016
Depreciation of tangible assets	646.03	784.55
Amortisation of intangible assets	4.02	3.46
	650.05	**788.01**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

25. Other expenses

	31 March 2017	31 March 2016
Consumption of stores and spares	34.64	31.04
Power and fuel	537.15	552.85
Rent	3,563.73	3,446.01
Bank charges	109.53	140.47
Insurance	69.48	67.51
Repairs and maintenance		
Plant and machinery	33.64	29.33
Buildings	61.13	63.84
Others	38.49	33.25
CSR expenses (Refer note 37)	60.02	17.85
Sales commission	665.31	716.63
Royalty	391.32	307.80
Legal and professional fees	182.70	147.66
Payment to auditor (Refer details below)	9.43	13.35
Freight	546.45	525.42
Rates and taxes	203.70	207.03
Advertising and sales promotion	240.89	236.76
Technical collaboration fee	269.32	270.43
Allowance for doubtful debt, loans, advances	-	50.15
Loss on sale of fixed assets (net)	62.65	47.16
Miscellaneous expenses	559.91	435.28
	7,639.49	**7,339.82**
Payment to Auditors		
As auditor	7.65	9.62
In other capacity:		
Other Services	0.46	1.64
Reimbursement of expenses	1.32	2.09
	9.43	**13.35**

26. Exceptional Items

	31 March 2017	31 March 2016
Voluntary Retirement Scheme	216.69	-
Gain on assets received from erswhile JV (Refer Note 31)	-	(306.31)
Provision for contingencies written back (Refer Note 31)	-	(123.24)
Expenditure incurred on software development written off (Refer Note 42)	-	290.55
Sale of Brand	-	(608.07)
	216.69	**(747.07)**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

27. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2017

	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	(14.10)	(14.10)
	(14.10)	(14.10)

During the year ended 31 March 2016

	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	(11.56)	(11.56)
	(11.56)	(11.56)

28. Distribution made and proposed

	31 March 2017	31 March 2016
Cash dividends on Equity shares declared and paid:		
Final dividend for the year ended on 31 March 2016: INR 3.50 per share (31 March 2015: INR 3.25 per share)	449.85	417.71
Dividend Distribution Tax on final dividend	91.57	85.04
	541.42	**502.75**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2017: INR 3.50 per share (31 March 2016: INR 3.50 per share)	449.85	449.85
Dividend Distribution Tax on proposed dividend*	91.57	91.57
	541.42	**541.42**

*Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March.

29. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the Company by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2017	31 March 2016
Profit attributable to equity holders (in millions)	1,587.48	2,175.95
	1,587.48	**2,175.95**
	No.	**No.**
Weighted average number of equity shares in calculating basic EPS (refer note 12)	128,527,540	128,527,540
Weighted average number of equity shares in calculating diluted EPS	128,527,540	128,527,540
Earnings per equity share in INR		
Computed on the basis of profit for the year		
Basic	**12.35**	16.93
Diluted	**12.35**	16.93

30. Note 22 includes R&D expenses of INR 42.81 million (Previous year INR 38.02 million) and Note 25 includes R&D expenses of INR 15.16 million (Previous year INR 21.72 million).

31. The Company in the earlier years, entered into a joint venture agreement for the development of the township at Batanagar with Riverbank Developers Private Limited (RDPL). Thereafter, in April 2010, while retaining the legal title over the land at Batanagar Project and shares in the erstwhile Joint Venture Company (RDPL), the Company restructured its agreements with revised terms and conditions and received 315,000 sq. ft. of employee housing recorded as fixed assets at INR 433.75 million and also recorded a liability of INR 216.24 million for obligation to be fulfilled. In December 2013, the Company had signed an addendum to the development agreement to receive further constructed area of 332,030 sq. ft against 325,000 sq. ft agreed in April 2010.

During the previous period, the Company had received approval from the West Bengal Government committee, inter alia, specifying that the Company had completed the obligations with respect to Batanagar factory, retail stores and employee housing and RDPL were to complete balance employee housing.

During the previous year, the Company had received possession of balance apartment measuring to 195,075 sq. ft. and recognized an exceptional income of INR 306.31 million, based on fair valuation undertaken by an independent valuer. Further, the management believes it had already discharged its obligations and had reassessed the provision for contingencies. Accordingly the Company had reversed the provision for contingencies of INR 123.24 million as exceptional income in the previous year.

32. Employee benefit plans

a) Gratuity and other post-employment benefit plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at the rate of 15 days salary (last drawn salary) for each completed year of service. The scheme is funded through the companies own trust.

The Company has also provided long term compensated absences which are unfunded.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Reconciliation of fair value of plan assets and defined benefit obligation:

(INR million)

	31 March 2017	31 March 2016	1 April 2015
Fair value of plan assets	453.52	463.39	447.49
Defined benefit obligation	456.38	442.68	447.58
Plan asset / (liability)	**(2.86)**	**20.71**	**(0.09)**

Amount recognised in Statement of Profit and Loss:

(INR million)

	31 March 2017	31 March 2016
Current service cost	24.47	23.85
Net interest expense	(2.46)	(2.33)
Amount recognised in Statement of Profit and Loss	**22.01**	**21.52**

Amount recognised in Other Comprehensive Income:

(INR million)

	31 March 2017	31 March 2016
Actuarial changes arising from changes in financial assumptions	28.69	(6.50)
Return on plan assets (greater)/less than the discount rate	(24.95)	4.63
Experience adjustments	17.82	19.55
Amount recognised in Other Comprehensive Income	**21.56**	**17.68**

Changes in the present value of the defined benefit obligation are, as follows:

(INR million)

	31 March 2017	31 March 2016
Defined benefit obligation at the beginning of the year	442.68	447.58
Current service cost	24.47	23.85
Interest expense	31.85	32.03
Benefits paid	(89.14)	(73.83)
Actuarial (gain)/ loss on obligations - OCI	46.52	13.05
Defined benefit obligation at the end of the year	**456.38**	**442.68**

Changes in the fair value of plan assets are, as follows:

(INR million)

	31 March 2017	31 March 2016
Fair value of plan assets at the beginning of the year	463.39	447.49
Contribution by employer	20.00	60.00
Benefits paid	(89.14)	(73.83)
Interest Income on plan assets	34.31	34.36
Return on plan assets greater/(lesser) than discount rate - OCI	24.96	(4.63)
Fair value of plan assets at the end of the year	**453.52**	**463.39**

The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity	**31 March 2017**	**31 March 2016**	**01 April 2015**
Investment Details	**Funded**	**Funded**	**Funded**
	100%	100%	100%
-With Insurer	50.23	54.21	52.91
-With Government securities and Bonds	3.36	4.64	4.39
- Bank Balances	1.88	-	-
-With Special deposit scheme	44.53	41.24	42.70

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	31 March 2017	**31 March 2016**	**01 April 2015**
	%	**%**	**%**
Discount rate	7.1	8.0	7.8
Salary Increase			
- Management	5%	5%	5%
- Non management	2%	2%	2%
Employee Turnover			
- Non Management			
20-24	0.5	0.5	0.5
25-29 and 55-60	0.3	0.3	0.3
30-34 and 50-54	0.2	0.2	0.2
35-49	0.1	0.1	0.1
- Management			
20-25	5	5	5
26-35	3	3	3
36 and above	0.5	0.5	0.5

The estimates of future salary increases have been considered in actuarial valuation based on inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

(INR million)

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2017	**31 March 2016**	**31 March 2017**	**31 March 2016**
Assumptions				
Discount rate	1.00%	1.00%	(31.69)	(31.40)
	-1.00%	-1.00%	35.97	34.20
Future salary increases	1.00%	1.00%	35.93	34.76
	-1.00%	-1.00%	(32.38)	(31.40)

The sensitivity analyses above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

(INR million)

	31 March 2017	31 March 2016
Within the next 12 months (next annual reporting period)	23.16	21.83
Between 2 and 5 years	179.41	176.45
Between 5 and 10 years	315.94	321.71
Total expected payments	**518.51**	**519.99**

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2016: 12 years).

b) Contribution to Defined Contribution Plans: **(INR million)**

	31 March 2017	31 March 2016
Pension fund	0.09	0.11

c) Provident Fund:

The Provident Fund (where administered by a Trust) is a defined benefit scheme where by the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to confirm to the interest rate declared by the government for the Employees Provident Fund. As per the Actuarial Society of India guidance note (GN21) for measurement of provident fund liabilities, the actuary has accordingly provided a valuation based on the below provided assumptions, there is no shortfall as at 31 March, 2017.

	31 March 2017	31 March 2016
Discount Rate	7.10%	7.65%
Expected Return on Exempt Fund	8.33%	8.68%
Rate of Return on EPFO managed PF	8.65%	8.80%
Mortality Rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate

(INR million)

	31 March 2017	31 March 2016
Contribution to provident and other funds	126.64	111.63

The detail of fund and plan asset position as at 31 March, 2017 is given below:

(INR million)

	31 March 2017	31 March 2016
Plan assets at fair value	4121.89	4,025.06
Present value of the defined benefit obligation	3491.92	3,431.93
Asset recognized in the balance sheet	NIL	NIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

33. Contingent Liabilities and Commitments

A. Contingent Liabilities

a) Claims against Company not acknowledged as debts includes:

(INR million)

Nature	31 March 2017	31 March 2016
Excise, Customs and Service tax cases	148.40	148.40
Sales Tax Cases	21.80	21.80
Others*	273.85	355.12
Income Tax Cases**	132.92	424.11
Total	**576.97**	**949.43**

*Others include individually small cases pertaining to rent, labour etc.

** During the Financial Year 2012-13, the Company had received an order of Commissioner of Income Tax under section 263 of the Income Tax Act, 1961 directing the assessing officer for re-computation of consideration adopted by Company for computation of long term capital gain for A.Y. 2007-08 on transfer of development rights of Batanagar land to River Bank Holding Private Ltd (erstwhile JV company). The amount of tax liability was not mentioned in the order. The Company had filed an appeal to Income Tax Appellate Tribunal against the said order.

During the financial year 2015-16, the Company had received an order of Commissioner of Income Tax under section 263 of the Income Tax Act, 1961 directing the assessing officer for re-computation of cost of construction adopted by Company for computation of long term capital gain for A.Y. 2007-08 on transfer of development rights of Batanagar land to River Bank Holding Private Ltd (erstwhile JV Company).

The Company on the basis of consultant's advice believes that it has a good case and hence no provision there against is considered necessary. As per the agreement, liability of income tax on such transfer, if any, will be borne by the erstwhile JV Company.

On the basis of current status of individual cases and as per legal advice obtained by the Company wherever applicable, the Company is confident that no provision is required, as per the relevant provisions of the Companies Act, 2013 in respect of these cases.

b) In August 2014, M/s Crocs Limited filed a suit on Bata India limited for trademark infringement. The Lower court passed an ex-parte injunction order which was later transferred to Hon'ble Delhi High Court on account of jurisdictional issue. The management based upon the legal opinion believes that the Company has a strong case on merits and believes that no adjustment is required in the financial statements in this regard.

B. Commitments

Estimated amount of contracts remaining to be executed for capital expenditure and not provided for amounted to INR 109.48 million (Previous year: INR 65.09 million).

C. Leases

Assets Taken on Operating Lease

a) The Company has taken various residential, office, warehouse and shop premises under operating lease agreements. The lease agreements generally have an escalation clause and there are no subleases. These leases are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreements.

b) The aggregate lease rentals payables are charged as 'Rent' in Note 25.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

(INR million)

Lease Rentals	31 March 2017	31 March 2016
Within one year	66.33	34.75
After one year but not more than five years	5.56	4.16
More than five years	-	-

(Amount in INR millions)

34. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

	Carrying value		
	As at 31 March 2017	**As at 31 March 2016**	**As at 1 April 2015**
Financial assets			
Measured at Cost			
Investments in Subsidiaries*	49.51	49.51	49.51
Measured at Amortised cost			
Loans			
- Loans & Advances to related parties*	117.11	96.24	22.10
- Security Deposits**	896.27	799.70	771.54
Other Financial assets*			
- Interest accrued on deposits	192.33	85.22	83.59
- Insurance claim receivable	0.51	16.36	3.42
- Advances recoverable in cash or kind	69.08	103.37	139.62
Trade Receivable*	671.48	696.39	583.99
Cash & Cash equivalents*	616.99	888.74	520.76
Other bank balances *	4,592.13	2,516.31	1,578.92
Total	**7,205.41**	**5,251.84**	**3,753.45**
Financial liabilities			
Measured at Amortised cost			
Trade Payables*			
- Trade payables to Micro, small and medium enterprises	39.90	14.59	17.62
- Trade payables to related parties	22.34	101.85	55.45
- Trade payables to others	5,049.62	4,160.84	4,471.93
Other financial liabilities			
- Payable for capital goods*	92.75	120.58	148.41
- Deposit from agents and franchisees**	296.22	299.59	304.51
- Unpaid Dividend*	12.87	11.78	10.59
Total	**5,513.70**	**4,709.23**	**5,008.51**

* The management assessed that Carrying Values approximate their fair value largely due to the short-term maturities of these instruments, hence the same has not been disclosed.

** The management assessed that Carrying Values approximate their fair value due to amortised cost being calculated based on the effective Interest rates, hence the same has not been disclosed.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

35. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 15% and 45%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables(other than non-current trade payable), less cash and cash equivalents.

	31 March 2017	31 March 2016	1 April 2015
Trade payables (Note 14)	4,072.15	3,248.57	3,567.40
Other financial liabilities (Note 15)	401.84	431.95	463.51
Less: Cash and cash equivalents (Note 10)	616.99	888.74	520.76
Net debt	**3,857.00**	**2,791.78**	**3,046.65**
Total Capital	**13,252.81**	**12,220.85**	**10,559.21**
Capital and net debt	**17,109.81**	**15,012.63**	**13,605.86**
Gearing ratio (%)	**22.5%**	**18.6%**	**22.4%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

36. Derivative instruments and Unhedged foreign currency exposure

Derivative Instruments and Unhedged Foreign Currency Exposure, which are not intended for trading or speculation purpose.

Particulars of unhedged foreign currency exposures are as follows-

(INR millions)

Particulars of Unhedged foreign currency exposure	Currency	Amount in Foreign Currency		Amount in Indian Currency	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
Trade payables	USD	1,214,659.96@66.87	852,075.40 @ 66.48	81.22	56.65
Advance for Import purchases	USD	146,703.72@67.07	15,999.39 @ 66.88	9.84	1.07
	EURO	-	2,454.07 @ 75.94	-	0.19
Advance from Customer	USD	12,233 @ 64.73	12,000 @ 66.35	0.79	0.80
Trade receivables	USD	611,042.62 @ 64.84	630,269.86 @ 66.22	39.62	41.73
	EURO	7,535@69.42	192,638 @ 75.06	0.52	14.46
	CHF	40,488@64.89	39,806 @ 68.81	2.63	2.74

37. Details of Corporate Social Responsibility Expenditure

(INR millions)

	31 March 2017	31 March 2016
(a) Gross amount required to be spent by the Company during the year	58.38	57.06
(b) Amount spent on		
i) Promoting education at schools		
Direct	9.74	5.05
Agency	-	0.53
Total	**9.74**	**5.58**
ii) Promoting health and sanitation		
Direct	-	0.10
Agency	16.88	6.70
Total	**16.88**	**6.80**
iii) Eradicating poverty through happy feet initiative		
Direct	-	0.19
Agency	24.82	4.26
Total	**24.82**	**4.45**
iv) Promotion of Sports amongst the youth		
Direct	-	0.00
Agency	1.00	0.00
Total	**1.00**	**0.00**
v) Sustainable environment - Repair & Building of Rain Water Harvesting Structures		
Direct	0.80	0.00
Agency	-	0.00
Total	**0.80**	**0.00**
vi) Promoting skill development		
Direct	-	0.20
Agency	6.78	0.82
Total	**6.78**	**1.02**
Total Expenditure	**60.02**	**17.85**

*Included in CSR expenditure in Note 25

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(All amounts are in millions)

38. Related party disclosures

Names of related parties and related party relationship
I. Related parties where control exists

a. Ultimate Holding company	Compass Limited
b. Holding company	BATA (BN) B.V. The Netherlands
c. Subsidiaries	Bata Properties Limited Coastal Commercial & Exim Limited (a step down subsidiary) Way Finders Brands Limited
d. Other Related Parties*	Bata India Limited Gratuity Fund Bata India Limited Pension Fund

*Refer notes 32 for information on transactions with post employment benefit plans mentioned above enterprises controlled by the Company.

II. Related parties with whom transactions have taken place

a. Key management personnel	Rajeev Gopalakrishnan –Managing Director Ram Kumar Gupta – Director Finance w.e.f. 19.08.2015 Ranjit Mathur- Director Finance upto 19.08.2015 Kumar Nitesh – Managing Director Retail upto 04.11.2015 Uday Khanna (Chairman & Independent Director) Ravi Dhariwal (Independent Director) (w.e.f. 27.05.2015) Akshay Chudasama (Independent Director) Anjali Bansal (Independent Director) Atul Singh (Independent Director) (upto 21.05.2014)
b. Enterprises in which director is interested	Shradul Amarchand Mangaldas & Co.
c. Fellow Subsidiaries with whom transactions have taken place during the year and previous period	Bata Shoe (Singapore) Pte. Ltd. Global Footwear Services Pte Ltd. Bata Malaysia SDN. BHD. Bata Shoe Co. (Kenya) Ltd. Euro Footwear Holdings S.a.r.l Bata Shoe Co. of Ceylon Ltd. China Footwear Services. Bata Industrials Europe-Netherland Bata Shoe Co. (Bangladesh) Ltd. International Footwear Investment B.V. Bata Brands S.a.r.l.- Luxemburg Futura Footwear Ltd. Bata Brands S.A. Empresas Commercial S.A. Manufactura Boliviana S.A.

III. Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

Company Secretary	Mr. Maloy Kumar Gupta

(Amount in INR millions)

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of the Transactions	Related Party		31 March 2017	31 March 2016
i. Sale of Goods	Empresas Comerciales S.A		**4.38**	6.50
	Bata Shoe Co. (Bangladesh) Ltd		**26.46**	27.69
	Bata Shoe Co. of Ceylon Ltd.		**30.78**	38.87
	Others		**0.08**	5.05
		Total	**61.70**	43.91
ii Reimbursement of Expenses to	Bata Malaysia SDN. BHD		**0.74**	1.22
	Global Footwear Services Pte Ltd.		**-**	3.14
	Bata Brands S.A.		**0.30**	0.72
	Bata shoe (Singapore) Pte Ltd.		**1.07**	1.1
	Bata shoe Company (Kenya) Ltd		**-**	0.9
	Futura Footwear Ltd		**0.15**	1.05
	Others		**-**	0.44
		Total	**2.26**	8.57
iii. Reimbursement of Expenses from	Euro Footwear Holdings S.a r.l.		**-**	8.85
	International Footwear Investment B.V.		**8.57**	9.61
	Global Footwear Services Pte Ltd.		**5.31**	25.87
	Bata Brands S.A.		**9.75**	-
	China Footwear Services		**4.65**	-
	Manufactura Boliviana S.A.		**3.19**	-
	Others		**-**	8.09
		Total	**31.47**	52.42
iv. Technical Collaboration Fees	Global Footwear Services Pte Ltd.		**233.48**	237.40
		Total	**233.48**	237.40
v. Royalty				
	Bata Brands S.A.		**36.73**	19.59
		Total	**36.73**	19.59
vi. Legal & Professional Fees	Shardul Amarchand Mangaldas & Co.		**0.35**	0.59
		Total	**0.35**	0.59

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

vii. Transaction with Subsidiaries

Nature of the Transactions	Related Party		31 March 2017	31 March 2016
a. Reimbursement of expenses / advance recoverable from	Bata Properties Limited		**0.14**	1.52
	Coastal Commercial & Exim Limited		**0.47**	0.70
	Way Finders Brands Limited		**25.22**	36.05
		Total	**25.83**	38.27
b. Rent expenses	Bata Properties Limited		**0.71**	0.75
	Coastal Commercial & Exim Limited		**0.84**	0.84
		Total	**1.55**	1.59
c. Loan to subsidiary and interest thereon	Way Finders Brands Limited - Loan given		**56.50**	60.00
	Way Finders Brands Limited - Loan repaid		**13.99**	-
	Way Finders Brands Limited - interest		**6.73**	2.58
		Total	**77.22**	62.58
d. Security deposit received	Way Finders Brands Limited		**0.31**	-
		Total	**0.31**	-
viii. Transaction with Holding Company				
Dividend Paid	BATA (BN) B.V., Amsterdam, The Netheralands		**238.23**	221.21
		Total	**238.23**	221.21

ix. Remuneration to Directors and other key managerial personnel *

Name of the Director/ Other Key Managerial Personnel	31 March 2017	31 March 2016
Rajeev Gopalakrishnan	**37.32**	40.35
Ram Kumar Gupta (w.e.f. 19.08.2015)	**16.40**	7.32
Ranjit Mathur (till 19.08.2015)	**-**	5.99
Kumar Nitesh (till 04.11.2015)	**-**	12.92
Maloy Kumar Gupta	**3.71**	3.58
Uday Khanna (Independent Director)	**3.20**	3.79
Ravi Dhariwal (Independent Director) (w.e.f May 27, 2015)**	**2.32**	0.95
Akshay Chudasama (Independent Director)**	**1.90**	2.11
Anjali Bansal (Independent Director)**	**1.85**	1.43
Atul Singh (Independent Director) (Upto May 21, 2014)**	**-**	0.44
Total	**66.70**	78.88

* As the liabilities for provident fund, gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

** As per the section 149(6) of the Companies Act, 2013, Independent Directors are not considered as “Key Managerial Person”, however to comply with the disclosure requirements of Ind AS-24 on “Related Party Transactions” they have been disclosed as “Key Managerial Person”.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

Balances outstanding as at the end of the year:

Nature of the Balance	Related Party		31 March 2017	31 March 2016
i. Trade Receivables	Empresas Comerciales S.A		**-**	-
	Bata Shoe Co. (Bangladesh) Ltd.		**6.40**	-
	Bata Shoe Co. of Ceylon Ltd.		**14.23**	0.47
	Others		**-**	20.87
		Total	**20.63**	21.34
ii Trade payables - Reimbursement of Expenses to	Bata Malaysia SDN. BHD		**0.05**	2.30
	Global Footwear Services Pte Ltd.		**-**	1.87
	Bata Brands S.A.		**-**	0.69
	Bata shoe Company (Kenya) Ltd		**-**	-
	Futura Footwear Ltd		**-**	1.02
	Others		**-**	0.10
		Total	**0.05**	6.23
iii. Loans and advances	Euro Footwear Holdings S.a r.l.		**-**	12.35
	International Footwear Investment B.V.		**4.17**	2.00
	Global Footwear Services Pte Ltd.		**-**	13.43
	Bata Brands S.A.		**2.63**	-
	CFS China		**1.00**	-
	Bata properties Limited		**0.08**	-
	Others		**-**	6.67
		Total	**7.88**	34.45
iv. Other Liability - Advance from customers				
	Empresas Commercials S.A		**0.24**	-
		Total	**0.24**	-
v. Trade payables - Technical collaboration Fees	Global Footwear Services Pte Ltd.		**17.77**	62.82
		Total	**17.77**	62.82
vi. Trade payables - Royalty	Bata Brands S.a.r.l.		**-**	10.49
	Bata Brands S.A.		**4.52**	22.84
		Total	**4.52**	33.33
vii. Advance Receivable in cash and kind	Bata Properties Limited		**-**	0.27
	Coastal Commercial & Exim Limited		**-**	0.17
		Total	**-**	0.44
viii. Loans - Related party	Way Finders Brands Limited		**109.23**	62.32
		Total	**109.23**	62.32

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(All amounts are in millions)

39. Segment Reporting

Till September 30, 2015 , the Company was organised into business units based on its products and services and has two reportable segments, as follows: Footwear & Accessories and Surplus Property Development.

As at 30th September 2015, the Company fulfilled all its obligations pertaining to the Surplus Property Development and hence thereafter, the Company operates in a single segment i.e. Footwear & Accessories.

Business Segment **(INR million)**

Particulars	Footwear & Accessories		Surplus Property Development		Total	
	2017	2016	2017	2016	2017	2016
REVENUE						
External Turnover	24,972.41	24,485.97	-	-	24,972.41	24,485.97
Other income (also includes exceptional items)	249.77	324.11	-	429.55	249.77	753.66
RESULT	2,335.75	2,312.50	-	429.55	2,335.75	2,742.05
Unallocated Corporate Expenses					-	(18.70)
Operating Profit					2,335.75	2,723.35
Interest Expenses					-	(17.43)
Interest Income					-	260.58
Income Taxes					(748.28)	(790.54)
Net Profit					**1,587.48**	**2,175.95**
OTHER INFORMATION						
Segment assets	19,225.97	15,835.33	-	-	19,225.97	15,835.33
Unallocated corporate assets					-	1,468.56
Total assets					19,225.97	17,303.89
Segment liabilities	5,973.16	5,045.22	-	-	5,973.16	5,045.22
Unallocated corporate liabilities					-	37.82
Total liabilities					5,973.16	5,083.04
Capital expenditure	512.30	403.94	-	-	512.30	403.94
Depreciation	646.03	784.55	-	-	646.03	784.55
Amortisation	4.02	3.46			4.02	3.46

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(All amounts are in millions)

40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	31 March 2017	31 March 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year reported in Current Trade Payables		
Principal Amount Unpaid	**39.9**	14.59
Interest Due	-	-
The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
Payment made beyond the Appointed Date	**247.89**	145.37
Interest Paid beyond the Appointed Date	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

41. Capitalization of expenditure

During the previous year, the Company had capitalized the following expenses of revenue nature to the intangible assets under development. Consequently, expenses disclosed under the respective notes were net of amounts capitalized by the Company.

Particulars	31 March 2017	31 March 2016
Legal & professional fees	-	25.54
Other Expenses	-	5.16
	-	30.70

42. Due to setbacks in implementation of ERP software and based upon internal assessment, the management believes that the ERP reimplementation would involve complete change in design and accordingly in the previous year had decided to charge the expenditure of INR 290.55 million incurred on implementation, except for INR 56.06 million incurred on perpetual licenses which is being carried under intangible assets under development. The management is presently developing plans to initiate fresh implementation.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(All amounts are in millions)

43. Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations . The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

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 comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The primary market risk to the Company is foreign exchange risk. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company uses forward contracts to mitigate foreign exchange related risk exposures. When a forward contract is entered into for the purpose of being a hedge, the Company negotiates the terms of those contracts to match the terms of the hedged exposure. The Company's exposure to unhedged foreign currency risk as at March 31, 2017 and March 31, 2016 has been disclosed in note 36.

For the year ended March 31, 2017, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Company's profit before tax by (1.62) million/ 1.62 million respectively and Pre tax equity by (1.62) million/ 1.62 million respectively.

For the year ended March 31, 2016, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Company's profit before tax by (0.73) million/ 0.73 million respectively and Pre tax equity by (0.73) million/ 0.73 million respectively.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company generally doesn't have collateral.

Trade receivables and Security Deposits

Customer credit risk is managed by business through the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables and security deposits are regularly monitored.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 5. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

Liquidity risk

The company's principal source of liquidity is cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived

As of March 31, 2017, the Company had a working capital of INR 8,562.30 Million including cash and cash equivalents of INR 616.99 Million . As of March 31, 2016, the Company had a working capital of INR 7,424.54 Million including cash and cash equivalents of INR 888.74 Million.

(All amounts are in millions)

44. First time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the statement of financial position as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

I Exemptions applied

Ind AS 101 allows first-time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Property Plant & Equipment

As permitted by IND AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant & equipment. The same selection has been made in respect of Intangibles Assets.

b) Determining whether an arrangement contain a lease :-

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

c) Investment in subsidiaries:

The Company has elected this exemption and opted to continue with the carrying value of investment in subsidiaries, as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

II Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

45. Specified Bank Notes (SBNs)

Ministry of Corporate Affairs issued an amendment to Schedule III of the Companies Act, 2013, regarding general instructions for preparation of Balance Sheet, to disclose the details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016.

The aforesaid disclosure is as follows:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand - 8.11.2016	41.76	71.74	113.50
+ Permitted receipts	-	883.74	883.74
- Permitted payments	-	44.79	44.79
- Amount deposited into banks	41.76	829.36	871.12
Closing cash in hand - 30.12.2016	**-**	**81.33**	**81.33**

Post demonetization, the management had directed all employees not to accept/ pay using the SBN's. Further, in view of the numerous locations where cash is collected the management had obtained a direct confirmation from one of the Bank confirming the collection of SBN's during the aforesaid period. For other banks, the Company had compiled the data on the basis of accounting records, bank statements and pay in slips for cash deposits during the period.

The aforesaid disclosures of SBN's have been compiled taking the management stated policy, direct bank confirmation and compilation of pay in slips.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

46. The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101
a) Equity as at April 1, 2015 and March 31, 2016
b) Net profit for the year ended March 31, 2016

a) Reconciliation of equity as previously reported under IGAAP to Ind AS

		As at date of Transition 1 April 2015			As at 31 March 2016		
	Notes	As per previous GAAP	Adjustment on Transition to Ind AS	1 April 2015	As per previous GAAP	Ind AS Adjustment	31 March 2016
ASSETS							
Non-current assets							
Property, Plant and Equipment		3,057.44	-	3,057.44	3,015.15	-	3,015.15
Capital work-in-progress		165.80	-	165.80	134.34	-	134.34
Other Intangible assets		9.42	-	9.42	5.96	-	5.96
Intangible assets under development		315.91	-	315.91	56.06	-	56.06
Financial assets							
Investments		49.51	-	49.51	49.51	-	49.51
Loans	7	1,109.11	(350.65)	758.46	1,128.91	(310.31)	818.60
Deferred tax assets (net)	3	876.15	(128.45)	747.70	1,019.23	(128.44)	890.79
Other non-current assets	7	653.75	226.53	880.28	654.44	200.18	854.62
Current assets							
Inventories		7,046.98	-	7,046.98	6,788.95	-	6,788.95
Financial Assets							
Trade Receivables	10	584.19	(0.20)	583.99	696.39	-	696.39
Cash and cash equivalents		520.76	-	520.76	888.74	-	888.74
Other bank balances		1,578.92	-	1,578.92	2,516.31	-	2,516.31
Loans		35.18	-	35.18	77.34	-	77.34
Others current financial asset		226.63	-	226.63	204.95	-	204.95
Other current assets	7	144.59	95.56	240.15	227.91	78.27	306.18
Total Assets		**16,374.34**	**(157.21)**	**16,217.13**	**17,464.19**	**(160.30)**	**17,303.89**
EQUITY AND LIABILITIES							
Equity							
Equity Share capital		642.64	-	642.64	642.64	-	642.64
Other Equity	1,3,4,10, 11,13	9,578.79	337.78	9,916.57	1,187.59	390.62	11,578.21
LIABILITIES							
Non-current liabilities							
Provisions							
Trade Payables		977.60	-	977.60	1,028.71	-	1,028.71
Current liabilities							
Financial Liabilities							
Trade Payables		3,567.40	-	3,567.40	3,248.57	-	3,248.57
Other financial liabilities	6	553.46	(89.95)	463.51	532.67	(100.72)	431.95
Other current liabilities	6,12	297.00	84.87	381.87	209.96	98.14	308.10
Current tax liabilities (net)		106.85	-	106.85	25.74	-	25.74
Provisions	1, 12	650.60	(489.91)	160.69	588.31	(548.34)	39.97
Total Equity and Liabilities		**16,374.34**	**(157.21)**	**16,217.13**	**17,464.19**	**(160.30)**	**17,303.89**

(Amount in INR millions)

b) Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

	Notes	As per previous GAAP	Ind AS Adjustments	As per IND AS
REVENUE				
Revenue from operations (Gross)	9	24,512.59	(26.62)	24,485.97
Excise Duty	8	(332.05)	332.05	-
Revenue from operations (net)		24,180.54	305.43	24,485.97
Other income	7	187.86	79.32	267.18
Total Revenue		**24,368.40**	**384.75**	**24,753.15**
EXPENSES				
Cost of raw material and components consumed		3,027.91	-	3,027.91
Purchase of traded goods		8,283.18	-	8,283.18
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods		136.08	-	136.08
Excise duty	8	-	332.05	332.05
Employee Benefits Expense	2	2,626.93	(17.68)	2,609.25
Depreciation and amortization expense	11	752.48	35.53	788.01
Finance Costs	6	17.23	0.20	17.43
Other Expenses	6,7,9,10	7,287.46	52.36	7,339.82
Total expenses		**22,131.27**	**402.46**	**22,533.73**
Profit before exceptional items and tax		2,237.13	(17.71)	2,219.42
Exceptional Items		(747.07)	-	(747.07)
Profit before tax		**2,984.20**	**(17.71)**	**2,966.49**
Tax expense:				
Current Tax	2	927.51	6.12	933.63
Deferred Tax	6,7,11	(130.79)	(12.30)	(143.09)
Profit for the year		**2,187.48**	**(11.53)**	**2,175.95**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains/(losses) on defined benefit plans	2,4	-	(17.68)	(17.68)
Income tax effect	2,4	-	6.12	6.12
Other comprehensive income for the year, net of tax		**-**	**(11.56)**	**(11.56)**
Total comprehensive income for the year, net of tax		**2,187.48**	**(23.09)**	**2164.39**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016

1 **Provisions**

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting or paid).

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability of INR 488.70 million for the year ended on 31 March 2015 recorded for dividend has been derecognised against retained earnings on 1 April 2015. The proposed dividend for the year ended on 31 March 2016 of INR 541.33 million recognized under Indian GAAP was reduced from provisions with a corresponding impact in the retained earnings.

2 **Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by INR 17.68 milion and remeasurement gains/ losses on defined benefit plans of INR 11.56 million (net of tax of INR 6.12 million) have been recognized in the OCI.

3 **Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of INR 128.45 million (31 March 2016: 128.44 million).

4 **Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

5 **Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

6 **Financial Liabilities**

Based on Ind AS - 109, financial liabilities in the form of long term deposits from agents have been accounted at fair value at date of transition and subsequently measured at amortised cost using the effective interest rate method. Therefore the Other financial liabilities reduced by INR 100.72 million as at March 31, 2016 and by INR 89.95 million as at April 1, 2015 and Unearned revenue has been increased by INR 91.13 million as at March 31, 2016 and by INR 83.68 million as at April 1, 2015 with corresponding increase in retained earnings by INR 6.28 million (net of tax of INR 3.33 million) as at March 31, 2016 and INR 4.1 million (net of tax of INR. 2.17 million) as at April 1, 2015. Consequently for the year ended March 31, 2016, the Finance expense has been increased by 0.20 million and Other Expense has been decreased by 3.52 million.

7 **Financial Assets**

Based on Ind AS - 109, financial Assets in the form of long term interest free deposits to landlords have been accounted at fair value at date of transition and subsequently measured at amortised cost using the effective interest rate method. Therefore the Other Non-current Loans has been reduced by INR 310.31 million as at March 31, 2016 and INR 350.65 million as at April 1, 2015, Other Current assets has been increased by INR 78.27 million as at March 31, 2016 and 95.56 million as at April 1, 2015 , Other non current assets has been increased by INR 200.18 million as at March 31, 2016 and 226.53 million as at April 1, 2015 and corresponding impact of 20.83 million (net of deferred tax of INR 11.03 million) as at March 31, 2016 and INR 18.68 million (net of deferred tax of INR 9.88 Mn) as at April 1, 2015 has been adjusted to the retained earnings. Consequently for the year ended March 31, 2016, the Finance income & Other expense has been increased by 79.32 million and 82.73 million respectively.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

8 **Sale of goods**
Under Indian GAAP, sale of goods was presented as net of excise duty and differential excise duty on opening and closing stock of manufactured goods is adjusted from Increase/Decrease in inventories. However, under Ind AS, sale of goods includes excise duty and Excise duty is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by INR 332.05 Mn for the year ended March 31, 2016 with a corresponding increase of INR 332.05 in excise duty on sales on face of statement of profit and loss account.

9 **Cash Discount**
Under Previous GAAP, the discount given on Sales for early payment was recognised as an expense in the statement of profit and loss. However as per IND AS, if the discount is known at time of transfer of risk and reward then the same needs to be adjusted through revenue, accordingly Company has adjusted the revenue by INR 26.62 Mn with corresponding decrease in other expenses.

10 **Trade receivables**
Under Indian GAAP, the Company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the Company impaired its trade receivable by INR 0.2 Mn on 1 April 2015 which has been eliminated against retained earnings. Earlier during the year ended March 31, 2016 the Company has impaired the receivables amounting to 8 million, however as per ECL the Impairment loss is calculated as 7.8 Mn, accordingly other expenses has been reduced by INR 0.2 million.

11 **Depreciation of property, plant and equipment**
Pursuant to the applicability of Schedule II of The Companies Act,2013 w.e.f. 1st April, 2015, the Company had reassessed the estimated useful lives of fixed Assets and accordingly depreciation of INR 35.53 Million was on account of assets whose useful life is already exhausted as on 1st April, 2015 has been adjusted to opening balance of retained earnings in terms of transitional provision of the said Schedule II. However as per Ind AS, the change in useful lives needs to be effected from the year in which useful lives were changed, accordingly depreciation for the year has been increased by INR 35.53 Million and corresponding deferred tax has been increased by INR 12.30 Million.

12 **Deferred revenue**
The Company operates a loyalty point programme, which allows customers to accumulate points when they purchase products in the Company's retail stores . The points can be redeemed for free products, subject to a minimum number of points being obtained. Under Indian GAAP, the Company creates a provision toward its liability under the reward programme. Under Ind AS, consideration received is allocated between the products sold and the points issued on a relative stand-alone selling price basis. If the stand-alone selling price for a customer's option to acquire additional goods or services is not directly observable, the Company estimates it. Fair value of the points is determined by applying a statistical analysis. The fair value allocated to the points issued is deferred and recognised as revenue when the points are redeemed. On the date of transition, the Company has deferred revenue of INR 1.21 million (31 March 2016: INR 7.01 Mn). Accordingly the provision has been reduced by INR 1.21 million as at 1 April 2015 and INR 7.01 mn as at 31 March 2017 with a corresponding increase in Other current liabilities by INR 1.21 million as at 1 April 2015 and INR 7.01 Mn as at 31 March 2017.

13 **Revaluation Reserves**
Under the Indian GAAP the Company has revalued the property plant and equipment and was carrying the revaluation reserve in the financial statements. During the transition to Ind AS the Company has has elected to carry IGAAP cost as deemed cost of property plant and equipment at the date of transition to Ind AS, hence an increase of INR 175.12 Mn (net of tax) was transferred from Revaluation reserve to General Reserve.

47 Previous Year's figures have been regrouped/reclassified, wherever necessary, to conform to the classification of current year.

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration number: 301003E/E300005
Chartered Accountants

Per Sanjay Vij
Partner
Membership no.: 95169
Place: Gurgaon
Date: May 15, 2017

For and on behalf of the Board of Directors

Uday Khanna
Chairman
DIN: 00079129

Rajeev Gopalakrishnan
Managing Director
DIN: 03438046

Maloy Kumar Gupta
Company Secretary
Membership no.: A-24123

Ram Kumar Gupta
Director Finance
DIN: 01125065

Bata

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries or Associate companies or Joint ventures

Part A: Subsidiaries

(Rs. In Million)

Sl. No.	Particulars	Name of the Subsidiaries		
		Bata Properties Limited	**Coastal Commercial & Exim Limited**	**Way Finders Brands Limited**
1.	The date since when subsidiary was acquired	14/08/1987	11/10/1991	26/12/2014
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	-	-	-
3.	Share capital Authorised: Issued & Subscribed:	 100.00 48.51	 1.00 0.50	 1.00 1.00
4.	Reserves and surplus	0.98	0.81	(11.33)
5.	Total assets	49.60	1.35	114.09
6.	Total Liabilities	49.60	1.35	114.09
7.	Investments	0.5	-	-
8.	Turnover	2.74	0.86	71.40
9.	Profit before taxation	2.43	0.36	0.13
10.	Provision for taxation	0.87	(0.01)	-
11.	Profit after taxation	1.56	0.38	0.13
12.	Proposed Dividend	-	-	-
13.	Extent of shareholding (in percentage)	100	100	100

Notes: 1. Names of subsidiaries which are yet to commence operations: None

2. Names of subsidiaries which have been liquidated or sold during the year: None

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates or Joint Ventures	
1.	**Latest audited Balance Sheet Date**	Not Applicable
2.	**Date on which the Associate or Joint Venture was associated or acquired**	
3.	**Shares of Associate or Joint Ventures held by the Company on the year end**	
	No.	
	Amount of Investment in Associates or Joint Venture	
	Extent of Holding (in percentage)	
4.	**Description of how there is significant influence**	
5.	**Reason why the associate/joint venture is not consolidated**	
6.	**Net worth attributable to shareholding as per latest audited Balance Sheet**	
7.	**Profit or Loss for the year**	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

Notes: 1. Names of associates or joint ventures which are yet to commence operations: None

2. Names of associates or joint ventures which have been liquidated or sold during the year: None

For and on behalf of the Board of Directors

RAM KUMAR GUPTA
Director Finance
DIN: 01125065

RAJEEV GOPALAKRISHNAN
Managing Director
DIN: 03438046

MALOY KUMAR GUPTA
Company Secretary
Membership No.: A-24123

UDAY KHANNA
Chairman
DIN: 00079129

Place : Gurgaon
Date : May 15, 2017

MOVEMENT IN SHARE PRICES
(During previous 30 Financial Years)

FINANCIAL YEAR ENDED	SHARE PRICE (In Rs.)	
	HIGH	LOW
December 31, 1987	160.00	59.25
December 31, 1988	91.00	50.00
December 31, 1989	89.00	60.00
December 31, 1990	107.00	61.75
December 31, 1991	149.00	72.00
December 31, 1992	400.00	135.00
December 31, 1993	358.00	72.00
December 31, 1994	350.00	195.00
December 31, 1995	205.00	55.00
December 31, 1996	104.00	46.00
December 31, 1997	174.00	49.00
December 31, 1998	259.00	112.40
December 31, 1999	282.00	127.00
December 31, 2000	175.20	43.20
December 31, 2001	73.95	28.00
December 31, 2002	51.00	31.10
December 31, 2003	72.50	26.00
December 31, 2004	98.90	38.25
December 31, 2005	195.40	74.60
December 31, 2006	329.25	140.50
December 31, 2007	290.50	125.55
December 31, 2008	296.00	76.55
December 31, 2009	208.90	76.50
December 31, 2010	391.90	171.00
December 31, 2011	740.70	295.00
December 31, 2012	989.00	519.10
December 31, 2013	1085.75	688.25
March 31, 2015*	1495.00	895.00
March 31, 2016	1244.10	438.05
March 31, 2017	613.55	400.00

* *The Company had changed its financial year from 'January-December' to 'April-March' and extended its financial year up to March 31, 2015.*

INDEPENDENT AUDITOR'S REPORT

To the Members of Bata India Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Bata India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy & operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, refer to our separate Report in “Annexure 1” to this report;

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group– Refer Note 33 to the consolidated Ind AS financial statements;

   ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended March 31, 2017;

   iv. The Holding Company and it subsidiaries have provided requisite disclosures in Note 46 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group and as produced to us by the management of the Holding Company.

Other Matter

(a) The accompanying consolidated financial statements include total assets of INR 165.10 million as at March 31, 2017, and total revenues and net cash inflows of INR 74.92 million and INR 9.44 million for the year ended on that date, in respect of 3 subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor’s reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 95169

Place: Gurgaon
Date: May 15, 2017

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF BATA INDIA LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Bata India Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Bata India Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2017, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 15, 2017 expressed an unqualified opinion thereon.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Sanjay Vij
Partner
Membership Number: 95169

Place: Gurgaon
Date: May 15, 2017

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017
(Amount in INR millions except as otherwise stated)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4a	2,665.64	3,034.88	3,077.64
Capital work-in-progress		242.29	134.34	165.80
Intangible assets	4b	13.88	6.12	9.42
Intangible assets under development	41,42	56.06	56.06	315.91
Financial assets				
Investments	5a	0.00	0.00	0.00
Loans	5b	876.83	761.45	758.58
Other financial assets	5c	14.47	13.85	0.20
Deferred tax assets (net)	6	1,004.34	890.79	747.70
Other non-current assets	7	738.76	856.86	880.76
		5,612.27	**5,754.35**	**5,956.01**
Current assets				
Inventories	8	7,137.97	6,853.53	7,046.98
Financial assets				
Trade receivables	9	694.08	709.96	583.99
Cash and cash equivalent	10	617.80	898.99	521.71
Other bank balances	11	4,602.57	2,525.71	1,596.80
Loans	5b	32.37	76.90	34.87
Others current financial asset	5c	261.92	204.95	227.59
Other current assets	7	272.40	306.18	240.15
		13,619.11	**11,576.22**	**10,252.09**
Total Assets		**19,231.38**	**17,330.57**	**16,208.10**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	12	642.64	642.64	642.64
Other Equity				
Securities premium	13a	501.36	501.36	501.36
Retained earnings	13b	12,124.89	11,076.80	9,405.65
Others (including items of other comprehensive Income)	13c	(25.66)	(11.56)	-
Total		**13,243.23**	**12,209.24**	**10,549.65**
LIABILITIES				
Non-current liabilities				
Trade payables	14	1,039.71	1,028.73	977.60
		1,039.71	**1,028.73**	**977.60**
Current liabilities				
Financial liabilities				
Trade payables	14	4,084.47	3,286.22	3,567.50
Other financial liabilities	15	401.84	431.95	463.51
Other current liabilities	16	305.05	308.72	381.87
Current tax liabilities (net)	17a	113.62	25.74	107.28
Provisions	17b	43.46	39.97	160.69
		4,948.44	**4,092.60**	**4,680.85**
Total Equity and Liabilities		**19,231.38**	**17,330.57**	**16,208.10**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration number: 301003E/E300005
Chartered Accountants

Per Sanjay Vij
Partner
Membership no.: 95169
Place: Gurgaon
Date: May 15, 2017

For and on behalf of the Board of Directors

Uday Khanna
Chairman
DIN: 00079129

Rajeev Gopalakrishnan
Managing Director
DIN: 03438046

Maloy Kumar Gupta
Company Secretary
Membership no.: A-24123

Ram Kumar Gupta
Director Finance
DIN: 01125065

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions except as otherwise stated)

	Notes	31 March 2017	31 March 2016
REVENUE			
Revenue from operations	18	25,043.36	24,559.12
Other income	19	460.20	266.12
Total Revenue		**25,503.56**	**24,825.24**
EXPENSES			
Cost of raw material and components consumed	20	2,914.18	3,027.91
Purchase of traded goods	20	8,948.92	8,416.80
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	21	(282.53)	71.48
Excise duty on sale of goods		300.80	332.05
Employee benefits expense	22	2,731.88	2,614.93
Finance costs	23	40.34	17.43
Depreciation and amortization expense	24	650.36	788.22
Other expenses	25	7,644.28	7,338.01
Total expenses		**22,948.23**	**22,606.83**
Profit before exceptional items and tax		**2,555.33**	**2,218.41**
Exceptional Items	26	216.69	(747.07)
Profit before tax		**2,338.64**	**2,965.48**
Tax expense:			
Current Tax	6	925.63	934.78
Tax for earlier years	6	(62.90)	(0.11)
Deferred Tax (credit)/charge	6	(113.60)	(143.09)
Profit for the year		**1,589.51**	**2,173.90**
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans	27	(21.56)	(17.68)
Income tax effect	27	7.46	6.12
Other comprehensive income for the year, net of tax		**(14.10)**	**(11.56)**
Total comprehensive income for the year, net of tax		**1,575.41**	**2,162.34**
Earnings per equity share			
(1) Basic	28	12.37	16.91
(2) Diluted	28	12.37	16.91

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration number: 301003E/E300005
Chartered Accountants

Per Sanjay Vij
Partner
Membership no.: 95169
Place: Gurgaon
Date: May 15, 2017

For and on behalf of the Board of Directors

Uday Khanna
Chairman
DIN: 00079129

Rajeev Gopalakrishnan
Managing Director
DIN: 03438046

Maloy Kumar Gupta
Company Secretary
Membership no.: A-24123

Ram Kumar Gupta
Director Finance
DIN: 01125065

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions except as otherwise stated)

(a) Equity Share Capital

	No.	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2015	64,263,770	642.64
Equity shares of INR 10/- each sub-divided into equity shares of INR 5/- each (Refer note 12)	64,263,770	-
At 31 March 2016	128,527,540	642.64
Issue of share capital	-	-
At 31 March 2017	**128,527,540**	**642.64**

(b) Other equity

For the year ended 31 March 2017:

	Attributable to the equity holders of the company				Other Equity
	Reserves and Surplus			Items of OCI	
	Securities premium account (Note 13a)	Surplus in the statement of profit and loss (Note 13b)	General reserve (Note 13b)	Re-measurement gains (losses) on defined benefit plans (Note 13c)	
As at 1 April 2016	**501.36**	**9,577.96**	**1,498.84**	**(11.56)**	**11,566.60**
Profit for the period	-	1,589.51	-	-	1,589.51
Other comprehensive income (Note 27)	-	-	-	(14.10)	(14.10)
Total comprehensive income	**501.36**	**11,167.47**	**1,498.84**	**(25.66)**	**13,142.01**
Cash Dividends (Note 28)	-	(449.85)	-	-	(449.85)
Dividend Distribution Tax (Note 28)	-	(91.57)	-	-	(91.57)
At 31 March 2017	**501.36**	**10,626.05**	**1,498.84**	**(25.66)**	**12,600.59**

For the year ended 31 March 2016:

	Attributable to the equity holders of the company				Other Equity
	Reserves and Surplus			Items of OCI	
	Securities premium account (Note 13a)	Surplus in the statement of profit and loss (Note 13b)	General reserve (Note 13b)	Re-measurement gains (losses) on defined benefit plans (Note 13c)	
As at 1 April 2015	**501.36**	**7,906.81**	**1,498.84**	**-**	**9,907.01**
Profit for the period	-	2,173.90	-	-	2,173.90
Other comprehensive income (Note 27)	-	-	-	(11.56)	(11.56)
Total comprehensive income	**501.36**	**10,080.71**	**1,498.84**	**(11.56)**	**12,069.35**
Cash Dividends (Note 28)	-	(417.71)	-	-	(417.71)
Dividend Distribution Tax (Note 28)	-	(85.04)	-	-	(85.04)
At 31 March 2016	**501.36**	**9,577.96**	**1,498.84**	**(11.56)**	**11,566.60**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration number: 301003E/E300005
Chartered Accountants

Per Sanjay Vij
Partner
Membership no.: 95169
Place: Gurgaon
Date: May 15, 2017

For and on behalf of the Board of Directors

Uday Khanna
Chairman
DIN: 00079129

Rajeev Gopalakrishnan
Managing Director
DIN: 03438046

Maloy Kumar Gupta
Company Secretary
Membership no.: A-24123

Ram Kumar Gupta
Director Finance
DIN: 01125065

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions except as otherwise stated)

		Notes	As at 31 March 2017	As at 31 March 2016
A	**Cash flow from operating activities**			
1	**Profit before tax**		2,338.64	2,965.48
2	**Adjustments to reconcile profit before tax to net cash flows:**			
	Depreciation of property, plant & equipment	24	646.30	784.73
	Amortisation of intangible assets	24	4.06	3.49
	Gain on assets received from erswhile JV	26	-	(306.31)
	Provisions for contingencies written back	26	-	(123.24)
	Expenditure incurred on software development written off	26	-	290.55
	Straightlining on lease rental		39.10	60.20
	Loss on sale of fixed assets (net)	25	62.65	39.17
	Allowance for doubtful debt, loans, advances	25	-	50.15
	Finance Expense (including fair value change in financial instruments)	23	40.34	17.43
	Finance Income (including fair value change in financial instruments)	19	(438.72)	(259.52)
	Liabilities no longer required written back	19	(3.85)	-
3	**Operating profit before working capital changes (1+2)**		**2,688.52**	**3,522.13**
4	**Movements in Working Capital:**			
	Decrease/(Increase) in trade & other receivables		64.26	(175.99)
	Decrease /(Increase) in inventories		(284.44)	193.46
	Increase/(Decreae) in trade and Other Payables		798.25	(281.28)
	Increase/(Decrease) in short term provisions		(18.07)	(15.17)
	Decrease/(Increase) in other current assets		33.78	(66.03)
	Decrease/(Increase) in other current financial assets		50.14	(18.84)
	Increase/(Decrease) in other current liabilities		(3.66)	(73.16)
	Increase/(Decrease) in other financial liabilities		(54.90)	(32.95)
	Change in Working Capital		**585.36**	**(469.96)**
	Changes in non current assets and liabilities			
	Decrease/(Increase) in loans & advances		(48.20)	76.54
	Increase/(Decreae) in trade payables		19.69	51.14
	Decrease/(Increase) in other non-current assets		(28.12)	(52.97)
	Decrease/(Increase) in financial assets		(0.83)	(13.65)
5	**Changes in non current assets and liabilities**		**(57.46)**	**61.06**
6	**Cash Generated From Operations (3+4+5)**		**3,216.42**	**3,113.23**
7	**Less : Taxes paid (net of refund)**		**(651.37)**	**(1,076.81)**
8	**Net cash flow from operating activities (6-7)**		**2,565.05**	**2,036.42**
B	**Cash Flow from Investing Activities:**			
	Purchase of Property, plant and equipment		(512.74)	(404.14)
	Proceeds from sale of Property, plant and equipment		35.70	13.27
	Repayments/(Investments) in bank deposits (having original maturity of more than three months)		(2,075.78)	(931.65)
	Interest received (finance income)		264.64	179.44
	Net Cash Flow used in Investing Activities:		**(2,288.18)**	**(1,143.08)**
C	**Net Cash Flow From Financing Activities:**			
	Dividend paid to equity shareholders	28	(448.75)	(416.53)
	Dividend distribution tax	28	(91.57)	(85.04)
	Interest paid		(16.65)	(17.23)
	Net Cash Used in Financing Activities:		**(556.97)**	**(518.80)**
D	**Net Change in cash & cash equivalents (A+B+C)**		**(280.10)**	**374.54**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions except as otherwise stated)

	Notes	As at 31 March 2017	As at 31 March 2016
E - 1 Cash & cash equivalents as at end of the year		630.67	910.77
E - 2 Cash & cash equivalents as at the beginning of year		910.77	536.23
NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)		**(280.10)**	**374.54**

	As at 31 March 2017	As at 31 March 2016
Cash on hand	99.27	113.55
With banks		
- on deposit with original maturity of upto 3 months	-	300.41
- on current accounts	518.53	485.03
- unpaid dividend accounts*	12.87	11.78
Total cash and cash equivalents	**630.67**	**910.77**

*The company can utilize these balances only towards settlement of the respective unpaid dividend and unpaid matured deposits

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration number: 301003E/E300005
Chartered Accountants

Per Sanjay Vij
Partner
Membership no.: 95169
Place: Gurgaon
Date: May 15, 2017

For and on behalf of the Board of Directors

Uday Khanna
Chairman
DIN: 00079129

Rajeev Gopalakrishnan
Managing Director
DIN: 03438046

Maloy Kumar Gupta
Company Secretary
Membership no.: A-24123

Ram Kumar Gupta
Director Finance
DIN: 01125065

1. Corporate information

The consolidated financial statements comprise financial statements of Bata India Limited (the company) and its subsidiaries (collectively, "the Group") for the year ended 31 March 2017. Group is primarily engaged in the business of manufacturing and trading of footwear and accessories through its retail and wholesale network.

The financial statements are authorised for issue in accordance with a resolution of the directors on May 15, 2017.

Bata India Limited is a public company domiciled in India. Its shares are listed on three stock exchanges in India. The registered office of the company is located at 27B Camac Street, 1st Floor, Kolkata - 700 016

2. Significant Accounting policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. These financial statements for the year ended March 31, 2017 are the first the Group has prepared in accordance with Ind AS. Refer to note 45 for information on how the group adopted Ind AS.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

► Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

► Exposure, or rights, to variable returns from its involvement with the investee, and

► The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The acquisition accounting is used by the group to account for business combinations.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

► Derecognises the assets (including goodwill) and liabilities of the subsidiary
► Derecognises the carrying amount of any non-controlling interests
► Derecognises the cumulative translation differences recorded in equity
► Recognises the fair value of the consideration received
► Recognises the fair value of any investment retained
► Recognises any surplus or deficit in profit or loss
► Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Basis of Measurements

The financial statements have been prepared on a historical cost or at amortised cost except for the following assets and liabilities

Items	**Measurement Basis**
Net defined benefit (asset)/liability	Fair Value of plan assets less present value of defined benefit obligations
Derivatives	Fair Value

The financial statements are presented in INR and all values are rounded to the nearest Million (INR 000,000), except when otherwise stated.

2.4 Summary of significant accounting policies

a. Current vs Non Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

► Expected to be realised or intended to be sold or consumed in normal operating cycle
► Held primarily for the purpose of trading
► Expected to be realised within twelve months after the reporting period, or
► Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

► Expected to be settled in normal operating cycle
► Held primarily for the purpose of trading
► Due to be settled within twelve months after the reporting period, or
► There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalent. The Group has identified twelve months as its operating cycle.

b. Cash dividend

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Interim dividends, if any are recorded as a liability on the date of declaration by the Group's Board of Directors.

c. Fair Value Measurements

The Group measures financial instruments, such as forward contracts at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or
► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

d. Property, plant & equipment

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment (See Note 45).

Property, plant & equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. In case of assets acquired in exchange for a non-monetary asset, the cost of such an item of property, plant and equipment is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a regular major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of Property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e. Depreciation on Property, plant & equipment

i. Lease hold improvements (LHI) and furniture & fittings at stores are amortised on straight line basis over the period of lease or useful life (not exceeding 9 years), whichever is lower.

ii. Depreciation on other Property, plant & equipment is provided on written down value method at the rates based on the estimated useful life of the assets as described below:

Category of Property, Plant & Equipments	Useful Lives
Buildings	
- Factory Buildings	30 years
- Other than Factory Buildings	10 years - 60 Years
- Fences, Wells, Tube wells	5 years

Category of Property, Plant & Equipments	Useful Lives
Plant & Machinery - Moulds - Data processing equipments - Servers - Other Plant and Machinery	 8 years 3 Years 6 Years 5 Years - 15 Years
Furniture & Fittings - Others	 10 years
Vehicles	8 years
Office Equipments	10 Years

The Group, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

iii. Depreciation on Property, plant & equipment added/disposed-off during the year is provided on pro-rata basis with respect to date of acquisition/ disposal.

f. Intangible Assets

Intangible assets acquired separately are recorded at cost at the time of initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets (Computer Software) with finite lives are amortised over the useful economic life (not exceeding five years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

► The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

► Its intention to complete and its ability and intention to use or sell the asset

► How the asset will generate future economic benefits

► The availability of resources to complete the asset

► The ability to measure reliably the expenditure incurred during its development

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (Contd.)

g. Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

► Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

► Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

► Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the Group on its own account, rather it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i. Sale of Goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group provides normal warranty provisions for manufacturing defects for 3 months on all its products sold, in line with the industry practice. The Group does not provide any extended warranties to its customers.

The Group operates a loyalty points programme " The Bata Club", which allows customers to accumulate points when they purchase products in the Group's retail stores. The points can be redeemed against consideration payable for subsequent purchases. Consideration received is allocated between the products sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred based on actuarial valuation and recognised as revenue when the points are redeemed.

ii. Interest:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

iii. Export Benefits:

Export benefits in the form of Duty Drawback, Duty Entitlement Pass Book (DEPB) and other schemes are recognized in the Statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

i. Foreign Currency Transactions

The Group's financial statements are presented in INR, which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

j. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k. Retirement and Other Employee Benefits

i) Retirement benefit in the form of pension costs is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the pension fund. The Group recognizes contribution payable to the pension fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

ii) The Provident Fund (administered by a Trust) is a defined benefit scheme where by the Group deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to confirm to the interest rate declared by the government for the Employees Provident Fund. The Group has adopted actuary valuation based on project unit credit method to arrive at provident fund liability as at year end.

iii) The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

► The date of the plan amendment or curtailment, and

► The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

► Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

► Net interest expense or income

iv) Compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an actuary, at each year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

v) Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss in the year such scheme is accepted by the employees/workers.

l. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group is lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. A lease which is not a finance lease is classified as Operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or (b) the payments to the lessor are structured to increase in lie with expected general inflation to compensate for the lessor's expected inflationary lost increases..

m. Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences except for the following:

➢ Tax payable on the future remittance of the past earnings of subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

n. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, are recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate and when circumstances indicate that the carrying value may be impaired.

o. Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on actuarial valuation. The initial estimate of warranty-related costs is revised annually.

p. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

r. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one Company and a financial liability or equity instrument of another Company.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in five categories:

► Debt Instrument at amortised cost
► Debt instruments at fair value through other comprehensive income (FVTOCI)
► Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
► Equity instruments measured at fair value through other comprehensive income (FVTOCI)
►Investments in equities of subsidiaries at cost

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, Security deposits & other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

► The rights to receive cash flows from the asset have expired, or

► The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass- through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are carried at amortised cost or at Fair value through OCI. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The application of simplified approach does not require the group to track changes in credit risk. Based on the past history and track records the Group has assessed the risk of default by the customer and expects the credit loss to be insignificant. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

The balance sheet presentation for various financial instruments is described below:

► Financial assets measured as at amortised cost. ECL is presented as an allowance, i.e., as an integral part of measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as:

- financial liabilities at fair value through profit or loss,
- financial liabilities measured at amortised cost,
- loans and borrowings and payables,
- derivatives designated as hedging instruments in an effective hedge relationship.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include:

- financial liabilities held for trading
- financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, if and only if, the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities measured at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate. Interest expense and foreign exchange gain and losses are recognised in statement of profit and loss.

Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The Group has not reclassified any financial asset during the current year or previous year.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, the ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

3. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a(i) Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

a(ii) Operating lease commitments – Company as lessee

The Company has taken various shop premises under operating lease agreements. The lease agreements generally have an escalation clause and there are no sub-leases. These leases are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. The Company based on an evaluation of the terms and conditions of the agreements assessed that the escalations are as per the mutually agreed terms and are not structured to increase necessarily in line with expected general inflation and hence operating lease payments are continued to be recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

b.1 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 32.

b.2 Revenue recognition – Loyalty programme

The Group estimates the fair value of points awarded under the Loyalty programme " The Bata Club", by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences. As points issued under the programme expire on expiry of specified period in accordance with the programme, such estimates are subject to significant uncertainty. As at 31 March 2017, the estimated liability towards unredeemed points amounted to approximately INR 9.02 million (31 March 2016: INR 7.01 million, 1 April 2015: INR 1.21 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

4a Property, plant and equipment

	Freehold Land	Buildings	Lease Hold Improvements	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipments	Total
Cost or valuation								
At 1 April 2015	252.61	782.48	401.73	408.06	1,213.12	12.64	7.00	3,077.64
Additions	-	313.77	184.42	156.76	134.28	5.18	-	794.41
Disposals	(0.29)	(2.27)	(13.83)	(12.50)	(35.20)	-	-	(64.09)
At 31 March 2016	**252.32**	**1,093.98**	**572.32**	**552.32**	**1,312.20**	**17.82**	**7.00**	**3,807.96**
Additions	-	25.89	153.22	52.11	144.19	-	-	375.41
Disposals	-	(16.85)	(36.63)	(16.67)	(73.92)	(0.11)	(0.22)	(144.40)
At 31 March 2017	**252.32**	**1,103.02**	**688.91**	**587.76**	**1,382.47**	**17.71**	**6.78**	**4,038.97**
Depreciation								
At 1 April 2015	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	101.96	114.50	182.37	377.67	6.62	1.61	784.73
Disposals	-	(2.26)	-	(0.57)	(8.82)	-	-	(11.65)
At 31 March 2016	**-**	**99.70**	**114.50**	**181.80**	**368.85**	**6.62**	**1.61**	**773.08**
Depreciation charge for the year	-	68.19	112.38	133.97	325.47	5.37	0.92	646.30
Disposals	-	(0.93)	(6.18)	(4.85)	(33.66)	-	(0.43)	(46.05)
At 31 March 2017	**-**	**166.96**	**220.70**	**310.92**	**660.66**	**11.99**	**2.10**	**1,373.33**
Net Book Value								
At 31 March 2017	252.32	936.06	468.21	276.84	721.81	5.72	4.68	2,665.64
At 31 March 2016	252.32	994.28	457.82	370.52	943.35	11.20	5.39	3,034.88
At 1 April 2015	252.61	782.48	401.73	408.06	1,213.12	12.64	7.00	3,077.64

4b

Intangible assets	Computer Software	Total
Cost		
At 1 April 2015	**9.42**	**9.42**
Addition	0.20	0.20
At 31 March 2016	**9.62**	**9.62**
Addition	11.82	11.82
At 31 March 2017	**21.44**	**21.44**
Amortization		
At 1 April 2015	**0.03**	**0.03**
Amortization	3.47	3.47
At 31 March 2016	**3.50**	**3.50**
Amortization	4.06	4.06
At 31 March 2017	**7.56**	**7.56**
Net book Value		
At 31 March 2017	13.88	13.88
At 31 March 2016	6.12	6.12
At 1 April 2015	9.42	9.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

5. Financial assets	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
a. Investments						
Investments in Cooperative Societies (cost)						
Unquoted:						
250 (31 March 2016 : 250, 1 April 2015 :250) equity shares of INR 10 each fully paid-up in Bata Employees' Co-operative Consumers' Stores Limited, Hathidah	0.00	0.00	0.00	-	-	-
5 (31 March 2016 : 5, 1 April 2015 :5) equity shares of INR 10 each fully paid-up in Bhadrakali Market Co-operative Society Limited, Nasik	0.00	0.00	0.00	-	-	-
TOTAL	0.00	0.00	0.00	-	-	-
Aggregate book value of quoted investments	**-**	**-**	**-**	**-**	**-**	**-**
Aggregate market value of quoted investments	**-**	**-**	**-**	**-**	**-**	**-**
Aggregate value of unquoted investments	**0.00**	**0.00**	**0.00**	**-**	**-**	**-**
b. Loans (at amortised cost)						
Investments in Bonds						
Units in Secured non Convertible redeemable REC capital Gains Tax Exemption Bond, 500 (31 March 2016 : 500, 1 April 2015 : Nil) Units of face value of 10,000 each	5.00	5.00	-	-	-	-
	5.00	5.00	-	-	-	-
Loans and advances						
To Related Parties						
Unsecured, Considered Good	-	-	-	7.81	33.48	21.79
	-	-	-	7.81	33.48	21.79
Security Deposits						
Unsecured, Considered Good	871.83	756.45	760.65	24.56	43.42	13.08
Less : Provision for Doubtful Deposits	-	-	(2.07)	-	-	-
	871.83	756.45	758.58	24.56	43.42	13.08
TOTAL	**876.83**	**761.45**	**758.58**	**32.37**	**76.90**	**34.87**
c. Other Financial assets (at amortised cost)						
Non-current bank balances (Refer Note 11)	14.20	13.37	0.20	-	-	-
Interest accrued on loans and advances, deposits and investments	0.27	0.48	-	192.33	85.22	84.55
Advances recoverable in cash or kind (unsecured, considered good)	-	-	-	69.08	103.37	139.62
Advances recoverable in cash or kind (unsecured, considered doubtful)	-	-	-	72.80	104.60	62.25
Less: Provision for doubtful advances	-	-	-	(72.80)	(104.60)	(62.25)
Insurance claim receivable	-	-	-	0.51	16.36	3.42
TOTAL	**14.47**	**13.85**	**0.20**	**261.92**	**204.95**	**227.59**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

6. Deferred tax assets (net)

	31 March 2017	31 March 2016
Current income tax :		
Current income tax charge	925.63	934.78
Adjustment in respect of current income tax of previous year	(62.90)	(0.11)
Deferred tax :		
Relating to origination & reversal of temporary difference	(113.60)	(143.09)
	749.13	**791.58**

	31 March 2017	31 March 2016	1 April 2015
Deferred tax assets			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	464.47	385.37	274.46
Impact of expenditure charged to the statement of profit and loss in the current/earlier period but allowable for tax purposes on payment basis	503.48	455.20	440.40
Provision for doubtful debts and advances	28.96	42.55	25.13
Effect of measuring financial instruments at fair value	7.43	7.67	7.71
	1,004.34	**890.79**	**747.70**

Reconciliation of effective tax rate

	31 March 2017		31 March 2016	
Profit before tax		2,335.72		2,965.48
Tax using the Company's domestic tax rate	34.608%	808.35	34.608%	1,026.29
Effect of non deductible expenses		23.18		6.55
Effect of deductible expenses at higher rate		(20.43)		(20.53)
Effect of Income taxable at lower rate (sale of brand & gain on assets from Erstwhile JV (refer note 31))		-		(222.12)
Reversal of tax of earlier years		(62.90)		-
Tax for Subsidiaries		0.93		1.39
Total		**749.13**		**791.58**
Tax as per statement of profit and loss		**749.13**		**791.58**

7. Other Assets

	Non Current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Unsecured and considered good						
Capital advances	27.52	9.97	93.37	-	-	-
Supplier advances	-	-	-	26.76	49.29	23.06
Advance income tax (net of provision)	377.74	494.79	428.06	-	-	-
Recoverable from statutory authorities	85.31	86.51	85.39	102.39	76.81	58.44
Prepaid expenses	247.11	265.59	273.94	143.25	180.08	158.65
MAT Credit recoverable	1.08	-	-	-	-	-
	738.76	**856.86**	**880.76**	**272.40**	**306.18**	**240.15**
Unsecured, considered doubtful						
Recoverable from statutory authorities	10.36	10.36	8.29	-	-	-
Less: Provision for doubtful balances	(10.36)	(10.36)	(8.29)	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
Total	**738.76**	**856.86**	**880.76**	**272.40**	**306.18**	**240.15**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

8. Inventories

	Current		
	31 March 2017	**31 March 2016**	**1 April 2015**
Raw materials and components (including goods in transit INR NIL million (31 March 2016: INR 3.33 million, 1 April 2015: INR 7.38 million)	249.25	187.16	242.11
Work-in-progress	127.89	292.28	319.48
Finished goods * (including goods in transit INR 359.57 million (31 March 2016: INR 497.97 million, 1 April 2015: INR 780.48 million)	6,748.71	6,361.60	6,470.76
Stores and spares	12.12	12.49	14.63
Total inventories at the lower of cost and net realisable value	**7,137.97**	**6,853.53**	**7,046.98**

*Finished goods include Stock in trade, as both are stocked together.

The write down of inventories to net realisable value during the year amounted to INR 135.30 million (31 March 2016 : INR 126.75). The write down is included in cost of materials consumed and increase/decrease in inventories.

9. Trade receivables

	Current		
	31 March 2017	**31 March 2016**	**1 April 2015**
Trade receivables	673.45	688.62	564.62
Trade receivables from related parties (Refer note 38)	20.63	21.34	19.37
	694.08	**709.96**	**583.99**
Breakup of security details and more than 6 months overdue:			
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	13.04	9.11	6.38
Unsecured, considered doubtful	2.59	8.00	0.20
Less : Provision for doubtful receivables	(2.59)	(8.00)	(0.20)
	13.04	9.11	6.38
Trade receivables			
Unsecured, considered good	681.04	700.85	577.61
	694.08	**709.96**	**583.99**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days. For explanations on the Company’s credit risk management processes, refer to Note 44.

10. Cash and Cash Equivalant	**31 March 2017**	**31 March 2016**	**1 April 2015**
Balances with banks:			
- On Current Account	518.53	485.03	424.49
- Deposits with original maturity of less than three months	-	300.41	-
Cash on hand	99.27	113.55	97.22
	617.80	**898.99**	**521.71**

Short term deposits are made for varying periods of between one day and three months, depending upon immediate cash requirements of the Group, and the Group earn interest at the respective short term deposit rates.

11. Other bank balances

	Non Current			Current		
	31 March 2017	**31 March 2016**	**1 April 2015**	**31 March 2017**	**31 March 2016**	**1 April 2015**
Unpaid dividend accounts	-	-	-	12.87	11.78	14.52
Deposits with original maturity for more than 3 months but upto 12 months	-	-	-	4,589.70	2,513.93	1,582.28
Deposits with original maturity for more than 12 months	14.20	13.37	0.20	-	-	-
Less: Amount disclosed under other non-current assets	(14.20)	(13.37)	(0.20)	-	-	-
	-	**-**	**-**	**4,602.57**	**2,525.71**	**1,596.80**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

12. Share Capital**

Particulars	31 March 2017	31 March 2016	1 April 2015
Authorised share capital			
Equity share capital			
140,000,000 equity shares of INR 5 each (March 31, 2016: 140,000,000 equity shares of INR 5 each, April 01, 2015 : 70,000,000 equity shares of INR 10/- each)	700.00	700.00	700.00
Issued share capital*			
Equity share capital			
128,570,000 equity shares of INR 5 each (March 31, 2016: 128,570,000 equity shares of INR 5 each, April 01, 2015 : 64,285,000 equity shares of INR 10/- each)	642.85	642.85	642.85
Subscribed and fully paid up share capital			
Equity share capital			
128,527,540 equity shares of INR 5 each (March 31, 2016: 128,527,540 equity shares of INR 5 each, April 01, 2015 : 64,263,770 equity shares of INR 10/- each)	642.64	642.64	642.64
TOTAL	**642.64**	**642.64**	**642.64**

***Shares held in abeyance**

42,460 equity shares of INR 5 each (March 31, 2016: 42,460 equity shares of INR 5 each, April 1, 2015: 21,230 equity shares of INR 10 each) were held in abeyance on account of pending adjudication of the shareholders right to receive those shares/inability of depository to establish ownership rights.

**** Sub division of Equity Shares**

Pursuant to shareholders' approval dated 5th August 2015, the company has sub-divided face value of equity shares of INR 10/- each into two equity shares of INR 5/- each. Accordingly, the basic and diluted earnings per share and the number of shares disclosed in Note 29 have been computed for the current year and re-computed for the previous period based on the revised no. of shares and face value of INR 5/- per equity shares.

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

	31 March 2017		31 March 2016	
	No. of shares	INR millions	No. of shares	INR millions
At the beginning of the year	128,527,540	642.64	64,263,770	642.64
64,263,770 equity shares of INR 10/- each sub-divided into 128,527,540 equity shares of INR 5/- each	-	-	64,263,770	-
Outstanding at the end of the year	**128,527,540**	**642.64**	**128,527,540**	**642.64**

B. Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 5 per share (previous year INR 5 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

C. Shares held by holding company	31 March 2017	31 March 2016	1 April 2015
Out of Equity Shares issued by the Company, shares held by its holding Company are as follows :			
Bata (BN) B.V., Amsterdam, The Netherlands, the holding company			
68,065,514 equity shares of INR 5/- each (March 31, 2016: 68,065,514 equity shares of INR 5/- each, April 1,2015: 34,032,757 equity shares of INR 10/- each fully paid)	340.33	340.33	340.33
	340.33	340.33	340.33

D. Details of shareholders holdings more than 5% shares in Company

Name of Shareholder	31 March 2017		31 March 2016		1 April 2015	
	Number of shares held	% of holding in class	Number of shares held	% of holding in class	Number of shares held	% of holding in class
Equity shares of INR 5 each fully paid (March 31, 2016 INR 5 each fully paid, April 1, 2015 INR 10 each fully paid)						
Bata (BN) B.V., Amsterdam, The Netherlands, the holding Company	68,065,514	52.96%	68,065,514	52.96%	34032757	52.96%

13. Other Equity

Particulars	31 March 2017	31 March 2016
a) Security Premium:		
Opening balance	501.36	501.36
Add/(less) : Movement during the year	-	-
Closing balance	**501.36**	**501.36**
b) Retained Earnings		
i) General reserve:		
Opening Balance	1,498.84	1,498.84
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Closing balance	**1,498.84**	**1,498.84**
ii) Surplus/ Retained earnings		
Balance as per last financial statements	9,577.96	7,906.81
Add: Net profit/ (Net loss) after tax transferred from statement of profit & loss	1,589.51	2,173.90
Less: Appropriations		
Final dividend for 31 March 2016: INR 3.50 per share(31 March 2015: INR 3.25 per share)	(449.85)	(417.71)
Dividend Distribution Tax on final dividend	(91.57)	(85.04)
Net surplus in the statement of profit and loss	**10,626.05**	**9,577.96**
Total (i + ii)	**12,124.89**	**11,076.80**
c) Others (including items of other comprehensive Income)	**(25.66)**	**(11.56)**
	(25.66)	**(11.56)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

14. Trade payables

	Non current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Trade payables to Micro, Small and Medium Enterprises	-	-	-	39.90	14.59	17.62
Trade payables to related parties	-	-	-	22.34	101.85	55.28
Trade payables to others	1,039.71	1,028.73	977.60	4,022.23	3,169.78	3,494.60
Total	**1,039.71**	**1,028.73**	**977.60**	**4,084.47**	**3,286.22**	**3,567.50**

Terms and conditions of the above financial liabilities:

► Trade payables are non-interest bearing and are normally settled on 30 - 90 day terms

► For terms and conditions with related parties, refer to Note 38

15. Other Financial Liabilities

	Non current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Payable for capital goods	-	-	-	92.75	120.58	148.41
Deposit from agents and franchisees	-	-	-	296.22	299.59	304.51
Unpaid dividend	-	-	-	12.87	11.78	10.59
Total other financial liabilities	**-**	**-**	**-**	**401.84**	**431.95**	**463.51**

16. Other Liabilities

	Non current			Current		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Advance from customers*	-	-	-	0.75	30.88	38.89
Statutory dues payable	-	-	-	214.47	173.85	252.70
Unearned revenue	-	-	-	89.83	103.99	90.28
Total	**-**	**-**	**-**	**305.05**	**308.72**	**381.87**

*Includes 0.24 millions(31 march, 2016 INR Nil) payable to related to party (refer note 38)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

17. Provisions

	Non current			Current		
	31 March 2017	**31 March 2016**	**1 April 2015**	**31 March 2017**	**31 March 2016**	**1 April 2015**
a) Current tax liabilities						
Provision for income tax (net)	-	-	-	113.62	25.74	107.28
	-	**-**	**-**	**113.62**	**25.74**	**107.28**
b) Provision						
Provision for gratuity (refer note 32)	-	-	-	2.86	-	0.09
Provision for leave benefits	-	-	-	16.68	18.31	19.24
Provision for warranties*	-	-	-	12.45	9.99	7.25
Provision for contingencies**	-	-	-	11.47	11.67	134.11
	-	**-**	**-**	**43.46**	**39.97**	**160.69**
Total	**-**	**-**	**-**	**157.08**	**65.71**	**267.97**

***Provision for warranties**

The warranty claim provision covers the expenses relating to the cost of products sold. Provision in respect of warranties is made on the basis of valuation carried out by an independent actuary as at period end. It is expected that cost will be incurred over the warranty period as per the warranty terms.

	31 March 2017	**31 March 2016**
Opening balance	9.99	7.25
Arising during the year	154.55	181.03
Utilized during the year	(102.10)	(110.92)
Written back during the year	(49.99)	(67.37)
Closing balance	**12.45**	**9.99**

****Provision for contingencies**

The breakup and movement of provision for contingencies are as follows:

Particulars	**ESI**		**Labour Case, House Tax and Other Civil Cases**		**Liability for Land Development (Refer note no. 31)**		**Total**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Opening balance	5.16	5.16	6.51	5.71	-	123.24	11.67	134.11
Arising during the year	-	-	-	0.80	-	-	-	0.80
Utilized during the year	-	-	(0.20)	-	-	-	(0.20)	-
Written back during the year	-	-	-	-	-	(123.24)	-	(123.24)
Closing balance as on 31st Mar	**5.16**	**5.16**	**6.31**	**6.51**	**-**	**-**	**11.47**	**11.67**

i) The Company sets up and maintains provision for trade related and other litigations or disputes when a reasonable estimate can be made. The amount of provisions are based upon estimates provided by the Company's legal department, which are revisited on a timely basis. The exact timing of the settlement of the litigations and consequently, the outflow is uncertain.

ii) In view of large number of labour cases and other civil cases, it is not practicable to disclose the details of each case separately. The exact timing of the settlement of the litigation and consequently, the outflow is uncertain.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

18. Revenue From Operations

	31 March 2017	31 March 2016
Sale of Products (including excise duty)*		
Sale of goods	24,991.93	24,533.79
Revenue from redemption of loyalty points	35.71	14.30
Total sale of products	**25,027.64**	**24,548.09**
Other operating revenue		
Others (including export incentives, scrap sales etc.)	15.72	11.03
Total	**25,043.36**	**24,559.12**

*Sale of goods include excise duty collected from customers of INR 300.80 million (31 march , 2016 : INR 332.05 million). Sale of goods net of excise duty is INR 24,726.84 million (31 March, 2016 : INR 24,216.04 million)

19. Other income

	31 March 2017	31 March 2016
Non Operating Income		
Finance Income		
- Deposits with bank	328.64	176.28
- Others	110.08	83.24
	438.72	259.52
Liabilities no longer required written back	3.85	-
Foreign exchange fluctuation (net)	1.12	4.69
Insurance claim received	1.09	1.91
Other non-operating income	15.42	-
	460.20	**266.12**

20. Cost of raw material and components consumed

	31 March 2017	31 March 2016
a. Raw material and components consumed		
Inventory at the beginning of the year	187.16	242.11
Add: Purchases	2,976.27	2,972.96
	3,163.43	**3,215.07**
Less: inventory at the end of the year	(249.25)	(187.16)
Cost of raw material and components consumed	**2,914.18**	**3,027.91**
b. Purchases of traded goods		
Purchases	8,948.92	8,416.80
Purchase of traded goods	**8,948.92**	**8,416.80**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

21. Increase/Decrease in Inventories

	31 March 2017	31 March 2016
Inventories at the end of the year		
Finished goods*	6,748.71	6,361.60
Work-in-progress	127.89	292.28
	6,876.60	6,653.88
Inventories at the beginning of the year		
Finished goods*	6,361.60	6,470.76
Work-in-progress	292.28	319.48
	6,653.88	6,790.24
(Increase)/Decrease in inventories before excise duty	**(222.72)**	**136.36**
Increase/(Decrease) of excise duty on change in inventories	**(59.81)**	**(64.88)**
	(282.53)	**71.48**
Details of inventory		
Finished goods*:		
Footwear	6,739.26	6,347.57
Accessories, garments and others	9.45	14.03
	6,748.71	**6,361.60**
Work-in-progress:		
Footwear	127.89	292.28
	127.89	**292.28**

*Finished goods include Stock in trade, as both are stocked together.

22. Employee Benefits Expense

	31 March 2017	31 March 2016
Salaries, wages and bonus	2,480.61	2,354.28
Contribution to provident and other funds	135.57	123.41
Gratuity expense (refer note 32)	22.01	21.52
Staff welfare expenses	93.69	115.72
	2,731.88	**2,614.93**

23. Finance Costs

	31 March 2017	31 March 2016
Interest Expense	40.34	17.43
	40.34	**17.43**

24. Depreciation and amortization expense

	31 March 2017	31 March 2016
Depreciation of tangible assets	646.30	784.73
Amortisation of intangible assets	4.06	3.49
	650.36	**788.22**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

25. Other expenses

	31 March 2017	31 March 2016
Consumption of stores and spares	34.64	31.04
Power and fuel	537.15	552.85
Rent	3,563.93	3,447.20
Bank charges	109.53	140.47
Insurance	69.48	67.51
Repairs and maintenance		
Plant and machinery	33.64	29.33
Buildings	61.13	63.84
Others	38.49	33.25
CSR expenses (Refer note 37)	60.02	17.85
Sales commission	665.31	716.63
Royalty	391.32	307.80
Legal and professional fees	182.71	148.00
Payment to auditor (Refer details below)	9.60	13.47
Freight	546.84	526.12
Rates and taxes	203.71	207.03
Advertising and sales promotion	241.96	236.88
Loss on Foreign Exchange Fluctuations (Net)	-	0.66
Technical collaboration fee	269.32	270.43
Allowance for doubtful debt, loans, advances	-	50.15
Loss on sale of fixed assets (net)	62.65	39.17
Miscellaneous expenses	562.85	438.33
	7,644.28	**7,338.01**

Payment to Auditors		
As auditor	7.80	9.72
In other capacity:		
Other Services	0.46	1.64
Reimbursement of expenses	1.34	2.11
	9.60	**13.47**

26. Exceptional Items

	31 March 2017	31 March 2016
Voluntary Retirement Scheme	216.69	-
Gain on assets received from erswhile JV (Refer Note 31)	-	(306.31)
Provision for contingencies written back (Refer Note 31)	-	(123.24)
Expenditure incurred on software development written off (Refer Note 42)	-	290.55
Sale of Brand	-	(608.07)
	216.69	**(747.07)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

27. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2017

	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	(14.10)	(14.10)
	(14.10)	(14.10)

During the year ended 31 March 2016

	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	(11.56)	(11.56)
	(11.56)	(11.56)

28. Distribution made and proposed

	31 March 2017	31 March 2016
Cash dividends on Equity shares declared and paid:		
Final dividend for the year ended on 31 March 2016: INR 3.50 per share (31 March 2015: INR 3.25 per share)	449.85	417.71
Dividend Distribution Tax on final dividend	91.57	85.04
	541.42	**502.75**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2017: INR 3.50 per share (31 March 2016: INR 3.50 per share)	449.85	449.85
Dividend Distribution Tax on proposed dividend*	91.48	91.48
	541.33	**541.33**

*Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March.

29. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the parent by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2017	31 March 2016
Profit attributable to equity holders (in millions)	1,589.51	2,173.90
	1,589.51	**2,173.90**
	No.	**No.**
Weighted average number of equity shares in calculating basic EPS (refer note 12)	128,527,540	128,527,540
Weighted average number of equity shares in calculating diluted EPS	128,527,540	128,527,540
Earnings per equity share in INR		
Computed on the basis of profit for the year		
Basic	**12.37**	16.91
Diluted	**12.37**	16.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

30. Note 22 includes R&D expenses of INR 42.81 million (Previous year INR 38.02 million) and Note 25 includes R&D expenses of INR 15.16 million (Previous year INR 21.72 million).

31. The Group in the earlier years, entered into a joint venture agreement for the development of the township at Batanagar with Riverbank Developers Private Limited (RDPL). Thereafter, in April 2010, while retaining the legal title over the land at Batanagar Project and shares in the erstwhile Joint Venture Company (RDPL), the Group restructured its agreements with revised terms and conditions and received 315,000 sq. ft. of employee housing recorded as fixed assets at INR 433.75 million and also recorded a liability of INR 216.24 million for obligation to be fulfilled. In December 2013, the Group had signed an addendum to the development agreement to receive further constructed area of 332,030 sq. ft against 325,000 sq. ft agreed in April 2010.

During the previous period, the Group had received approval from the West Bengal Government committee, inter alia, specifying that the Group had completed the obligations with respect to Batanagar factory, retail stores and employee housing and RDPL were to complete balance employee housing.

During the previous year, the Group had received possession of balance apartment measuring to 195,075 sq. ft. and recognized an exceptional income of INR 306.31 million, based on fair valuation undertaken by an independent valuer. Further, the management believes it had already discharged its obligations and had reassessed the provision for contingencies. Accordingly the Group had reversed the provision for contingencies of INR 123.24 million as exceptional income in the previous year.

32. Employee benefit plans

a) Gratuity and other post-employment benefit plans:

The Parent Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at the rate of 15 days salary (last drawn salary) for each completed year of service. The scheme is funded through the parent companies own trust.

The Parent Company has also provided long term compensated absences which are unfunded.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Reconciliation of fair value of plan assets and defined benefit obligation:

(INR million)

	31 March 2017	31 March 2016	1 April 2015
Fair value of plan assets	453.52	463.39	447.49
Defined benefit obligation	456.36	442.68	447.58
Plan asset / (liability)	**(2.86)**	**20.71**	**(0.09)**

Amount recognised in Statement of Profit and Loss:

(INR million)

	31 March 2017	31 March 2016
Current service cost	24.47	23.85
Net interest expense	(2.46)	(2.33)
Amount recognised in Statement of Profit and Loss	**22.01**	**21.52**

Amount recognised in Other Comprehensive Income:

(INR million)

	31 March 2017	31 March 2016
Actuarial changes arising from changes in financial assumptions	28.69	(6.50)
Return on plan assets (greater)/less than the discount rate)	(24.96)	4.63
Experience adjustments	17.83	19.55
Amount recognised in Other Comprehensive Income	**21.56**	**17.68**

Changes in the present value of the defined benefit obligation are, as follows:

(INR million)

	31 March 2017	31 March 2016
Defined benefit obligation at the beginning of the year	442.68	447.58
Current service cost	24.47	23.85
Interest expense	31.85	32.03
Benefits paid	(89.14)	(73.83)
Actuarial (gain)/ loss on obligations - OCI	46.52	13.05
Defined benefit obligation at the end of the year	**456.38**	**442.68**

Changes in the fair value of plan assets are, as follows:

(INR million)

	31 March 2017	31 March 2016
Fair value of plan assets at the beginning of the year	463.39	447.49
Contribution by employer	20.00	60.00
Benefits paid	(89.14)	(73.83)
Interest Income on plan assets	34.31	34.37
Return on plan assets greater/(lesser) than discount rate - OCI	24.96	(4.63)
Fair value of plan assets at the end of the year	**453.52**	**463.39**

The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity	**31 March 2017**	**31 March 2016**	**1 April 2015**
Investment Details	**Funded**	**Funded**	**Funded**
	100%	100%	100%
- With Insurer	50.23	54.20	52.91
- With Government securities and Bonds	3.36	4.64	4.39
- Bank Balances	1.88	-	-
-With Special deposit scheme	44.53	41.24	42.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

The principal assumptions used in determining gratuity liability for the Parent Company's plans are shown below:

	31 March 2017	31 March 2016	1 April 2015
	%	%	%
Discount rate	7.1	8.0	7.8
Salary Increase			
- Management	5%	5%	5%
- Non management	2%	2%	2%
Employee turnover			
Non Management			
20-24	0.5	0.5	0.5
25-29 and 55-60	0.3	0.3	0.3
30-34 and 50-54	0.2	0.2	0.2
35-49	0.1	0.1	0.1
Management			
20-25	5	5	5
26-35	3	3	3
36 and above	0.5	0.5	0.5

The estimates of future salary increases have been considered in actuarial valuation based on inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

(INR million)

Gratuity Plan	**Sensitivity level**		**Impact on DBO**	
	31 March 2017	**31 March 2016**	**31 March 2017**	**31 March 2016**
Assumptions				
Discount rate	1.00%	1.00%	(31.69)	(31.40)
	-1.00%	-1.00%	35.97	34.20
Future salary increases	1.00%	1.00%	35.93	34.76
	-1.00%	-1.00%	(32.38)	(31.40)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

(INR million)

	31 March 2017	31 March 2016
Within the next 12 months (next annual reporting period)	23.16	21.83
Between 2 and 5 years	179.41	176.45
Between 5 and 10 years	315.94	321.71
Total expected payments	**518.51**	**519.99**

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2016: 12 years).

b) Contribution to Defined Contribution Plans: **(INR million)**

	31 March 2017	31 March 2016
Pension fund	0.09	0.11

c) Provident Fund:

The Provident Fund (where administered by a Trust) is a defined benefit scheme where by the Parent Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to confirm to the interest rate declared by the government for the Employees Provident Fund. As per the Actuarial Society of India guidance note (GN21) for measurement of provident fund liabilities, the actuary has accordingly provided a valuation based on the below provided assumptions, there is no shortfall as at 31 March, 2017.

	31 March 2017	31 March 2016
Discount Rate	7.10%	7.65%
Expected Return on Exempt Fund	8.33%	8.68%
Rate of Return on EPFO managed PF	8.65%	8.80%
Mortality Rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate

(INR million)

	31 March 2017	31 March 2016
Contribution to provident and other funds	126.64	111.63

The detail of fund and plan asset position as at 31 March, 2017 is given below:

(INR million)

	31 March 2017	31 March 2016
Plan assets at fair value	4121.89	4,025.06
Present value of the defined benefit obligation	3491.92	3,431.93
Asset recognized in the balance sheet	NIL	NIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

33. Contingent Liabilities and Commitments

A. Contingent Liabilities

a) Claims against group not acknowledged as debts includes:

(INR million)

Nature	31 March 2017	31 March 2016
Excise, Customs and Service tax cases	148.40	148.40
Sales Tax Cases	21.80	21.80
Others*	273.85	355.12
Income Tax Cases**	132.92	424.11
Total	**576.97**	**949.43**

*Others include individually small cases pertaining to rent, labour etc.

** During the Financial Year 2012-13, the Parent Company had received an order of Commissioner of Income Tax under section 263 of the Income Tax Act, 1961 directing the assessing officer for re-computation of consideration adopted by Parent Company for computation of long term capital gain for A.Y. 2007-08 on transfer of development rights of Batanagar land to River Bank Holding Private Ltd (erstwhile JV company). The amount of tax liability is not mentioned in the order. The Company had filed an appeal to Income Tax Appellate Tribunal against the said order.

During the financial year 2015-16, the Parent Company had received an order of Commissioner of Income Tax under section 263 of the Income Tax Act, 1961 directing the assessing officer for re-computation of cost of construction adopted by Company for computation of long term capital gain for A.Y. 2007-08 on transfer of development rights of Batanagar land to River Bank Holding Private Ltd (erstwhile JV Company).

The Parent Company on the basis of consultant's advice believes that it has a good case and hence no provision there against is considered necessary. As per the agreement, liability of income tax on such transfer, if any, will be borne by the erstwhile JV Company.

On the basis of current status of individual cases and as per legal advice obtained by the Parent Company wherever applicable, the Company is confident that no provision is required, as per the relevant provisions of the Companies Act, 2013 in respect of these cases.

b) In August 2014, M/s Crocs Limited filed a suit on Bata India limited for trademark infringement. The Lower court passed an ex-parte injunction order which was later transferred to Hon'ble Delhi High Court on account of jurisdictional issue. The management based upon the legal opinion believes that the Parent Company has a strong case on merits and believes that no adjustment is required in the financial statements in this regard.

B. Commitments

Estimated amount of contracts remaining to be executed for capital expenditure and not provided for amounted to INR 109.48 million (Previous year: INR 65.09 million).

C. Leases

Assets Taken on Operating Lease

a) The Parent Company has taken various residential, office, warehouse and shop premises under operating lease agreements. The lease agreements generally have an escalation clause and there are no subleases. These leases are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreements.

b) The aggregate lease rentals payables are charged as 'Rent' in Note 25.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

(INR million)

Lease Rentals	31 March 2017	31 March 2016
Within one year	66.33	34.75
After one year but not more than five years	5.56	4.16
More than five years	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

34. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

	Carrying value			Fair value		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Financial assets						
Measured at Amortised cost						
Loans						
- Loans & Advances to related parties*	7.81	33.48	21.79			
- Investments in Bonds	5.00	5.00	-	4.90	4.90	4.90
- Security Deposits**	896.39	799.87	771.66			
Other Financial assets*						
- Interest accrued on deposits	192.60	85.70	84.55			
- Insurance claim receivable	0.51	16.36	3.42			
- Advances recoverable in cash or kind	69.08	103.37	139.62			
Trade Receivable*	694.08	709.96	583.99			
Cash & Cash equivalents*	617.80	898.99	521.71			
Other bank balances *	4,616.77	2,539.08	1,597.00			
Total	**7,100.04**	**5,191.81**	**3,723.74**	**4.90**	**4.90**	**4.90**
Financial liabilities						
Measured at Amortised cost						
Trade Payables*						
- Trade payables to Micro, small and medium enterprises	39.90	14.59	17.62			
- Trade payables to related parties	22.34	101.85	55.28			
- Trade payables to others	5,061.94	4,198.51	4,472.20			
Other financial liabilities						
- Payable for capital goods*	92.75	120.58	148.41			
- Deposit from agents and franchisees**	296.22	299.59	304.51			
- Unpaid dividend*	12.87	11.78	10.59			
Total	**5,526.02**	**4,746.90**	**5,008.60**	**-**	**-**	**-**

* The management assessed that Carrying Values approximate their fair value largely due to the short-term maturities of these instruments, hence the same has not been disclosed.

** The management assessed that Carrying Values approximate their fair value due to amortised cost being calculated based on the effective Interest rates, hence the same has not been disclosed.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of unquoted instruments, is estimated according to Fixed Income Market Valuation Procedure (FIMMDA) by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed In the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
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Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Fixed Income Market Valuation Procedure (FIMMDA)	Credit Spread	31 March 2017: 0.5 % - 1% 31 March 2017: 0.5 % - 1%	31 March 2017: 10% increase (decrease) in the credit spread would result in increase(decrease) in fair value by INR 4 thousand 31 March 2016: 10% increase (decrease) in the credit spread would result in increase(decrease) in fair value by INR 5 thousand

35. Capital Management

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group's policy is to keep the gearing ratio between 15% and 45%. The group includes within net debt, interest bearing loans and borrowings, trade and other payables(other than non-current trade payable), less cash and cash equivalents.

	31 March 2017	31 March 2016	1 April 2015
Trade payables (Note 14)	4,084.47	3,286.22	3,567.50
Other financial liabilities (Note 15)	401.84	431.95	463.51
Less: Cash and cash equivalents (Note 10)	617.80	898.99	521.71
Net debt	**3,868.51**	**2,819.18**	**3,045.80**
Total Capital	**13,243.23**	**12,209.24**	**10,549.65**
Capital and net debt	**17,111.74**	**15,028.42**	**13,595.45**
Gearing ratio(%)	**22.6%**	**18.8%**	**22.4%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

36. Derivative instruments and Unhedged foreign currency exposure

Derivative Instruments and Unhedged Foreign Currency Exposure, which are not intended for trading or speculation purpose.

Particulars of unhedged foreign currency exposures are as follows-

(INR millions)

Particulars of Unhedged foreign currency exposure	Currency	Amount in Foreign Currency		Amount in Indian Currency	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
Trade payables	USD	1345949.96@66.87	1,223,127.38 @ 66.70	90.00	81.58
Advance for Import purchases	USD	214881.72@67.07	50,714.39 @ 67.65	14.41	3.43
	EURO	-	2,454.07 @ 75.94	-	0.19
Advance from Customer	USD	12,233 @ 64.73	12,000 @ 66.35	0.79	0.80
Trade receivables	USD	611042.62 @ 64.84	630,269.86 @ 66.22	39.62	41.73
	EURO	7535@69.42	192,638 @ 75.06	0.52	14.46
	CHF	40488@64.89	39,806 @ 68.81	2.63	2.74

(Amount in INR millions)

37. Details of Corporate Social Responsibility Expenditure

(INR millions)

	31 March 2017	31 March 2016
(a) Gross amount required to be spent by the group during the year	58.38	57.06
(b) Amount spent on		
i) Promoting education at schools		
Direct	9.74	5.05
Agency	-	0.53
Total	**9.74**	**5.58**
ii) Promoting health and sanitation		
Direct	-	0.10
Agency	16.88	6.70
Total	**16.88**	**6.80**
iii) Eradicating poverty through happy feet initiative		
Direct	-	0.19
Agency	24.82	4.26
Total	**24.82**	**4.45**
iv) Promotion of Sports amongst the youth		
Direct	-	-
Agency	1.00	-
Total	**1.00**	**-**
v) Sustainable environment - Repair & Building of Rain Water Harvesting Structures		
Direct	0.80	-
Agency	-	-
Total	**0.80**	**-**
vi) Promoting skill development		
Direct	-	0.20
Agency	6.78	0.82
Total	**6.78**	**1.02**
Total Expnediture	**60.02**	**17.85**

*Included in CSR expenditure in Note 25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

38. Related party disclosures

Names of related parties and related party relationship

I. Related parties where control exists

a. Ultimate holding company	Compass Limited
b. Holding company	BATA (BN) B.V. The Netherlands
c. Other Related Parties*	Bata India Limited Gratuity Fund Bata India Limited Pension Fund

*Refer notes 32 for information on transactions with post employment benefit plans mentioned above enterprise controlled by the Group.

II. Related parties with whom transactions have taken place

a. Key management personnel	Rajeev Gopalakrishnan –Managing Director Ram Kumar Gupta – Director Finance w.e.f. 19.08.2015 Ranjit Mathur- Director Finance upto 19.08.2015 Kumar Nitesh – Managing Director Retail upto 04.11.2015 Uday Khanna (Independent Director) Ravi Dhariwal (Independent Director) (W.e.f. 27.05.2015) Akshay Chudasama (Independent Director) Anjali Bansal (Independent Director) Atul Singh (Independent Director) (upto 21.05.2014)
b. Enterprises in which director is interested	Shradul Amarchand Mangaldas & Co.
c. Fellow Subsidiaries with whom transactions have taken place during the year and previous period	Bata Shoe (Singapore) Pte. Ltd Global Footwear Services Pte Ltd Bata Malaysia SDN. BHD. Bata Shoe Co. (Kenya) Ltd Euro Footwear Holdings S.a.r.l Bata Shoe Co. of Ceylon Ltd. China Footwear Services Bata Industrials Europe-Netherland Bata Shoe Co. (Bangladesh) Ltd. International Footwear Investment B.V. Bata Brands S.a.r.l.- Luxemburg Futura Footwear Ltd. Bata Brands S.A. Empresas Commercial S.A. Manufactura Boliviana S A

III. Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

Company Secretary	Mr. Maloy Kumar Gupta

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

IV Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of the Transactions	Related Party		31 March 2017	31 March 2016
i. Sale of Goods	Empresas Comerciales S.A		**4.38**	6.50
	Bata Shoe Co. (Bangladesh) Ltd		**26.46**	27.69
	Bata Shoe Co. of Ceylon Ltd.		**30.78**	38.87
	Others		**0.08**	5.05
		Total	**61.70**	43.91
ii Reimbursement of Expenses to	Bata Malaysia SDN. BHD		**0.74**	1.22
	Global Footwear Services Pte Ltd.		**-**	3.14
	Bata Brands S.A.		**0.30**	0.72
	Bata shoe (Singapore) Pte Ltd.		**1.07**	1.1
	Bata shoe Company (Kenya) Ltd		**-**	0.9
	Futura Footwear Ltd		**0.15**	1.05
	Others		**-**	0.44
		Total	**2.26**	8.57
iii. Reimbursement of Expenses from	Euro Footwear Holdings S.a r.l.		**-**	8.85
	International Footwear Investment B.V.		**8.57**	9.61
	Global Footwear Services Pte Ltd.		**5.31**	25.87
	Bata Brands S.A.		**9.75**	-
	China Footwear Services		**4.65**	-
	Manufactura Boliviana S.A.		**3.19**	-
	Others		**-**	8.09
		Total	**31.47**	52.42
iv. Technical Collaboration Fees	Global Footwear Services Pte Ltd.		**233.48**	237.40
		Total	**233.48**	237.40
v. Royalty				
	Bata Brands S.A.		**36.73**	19.59
		Total	**36.73**	19.59
vi. Legal & Professional Fees	Shardul Amarchand Mangaldas & Co.		**0.35**	0.59
		Total	**0.35**	0.59
vii. Dividend Paid	BATA (BN) B.V. The Netherlands, Amsterdam		**238.23**	221.21
		Total	**238.23**	221.21

viii. Remuneration to Directors and other key managerial personnel *

Name of the Director/ Other Key Managerial Personnel	31 March 2017	31 March 2016
Rajeev Gopalakrishnan	**37.32**	40.35
Ram Kumar Gupta (w.e.f. 19.08.2015)	**16.40**	7.32
Ranjit Mathur (till 19.08.2015)	**-**	5.99
Kumar Nitesh (till 04.11.2015)	**-**	12.92
Maloy Kumar Gupta	**3.71**	3.58
Uday Khanna (Independent Director)**	**3.20**	3.79
Ravi Dhariwal (Independent Director) (w.e.f May 27, 2015)**	**2.32**	0.95
Akshay Chudasama (Independent Director)**	**1.90**	2.11
Anjali Bansal (Independent Director)**	**1.85**	1.43
Atul Singh (Independent Director) (upto May 21, 2014)**	**-**	0.44
Total	**66.70**	78.88

* As the liabilities for provident fund, gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

** As per the section 149(6) of the Companies Act, 2013, Independent Directors are not considered as "Key Managerial Person", however to comply with the disclosure requirements of Ind AS-24 on "Related Party Transactions" they have been disclosed as "Key Managerial Person".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

V. Balances outstanding as at the end of the year:

Nature of the Balance	Related Party		31 March 2017	31 March 2016
i. Trade Receivables	Empresas Comerciales S.A		**-**	-
	Bata Shoe Co. (Bangladesh) Ltd		**6.40**	-
	Bata Shoe Co. of Ceylon Ltd.		**14.23**	0.47
	Others		**-**	20.87
		Total	**20.63**	21.34
ii Trade payables - Reimbursement of Expenses to	Bata Malaysia SDN. BHD		**0.05**	2.3
	Global Footwear Services Pte Ltd.		**-**	1.87
	Bata Brands S.A.		**-**	0.69
	Bata shoe (Singapore) Pte Ltd.		**-**	0.25
	Bata shoe Company (Kenya) Ltd		**-**	-
	Futura Footwear Ltd		**-**	1.02
	Others		**-**	0.10
		Total	**0.05**	6.23
iii. Loans and advances	Euro Footwear Holdings S.a r.l.		**-**	12.35
	International Footwear Investment B.V.		**4.18**	2.00
	Global Footwear Services Pte Ltd.		**-**	13.43
	Bata Brands SA		**2.63**	-
	CFS China		**1.00**	-
	Others		**-**	6.67
		Total	**7.81**	34.45
iv. Other Liability - Advance from customers	Empresas Comerciales S.A		**0.24**	-
		Total	**0.24**	-
v. Trade payables - Technical collaboration Fees	Global Footwear Services Pte Ltd.		**17.77**	62.82
		Total	**17.77**	62.82
vi. Trade payables - Royalty	Bata Brands S.a.r.l.		**-**	10.49
	Bata Brands S.A.		**4.52**	22.84
		Total	**4.52**	**33.33**

VI Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal Activities	Country of Incorporation	%ge of Equity Interest		
			31-Mar-17	**31-Mar-16**	**1-Apr-15**
Bata Properties Limited	Letting of Properties	India	100%	100%	100%
Coastal Commercial & Exim Limited	Letting of Properties	India	100%	100%	100%
Way Finders Brands Limited	Trading of Apparels/footwear under Brand of CAT	India	100%	100%	100%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

39. Segment Reporting

Till September 30, 2015 for management purposes, the Company is organised into business units based on its products and services and has two reportable segments, as follows: Footwear & Accessories and Surplus Property Development As at 30th September 2015, the Company fulfilled all its obligations pertaining to the Surplus Property Development and hence thereafter, the Company operates in a single segment i.e. Footwear & Accessories.

(INR million)

Particulars	Footwear & Accessories		Surplus Property Development		Total	
	2017	2016	2017	2016	2017	2016
REVENUE						
External Turnover	25,043.36	24,559.12	-	-	25,043.36	24,559.12
Other income (also includes exceptional items)	243.51	324.11	-	429.55	243.51	753.66
RESULT	2,338.64	2,312.67	-	429.55	2,338.64	2,742.22
Unallocated Corporate Expenses						(18.83)
Operating Profit					2,338.64	2,723.39
Interest Expenses					-	(17.43)
Interest Income					-	259.52
Income Taxes					(749.13)	(791.58)
Net Profit					**1,589.51**	**2,173.90**
OTHER INFORMATION						
Segment assets	19,231.38	15,859.29	-	-	19,231.38	15,859.29
Unallocated corporate assets					-	1,471.28
Total assets					19,231.38	17,330.57
Segment liabilities	5,988.15	5,083.51	-	-	5,988.15	5,083.51
Unallocated corporate liabilities					-	37.82
Total liabilities					5,988.15	5,121.33
Capital expenditure	512.74	404.14	-	-	512.74	404.14
Depreciation	646.30	784.72	-	-	646.30	784.72
Amortisation	4.06	3.49			4.06	3.49

40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	31 March 2017	31 March 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year reported in Current Trade Payables		
Principal Amount Unpaid	**39.9**	14.59
Interest Due	-	-
The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year		
Payment made beyond the Appointed Date	**247.89**	145.37
Interest Paid beyond the Appointed Date	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

41. Capitalization of expenditure

During the previous period, the Company had capitalized the following expenses of revenue nature to the capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes were net of amounts capitalized by the Company.

Particulars	31 March 2017	31 March 2016
Legal & professional fees	-	25.54
Other Expenses	-	5.16
	-	30.70

42. Due to setbacks in implementation of ERP software and based upon internal assessment, the management believes that the ERP reimplementation would involve complete change in design and accordingly in the previous year has decided to charge of the expenditure of INR 290.55 million incurred on implementation, except for INR 56.06 million incurred on perpetual licenses which is being carried under intangible assets under development. The management is presently developing plans to initiate fresh implementation.

43. Mutation of names in respect of the shop premises in favour of subsidaries - Bata properties Limited and Coastal Commercial & Exim Limited.

44. Financial risk management objectives and policies

The Group's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Group’s operations . The Group’s principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

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 comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The primary market risk to the Group is foreign exchange risk. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the Group’s operating activities (when revenue or expense is denominated in a foreign currency).

The Group uses forward contracts to mitigate foreign exchange related risk exposures.When a forward contract is entered into for the purpose of being a hedge, the Group negotiates the terms of those contracts to match the terms of the hedged exposure. The Group's exposure to unhedge foreign currency risk as at March 31, 2017 and March 31, 2016 has been disclosed in note 36.

For the year ended March 31, 2017, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Group's profit before tax by (1.83) million/ 1.83 million respectively and Pre tax equity by (1.83) million/ 1.83 million respectively.

For the year ended March 31, 2016, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Group's profit before tax by (1.85) million/ 1.85 million respectively and Pre tax equity by (1.85) million/ 1.85 million respectively.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group generally doesn't have collateral.

Trade receivables and Security deposits

Customer credit risk is managed by business through the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables and security deposits are regularly monitored.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are Grouped into homogenous Groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 5. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(Amount in INR millions)

Liquidity risk

The Group's principal source of liquidity is cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding bank borrowings. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2017, the Group had a working capital of INR 8,670.65 Million including cash and cash equivalents of INR 617.80 Million . As of March 31, 2016, the Group had a working capital of INR 7,443.65 Million including cash and cash equivalents of INR 898.99 Million.

45. First time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the group prepared its financial statements in accordance with Indian GAAP.

Accordingly, the group has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the group's opening statement of financial position was prepared as at 1 April 2015, the group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the statement of financial position as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

i) **Exemptions applied**

Ind AS 101 allows first-time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

a) Property Plant & Equipment

As permitted by IND AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant & equipment. The same selection has been made in respect of Intangible Assets.

b) Determining whether an arrangement contain a lease :-

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement.

However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

ii) **Estimates**

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

46. Specified Bank Notes (SBNs)

Ministry Of Corporate Affairs issued an amendment to Schedule III of the Companies Act, 2013, regarding general instructions for preparation of Balance Sheet, to disclose the details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016.

The aforesaid disclosure is as follows:

Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand - 8.11.2016	41.76	71.74	113.50
+ Permitted receipts	-	883.74	883.74
- Permitted payments	-	44.79	44.79
- Amount deposited into banks	41.76	829.36	871.12
Closing cash in hand - 30.12.2016	**-**	**81.33**	**81.33**

Post demonetization, the management had directed all employees not to accept/ pay using the SBNs. Further, in view of the numerous locations where cash is collected the management has obtained a direct confirmation from one of the Bank confirming the collection of SBNs during the aforesaid period. For other banks, the Group had compiled the data on the basis of accounting records, bank statements and pay in slips for cash deposits during the period.

The aforesaid disclosures of SBNs have been compiled taking the management stated policy, direct bank confirmation and compilation of pay in slips.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

47. The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

a) Equity as at April 1, 2015 and March 31, 2016

b) Net profit for the year ended March 31, 2016

a) Reconciliation of equity as previously reported under IGAAP to Ind AS

	Notes	As at date of Transition 1 April 2015			As at 31 March 2016		
		As per previous GAAP	**Adjustment on Transition to Ind AS**	**1 April 2015**	**As per previous GAAP**	**Ind AS Adjustment**	**31 March 2016**
ASSETS							
Non-current assets							
Property, Plant and Equipment		3077.64	-	3077.64	3034.88	-	3034.88
Capital work-in-progress		165.80	-	165.80	134.34	-	134.34
Other Intangible assets		9.42	-	9.42	6.12	-	6.12
Intangible assets under development		315.91	-	315.91	56.06	-	56.06
Financial assets							
Loans	7	1109.23	(350.65)	758.58	1071.76	(310.31)	761.45
Other Financial Assets		0.20	-	0.20	13.85	-	13.85
Deferred tax assets (net)	3	876.15	(128.45)	747.70	1019.23	(128.44)	890.79
Other non-current assets	7	654.23	226.53	880.76	656.68	200.18	856.86
Current assets							
Inventories		7046.98	-	7046.98	6853.53	-	6853.53
Financial Assets							
Trade Receivables	10	584.19	(0.20)	583.99	709.96	-	709.96
Cash and cash equivalents		521.71	-	521.71	898.99	-	898.99
Other bank balances		1596.80	-	1596.80	2525.71	-	2525.71
Loans		34.87	-	34.87	76.90	-	76.90
Others current financial asset		227.59	-	227.59	204.95	-	204.95
Other current assets	7	144.59	95.56	240.15	227.91	78.27	306.18
Total Assets		**16,365.31**	**(157.21)**	**16,208.10**	**17,490.87**	**(160.30)**	**17,330.57**
EQUITY AND LIABILITIES							
Equity							
Equity Share capital		642.64	-	642.64	642.64	-	642.64
Other Equity	1,3,4,10,11,13	9,569.23	337.78	9,907.01	11,175.98	390.62	11,566.60
LIABILITIES							
Non-current liabilities							
Provisions							
Trade Payables		977.60	-	977.60	1,028.73	-	1,028.73
Current liabilities							
Financial Liabilities							
Trade Payables		3,567.50	-	3,567.50	3,286.22	-	3,286.22
Other financial liabilities	6	553.46	(89.95)	463.51	532.67	(100.72)	431.95
Other current liabilities	6,12	297.00	84.87	381.87	210.58	98.14	308.72
Current tax liabilities (net)		107.28	-	107.28	25.74	-	25.74
Provisions	1, 12	650.60	(489.91)	160.69	588.31	(548.34)	39.97
Total Equity and Liabilities		**16,365.31**	**(157.21)**	**16,208.10**	**17,490.87**	**(160.30)**	**17,330.57**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR millions)

b) **Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS**

	Notes	As per previous GAAP	Adjustment on Transition to Ind AS	As per IND AS
REVENUE				
Revenue from operations (Gross)	9	24585.74	(26.62)	24,559.12
Excise Duty	8	(332.05)	332.05	-
Revenue from operations (net)		24253.69	305.43	24,559.12
Other income	7	186.79	79.33	266.12
Total Revenue		**24440.48**	**384.76**	**24,825.24**
EXPENSES				
Cost of raw material and components consumed		3027.91	-	3,027.91
Purchase of traded goods		8416.80	-	8,416.80
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods		71.48	-	71.48
Excise duty	8	0.00	332.05	332.05
Employee Benefits Expense	2	2632.61	(17.68)	2,614.93
Finance Costs	6	17.23	0.20	17.43
Depreciation and amortization expense	11	752.70	35.52	788.22
Other Expenses	6,7,9,10	7285.62	52.39	7,338.01
Total expenses		**22204.35**	**402.48**	**22,606.83**
Profit before exceptional items and tax		2236.13	(17.72)	2,218.41
Exceptional Items		(747.07)	-	(747.07)
Profit before tax		2983.20	(17.72)	2,965.48
Tax expense:				
Current Tax	2	928.66	6.12	934.78
Tax for earlier years		(0.11)	-	(0.11)
Deferred Tax	6,7,11	(130.79)	(12.30)	(143.09)
Profit for the year		**2185.44**	**(11.54)**	**2173.90**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains/(losses) on defined benefit plans	2,4	-	(17.68)	(17.68)
Income tax effect	2,4	-	6.12	6.12
Other comprehensive income for the year, net of tax		-	(11.56)	(11.56)
Total comprehensive income for the year, net of tax		2185.44	(23.10)	2162.34

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016

1 **Provisions**

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting or paid.)

In the case of the Group, the declaration of dividend occurs after period end. Therefore, the liability of INR 488.70 million for the year ended on 31 March 2015 recorded for dividend has been derecognised against retained earnings on 1 April 2015. The proposed dividend for the year ended on 31 March 2016 of INR 541.33 million recognized under Indian GAAP was reduced from provisions and with a corresponding impact in the retained earnings.

2 **Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by INR 17.68 mn and remeasurement gains/ losses on defined benefit plans of INR 11.56 million (net of tax of INR 6.12 million) has been recognized in the OCI.

3 **Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of INR 128.45 million (31 March 2016: 128.44 million).

4 **Other comprehensive income**

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

5 **Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

6 **Financial Liabilities**

Based on Ind AS - 109, financial liabilities in the form of long term deposits from agents have been accounted at fair value at date of transition and subsequently measured at amortised cost using the effective interest rate method. Therefore the Other financial liabilities reduced by INR 100.72 million as at March 31, 2016 and INR 89.95 million as at April 1, 2015 and Unearned revenue have been increased by INR 91.13 million as at March 31, 2016 and INR 83.68 million as at April 1, 2015 with corresponding increase in retained earnings by INR 6.28 million (net of tax of INR 3.33 million) as at March 31, 2016 and INR 4.1 million (net of tax of INR. 2.17 million) as at April 1, 2015. Consequently for the year ended March 31, 2016, the Finance expense has been increased by 0.20 million and Other Expense has been decreased by 3.52 million.

7 **Financial Assets**

Based on Ind AS - 109, financial Assets in the form of long term interest free deposits to landlords have been accounted at fair value at date of transition and subsequently measured at amortised cost using the effective interest rate method. Therefore, the Other Non-current Loans has been reduced by INR 310.31 million as at March 31, 2016 and INR 350.65 million as at April 1, 2015, Other Current assets has been increased by INR 78.27 million as at March 31, 2016 and INR 95.56 million as at April 1, 2015 , Other non current assets has been increased by INR 200.18 million as at March 31, 2016 and INR 226.53 million as at April 1, 2015 and corresponding impact of INR 20.83 million(net of deferred tax of INR 11.03 million) as at March 31, 2016 and INR 18.68 million (net of deferred tax of INR 9.88 million) as at April 1, 2015 has been adjusted to the retained earnings. Consequently for the year ended March 31, 2016, the Finance income & Other expense has been increased by 79.33 million and 82.73 million respectively.

8 **Sale of goods**

Under Indian GAAP, sale of goods was presented as net of excise duty and differential excise duty on opening and closing stock of manufactured goods is adjusted from Increase/Decrease in inventories. However, under Ind AS, sale of goods includes excise duty and Excise duty is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by INR 332.05 million for the year ended March 31, 2016 with a corresponding increase of INR 332.05 in excise duty on sales on face of statement of profit and loss account.

9 **Cash Discount**

Under Previous GAAP, the discount given on Sales for early payment was recognised as an expense in the statement of profit and loss. However as per IND AS, if the discount is known at time of transfer of risk and reward then the same needs to be adjusted through revenue, accordingly Group has adjusted the revenue by INR 26.63 million with corresponding decrease in other expenses.

10 **Trade receivables**

Under Indian GAAP, the Group has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the group impaired its trade receivable by INR 0.2 million on 1 April 2015 which has been eliminated against retained earnings. Earlier during the year ended March 31, 2016 the group has impaired the receivables amounting to INR 8 million, however as per ECL the Impairment loss is calculated as 7.8 million, accordingly other expenses has been reduced by INR 0.2 million.

11 **Depreciation of property, plant and equipment**

Pursuant to the applicability of Schedule II of the Companies Act,2013 w.e.f. 1st April, 2015, the Group had reassessed the estimated useful lives of fixed Assets and accordingly depreciation of INR 35.53 mn on account of assets whose useful life is already exhausted as on 1st April, 2015 has been adjusted to opening balance of retained earnings in terms of transitional provision of the said Schedule II. However As per Ind AS, the change in useful lives needs to be effected from the year in which useful lives were changed, accordingly depreciation for the year has been increased by INR 35.53 million and corresponding deferred tax has been increased by INR 12.30 million.

12 **Deferred revenue**

The Group operates a loyalty point programme, which allows customers to accumulate points when they purchase products in the Group's retail stores and Bata online Portal. The points can be redeemed for free products, subject to a minimum number of points being obtained. Under Indian GAAP, the Group creates a provision toward its liability under the reward programme. Under Ind AS, consideration received is allocated between the products sold and the points issued on a relative stand-alone selling price basis. If the stand-alone selling price for a customer's option to acquire additional goods or services is not directly observable, the Group estimates it. Fair value of the points is determined by applying a statistical analysis. The fair value allocated to the points issued is deferred and recognised as revenue when the points are redeemed. On the date of transition, the Group has deferred revenue of INR 1.21 million (31 March 2016: INR 7.01 million). Accordingly the provision has been reduced by INR 1.21 million as at 1 April 2015 and INR 7.01 million as at 31 March 2017 with a corresponding increase in Other current liabilities by INR 1.21 million as at 1 April 2015 and INR 7.01 mn as at 31 March 2017.

13 **Revaluation Reserves**

Under the Indian GAAP the Group has revalued the property plant and equipment and was carrying the revaluation reserve in the financial statements. During the transition to Ind AS the Group has elected to carry IGAAP cost as deemed cost of property plant and equipment at the date of transition to Ind AS. hence an increase of INR 175.12 million (net of tax) was transferred from Revaluation reserve to General Reserve.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
(Amount in INR millions)

48. Additional information under general instructions for the preparation of consolidated financial statements of Schedule III to the Companies Act, 2013

S.No.	Name of the Entity	Net Assets, i.e. total assets minus liabilities as at				Share in profit or loss for the year ended			
		31 March 2017		31 March 2016		31 March 2017		31 March 2016	
		As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount	As % of Consolidated profit & loss	Amount	As % of Consolidated profit & loss	Amount
Parent	Bata India Limited	99.69%	13,202.76	99.69%	12,170.83	99.87%	1,587.45	100.09%	2,175.94
Subsidiaries									
1	Bata Properties Limited	0.37%	49.49	0.39%	47.93	0.10%	1.55	0.42%	9.02
2	Coastal Commercial & Exim Limited	0.01%	1.31	0.01%	0.94	0.02%	0.38	0.01%	0.26
3	Way Finders Brands Limited	(0.09%)	(10.33)	(0.09%)	(10.46)	0.01%	0.13	(0.52%)	(11.32)
Total			**13,243.23**		**12,209.24**		**1,589.51**		**2,173.90**

49. Previous Year's figures have been regrouped/reclassified, wherever necessary, to conform to the classification of current year.

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration number: 301003E/E300005
Chartered Accountants

Per Sanjay Vij
Partner
Membership no.: 95169
Place: Gurgaon
Date: May 15, 2017

For and on behalf of the Board of Directors

Uday Khanna
Chairman
DIN: 00079129

Rajeev Gopalakrishnan
Managing Director
DIN: 03438046

Maloy Kumar Gupta
Company Secretary
Membership no.: A-24123

Ram Kumar Gupta
Director Finance
DIN: 01125065

Form No. MGT-11
PROXY FORM
[Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the Companies (Management and Administration) Rules, 2014 and Regulation 44(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

CIN : L19201WB1931PLC007261
Name of the Company : BATA INDIA LIMITED
Registered office : 27B, Camac Street, 1st Floor, Kolkata-700 016
Name of the Member(s) :
Registered Address :
E-mail Id :
Folio No. / DP & Client Id :

I / We, being the Member(s) of ________________ shares of the above named Company, hereby appoint

1	Name	:		
	Address	:		
	E-mail Id	:	Signature :	, or failing him
2	Name	:		
	Address	:		
	E-mail Id	:	Signature :	, or failing him
3	Name	:		
	Address	:		
	E-mail Id	:	Signature :	

as my / our proxy to attend and vote on a poll for me / us and on my / our behalf at the Eighty Fourth Annual General Meeting of the Company, to be held on Tuesday, the 18th day of July, 2017 at 10:00 a.m. at 'Kalamandir', 48, Shakespeare Sarani, Kolkata- 700017 and at any adjournment(s) thereof in respect of such Resolutions as are indicated below:

RESOLUTION NUMBER	PARTICULARS OF RESOLUTION
Resolution 1 (Ordinary Resolution)	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 (both Standalone and Consolidated basis), together with the Reports of the Auditors and the Board of Directors thereon.
Resolution 2 (Ordinary Resolution)	To declare a Dividend for the financial year ended March 31, 2017. The Board recommended a Dividend of Rs. 3.50 per Equity Share of Rs. 5/- each, fully paid-up.
Resolution 3 (Ordinary Resolution)	To appoint a Director in place of Mr. Shaibal Sinha (DIN: 00082504), who retires by rotation and being eligible, offers himself for re-appointment.
Resolution 4 (Ordinary Resolution)	To appoint the Auditors and fix their remuneration.

Signed this _____ day of _______________ 2017.

Signature of Shareholder:

Affix Revenue Stamp

Signature of Proxy holder(s):

Note: **i. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company or at the office of the Registrar and Transfer Agent i.e. M/s. R & D Infotech Pvt. Ltd., 7A, Beltala Road, 1st Floor, Kolkata- 700026, not less than 48 hours before the commencement of the Meeting.**

ii. Please mark the envelope "BATA PROXY".

iii. The Proxyholder may vote either for or against each resolution in the Meeting, provided that he / she or the Member (s) has / have not casted the vote through remote e-voting facility.

ROUTE MAP TO THE AGM VENUE
"Kalamandir", 48, Shakespeare Sarani, Kolkata - 700 017

SNAPSHOT FY 2016-17

Business Highlights

// Added 59 Bata stores, 30 Hush Puppies and 11 Footin stores.
// Store renovations to create better ambience & remerchandising to have contemporary collections.
// Single Town Stores focus with remerchandising, staff training & store productivity.
// Area Optimization initiative to deliver savings.
// Retail Productivity drive to increase store UPT supported with smart pricing execution.
// Ecommerce growth momentum continued during the year with partnerships & bata.in & revamped mobile app.
// Cumulative Bata Club membership reached 13 mn members.

AWARDS AND ACCOLADES

DUN & BRADSTREET CORPORATE AWARD 2017

IMAGES RETAIL AWARD 2016

MOST ADMIRED RETAILER OF THE YEAR - 'FOOTWEAR'

BATA INDIA LIMITED

(CIN: L19201WB1931PLC007261)

Corporate Office: Bata House, 418/02, M.G. Road, Sector - 17, Gurgaon - 122002, Haryana
Telephone: 0124 3990100, 3990115, Fax: 0124 3990116/118, Email: customer.service@bata.co.in

Registered Office: 27B, Camac Street, 1st Floor, Kolkata - 700016, West Bengal
Phone: 033 39802001, Email: corporate.relations@bata.com, Website: www.bata.in