Bata

Date: July 26, 2018

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 Limited Exchange Plaza, 5th Floor, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	The Secretary The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata - 700001
BSE Security Code: 500043	NSE Symbol: BATAINDIA	CSE Scrip Code: 10000003

Dear Sirs,

Sub: Submission of Annual Report for the financial year 2017-18

In continuation with our earlier communication dated June 25, 2018 and pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a copy of the Annual Report of Bata India Limited ('the Company') for the financial year 2017-18 which was duly approved and adopted at the 85th Annual General Meeting of the Members of the Company held at 'Kalamandir', 48, Shakespeare Sarani, Kolkata - 700017 on Friday, July 20, 2018 at 10:00 a.m. as per provisions of the Companies Act, 2013 and Rules made thereunder.

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

ARUNITO GANGULY (FCS 9285)
Assistant Vice President,
Company Secretary & Compliance Officer

Encl: As above

Bata

ANNUAL REPORT 2017-18

Stylishly Ahead

Bata India Limited

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Bata®

STYLISHLY AHEAD

For decades, Bata was synonymous with quality and comfort. Now, the legendary shoe brand has been bestowed with one more accolade – Stylishly Ahead.

The game-changing styles, the hottest fashion trends and a matchless craftsmanship to boast of, the new age Bata has it all. And this is being reflected in the awe and admiration of its consumers; old and new.

To drive home this cool new image, Bata has teamed up with India's young style icons – Smriti Mandhana, the opener of the Indian Women's Cricket Team, as the brand ambassador for its iconic sports/fitness brand 'Power', and Kriti Sanon, the Bollywood diva, as the new face of the brand, reaching out to modern Indian women. On the back of this momentum, the Company opened many new stores and took its much loved articles to stores in Tier-II and Tier-III towns across the country. At the same time, Bata India took inspiration from the brand's global retail concept, launching its internationally conceptualized 'Red Angela Store Concept' in Kolkata and Delhi. Bata also made its presence felt in the Milan Fashion Weekend, attracting fashion enthusiasts, influencers and ambassadors from all over the world.

Bata has transformed itself into a vibrant and modish lifestyle brand, successfully adding onto its beloved legacy. But the journey never ends, only the destination changes. So, it's time to head towards the next part of this journey. It's time to step ahead and stay ahead.

Mamita Debbarma
fbb Colors Femina Miss India Tripura 2018

WE ARE BATA INDIA

Bata India Limited, established in the year 1931, is the largest retailer and manufacturer of footwear in the country. Our four state-of-the-art production facilities are located strategically across the country and produces all kinds of footwear. We have a strong Pan-India retail presence with more than 1,375 stores across cities. In recent times, we have been adding more large format stores every year.

Besides owned stores, Bata brand is also available through a large network of dealers. Bata, the name, stands synonymous with quality and has been the trustworthy footwear partner for the Indian consumers. 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 endeavor to provide consumers with a fresh new collection, every season. We keep introducing trendy and exciting products for instance the new Men's Premium collection, Ballerina collection, Power XO Rise, Mesmerize by Marie Claire, 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 MISSION

- We help people to look and feel good
- We become the customer's destination of choice
- We attract and retain the best people
- We remain the most respected Footwear Company

OUR VISION

- To make great shoes accessible to everyone

OUR UNIVERSE IN NUMBERS

4	Strategically located manufacturing units
21	Mn footwear pairs production capacity per annum
47	Mn footwear pairs sold this year
3.01	Mn sq.ft. of retail space across india
8477	Employees across functions and location
26363	Mn Turnover in FY 2017-18
1375	Retail Stores across India

OUR GLOBAL PARENTAGE

At Bata India Limited, we are a growing Indian unit of Switzerland headquartered Bata Shoe Organization, a global footwear and accessory enterprise. The organization is structured into three geographic units, namely Bata Europe, Bata Emerging Markets (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 Organization serve more than 1,000,000 consumers every day.

BOARD OF **DIRECTORS**

STANDING
(LEFT TO RIGHT)

Mr. Akshay Chudasama, Independent Director; Mr. Rajeev Gopalakrishnan, Managing Director; Mr. Shaibal Sinha, Non-Executive Director; Mr. Ravindra Dhariwal, Independent Director; Mr. Ram Kumar Gupta, Director Finance and Chief Financial Officer; Mr. Sandeep Kataria, Whole-time Director and Chief Executive Officer

SITTING
(LEFT TO RIGHT)

Mr. Christopher Kirk, Non-Executive Director; Ms. Anjali Bansal, Independent Director; Mr. Uday Khanna, Chairman and Independent Director

MANAGEMENT TEAM

FRONT ROW (LEFT TO RIGHT)

Mr. Uttam Kumar, Chief Merchandising Manager; Mr. Ram Kumar Gupta, Director Finance and Chief Financial Officer; Mr. Rajeev Gopalakrishnan, Managing Director; Mr. Sandeep Kataria, Whole-time Director and Chief Executive Officer; Mr. Anand Narang, Vice President - Marketing and Customer Services; Mr. Hitesh Narayan Kakkar, Vice President-Quality; Mr. Ankur Rastogi, Vice President-Sourcing

BACK ROW (LEFT TO RIGHT)

Mr. Sanjay Kanth, Senior Vice President-Manufacturing & Sourcing; Mr. Arunito Ganguly, Assistant Vice President, Company Secretary & Compliance Officer; Mr. Sandeep Amritlal Bakhshi, Senior Vice President-Distribution Business; Mr. Vijay Shrikant Gogate, Vice President - Famous Brands & Retail Operations (FSC); Mr. Kumar Sambhav Verma, Vice President - eCommerce; Mr. Vinod Kumar Mangla, Chief Internal Auditor; Mr. Vikas Baijal, Senior Vice President - HR; Mr. Pankaj Gupta, Assistant Vice President - Retail (FAM) - West & South; Mr. Rupesh Bhagchandani, Vice President - MEP & Franchisee Operations; Mr. Ankur Kohli, Vice President- Real Estate; Mr. Matteo Lambert, Chief Collection Manager; Mr. Manoj Goswani, Senior Vice President - Legal

AT THE HELM BOARD OF DIRECTORS

MR. UDAY KHANNA
CHAIRMAN AND INDEPENDENT DIRECTOR

Mr. Uday Khanna is currently the Non-Executive Chairman of Bata India Limited. 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 Limited.

Mr. Khanna was the Managing Director and CEO of Lafarge India from July 2005 to July 2011 and subsequently its Non-Executive Chairman till September 24, 2014. He joined the Lafarge Group in Paris in June 2003 as the Senior Vice President of 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 Senior Vice President of Finance, Unilever for Asia, based in Singapore. He has also been on the Board of Hindustan Unilever as the Director of Exports, after having served as the Financial Controller and the Treasurer of the company. He has also worked as the Vice Chairman of Lever Brothers in Nigeria and the General Auditor for Unilever in North America, based in the USA.

Mr. Khanna is a Commerce Graduate and a Chartered Accountant (FCA). He was the President of the Indo-French Chamber of Commerce & Industry in 2008-2009, and the President of the Bombay Chamber of Commerce & Industry in 2012-2013. He was awarded the 'Ordre National du Merite' by 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 and is also a Director on the Governing Board of the Anglo-Scottish Education Society – Cathedral School.

MR. RAJEEV GOPALAKRISHNAN
MANAGING DIRECTOR

Mr. Rajeev Gopalakrishnan, Managing Director, holds a Bachelor's in Mechanical Engineering from the University of Kerala. He joined Bata Shoe Organization (BSO) in the year 1990, and has since been associated with the company. With a rich experience of 28 years, he has previously handled the positions of the Director of Wholesale Channels, Sales & Marketing with Bata International - Canada, and the Vice President of Bata India Limited in Retail Operations and Wholesale Division. Before joining as the Managing Director of Bata India Limited in October 2011, Mr. Gopalakrishnan was the Managing Director of Bata Retail Stores for a period of 9 months. He was previously the Managing Director of Bata Bangladesh for a period of one year, and the Managing Director of Bata Thailand for a period of 3 years.

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

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

Mr. Gopalakrishnan, with his visionary 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. He was conferred with the 'Udyog Ratna Award' and the 'Certificate of Excellence and Gold Medal' by The Institute of Economic Studies in 2014, became the 'Retail Professional of the Year' in CMO Asia Summit at the 2015 Asia Retail Conference, and received the prestigious 'EY Entrepreneur of the Year 2015' (Finalist Award). Recently, the World Consulting & Research Corporation (WCRC) bestowed upon him the honour of 'India's Most Trusted CEO' in 2017.

MR. SANDEEP KATARIA
WHOLE-TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr. Sandeep Kataria is a business leader with more than two and half decades of experience in the consumer and retail industry across developing and developed markets.

Mr. Kataria was appointed as the Country Manager of Bata India Limited with effect from August 1, 2017. He was elevated to the Board of Directors of Bata India Limited with effect from November 14, 2017 as the Whole-time Director and Chief Executive Officer. He has been tasked with the transformation of the footwear giant into a contemporary brand appealing to modern India.

Prior to taking charge of Bata India Limited, Mr. Kataria was at Vodafone India as the Chief Commercial Officer. The IIT Delhi and XLRI Jamshedpur alumnus has also held general management and top sales & marketing posts at Yum Restaurants, the owners of KFC, Pizza Hut and Taco Bell chains in India & Europe. His longest stint of more than 17 years was at the consumer goods company, Unilever, where he was responsible for building and managing Indian and global markets across the Home & Personal Care categories and brands like Lux, Lifebuoy, Rin & Comfort.

MR. RAM KUMAR GUPTA
DIRECTOR FINANCE AND CHIEF FINANCIAL OFFICER

Mr. Ram Kumar Gupta is the Director of Finance and Chief Financial Officer of Bata India Limited. Mr. Gupta is a Bachelor of Commerce with Honours [B.Com (Hons.)] and a Chartered Accountant (FCA) with over 30 years of experience in different positions in Bata Shoe Organization (BSO). He joined Bata India in July 1986 and has had an extremely successful and rewarding career. His last assignment in Bata India was as Senior Vice President - Finance from January 2011 to January 2013.

Mr. Gupta was assigned a challenging role as the Finance Director of Bata Shoe Company Kenya Ltd. in February 2013, which he held till his relocation to India in July 2015. In this overseas assignment, along with 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, during his tenure in India, Kenya, Tanzania and Uganda, have achieved record profits with improved profit margins through various cost saving initiatives and innovative methods.

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

MR. CHRISTOPHER MACDONALD KIRK
NON-EXECUTIVE DIRECTOR

Mr. Christopher MacDonald Kirk is a British Citizen and holds a Bachelor's in Science with Honours [B.Sc (Hons.)] from the University of Wales, United Kingdom. Mr. Kirk started his career in April 1981 with the SGS Group, the world's largest testing and inspection company, and later became the General Manager of the company's operations in New Zealand. He also held several senior positions at the company in Thailand, Ghana, Singapore and Australia. In 2002, he was appointed to the Operations Council, the management body of the SGS Group, and was subsequently appointed as the Chief Operating Officer of South East Asia/Pacific Region. In 2003, he became the Executive Vice President of Minerals and Environment Services based in Geneva. He was also responsible for 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 92,000 personnel in 150 countries worldwide. As CEO, he had varied international experience with a focus on Europe, Africa and Asia, along with key leadership experience in both regional and business line roles. He was also part of a senior leadership team tasked with restructuring of the group.

As the 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 the CEO, he was elected to the Board of Directors of SGS.

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

MR. RAVINDRA DHARIWAL
INDEPENDENT DIRECTOR

Mr. Ravindra Dhariwal is the co-founder and Chairman of Sagacito Technologies, a data analytics firm that specialises in helping enterprises maximise their revenues. In a career spanning 38 years, he has built consumer businesses all over the world.

Just prior to co-founding Sagacito, he 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.

Mr. Dhariwal was also the worldwide President of International News Media Association from 2011 to 2013. Prior to joining Bennett & Coleman, he worked with PepsiCo for 12 years. He was Pepsi's first employee in India, helping them set their roots in the country. He also led the Beverage Business in India, Africa and South East Asia. He started his career with Unilever in India in 1977, and worked for them in both India and Australia for over 12 years, mostly in Sales and Marketing management. He is an Engineer from IIT Kanpur and an MBA from IIM Calcutta.

MS. ANJALI BANSAL
INDEPENDENT DIRECTOR

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 was CEO of 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. 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 as well as Delhivery. 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 and continues to be an advisor to SEWA. She is a charter member of TiE, serves on the managing committee of the Indian Venture Capital Association, angel investor and mentor to Facebook SheLeadsTech, NITI Aayog's Atal Innovation Mission and others. An active contributor to the dialogue on corporate governance and diversity, she 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. 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 and a Masters in International Finance and Business from Columbia University. Recently the Central Government has appointed her as Non-Executive Chairperson of Dena Bank.

MR. AKSHAY CHUDASAMA
INDEPENDENT DIRECTOR

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

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

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

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. He has more than 31 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 the Executive Director of Finance, based in Gurgaon, and worked till September 2010.

Mr. Sinha moved to Singapore in 2011 to the Bata group company as the Regional Finance Director of Bata Emerging Markets.

FROM THE **DESK** OF THE **MANAGING DIRECTOR**

MR. RAJEEV GOPALAKRISHNAN
MANAGING DIRECTOR

Dear Shareholders,

I am very happy and proud to share with you the overall performance of the Company for the financial year 2017-18. The previous year was very exciting and dynamic for us. Not only have we grown in our top line & bottom line, we have continued to push hard and double down on our agenda of making our brand more vibrant, contemporary and aligned towards the newer and younger consumers.

We kept our focus on our global strategies of "Product is King" and "Wow Pricing", and we've seen the results in our stores already. Our products are contemporary and in-line with the consumer demands, at prices which are better than our competitors. The Company has a renewed rigour and focus on its marketing activities. Keeping in mind the latest trends and the competitive scenario, we have launched great consumer campaigns. This well thought-out strategy has paid off as we see some healthy numbers with our turnover reaching Rs. 26,363 Million in 2017-18.

As we all know, women and kids footwear are the fastest-growing segments in our country. In view of this, the Company has continuously launched a wide portfolio of flagship products for women and kids. In the men's segment, we've focussed on contemporary shoes as well as the sports and athleisure categories. This strategy has strongly reinforced the brand's positioning across the country.

Last year started on a strong footing. The first quarter saw the high-decibel launch of many new collection, which included international styles for women, such as the Bata Insolia range, probably the world's most comfortable heels.

India is on a growth path, and the Company has endeavoured to stay abreast with the market and keep evolving its products with value additions. This has helped Bata to get to a higher price point in cities with a strong focus on contemporary and fashionable designs. With a sharp focus on driving product and operational cost efficiencies while ensuring a smooth transition to GST, we managed to ensure higher standards of consumer experience and returns to our stakeholders.

Sports lifestyle is the new standard of living. This opened a big opportunity for working with Power, one of the most widely-distributed sports brands in the country. In view of leveraging these new consumer trends, Bata launched the Power Glide Steam and N-Walk collections, promoting them digitally through the #WalkWithPower Campaign featuring Miss India World 2015, Aditi Arya. Keeping up with its image of being a youthful and trendy brand, Bata India also brought a complete new set of buyers to the stores with its exciting casual and sporty Tweens collection for those aged between 10 and 14 years.

To create a deeper connect with the young audience of our country and to capitalize on cricket, India's favorite sport, we got on board Smriti Mandhana, the opener of Indian Women's Cricket Team, as the new brand ambassador of our sports brand Power. Smriti is promoting Power's latest range - XO Rise, which are running shoes with more rebound and Power Glide Vapor lightweight with memory foam for added comfort. Both these collections are available in Bata stores across the country. Starring Smriti Mandhana sporting the new Power range – XO Rise Genesis, Glide Vapor and Speedy – we launched our 360 degree campaign #FindYourPower TV Campaigns for Power shoes, encouraging people to have a healthier and more active lifestyle.

Cricket and movies are two of India's greatest passions, and we have left no stone unturned to ensure that we have achievers from both these fields representing what Bata stands for. We signed on young and acclaimed Bollywood actress, Kriti Sanon, as the new face for Bata India. With a huge fan base comprising mostly GenNext, Kriti brings to the brand her youthful and fresh energy. She is promoting our brands that are popular with the youth and can be seen in our latest TV Campaign 'Come and be Surprised at Bata' showcasing the latest and trendy women's collections.

We opened our first standalone Power store in Noida, inaugurated by Mr. Alexis Nasard, Global CEO, Bata Shoe Organisation, and Bollywood actress Diana Penty. On popular demand, Bata also brought back its iconic Ambassador collection in a much more comfortable, premium and contemporary avatar.

The areas that naturally draw in today's youngsters are beauty and sports. With good efforts being made under the sports segment, we then signed on Miss India 2017 Manushi Chillar as the face of our festive season collection that comprised of evening party and formal wear. Manushi then went on to win the coveted Miss World Crown. This further motivated us to be associated with the pageant, and this year, too, we are their official footwear partner.

Our biggest assets are our stores across the country. To give our consumers the best value for the brand and products, we have invested in making the in-store experience more consumer friendly and utilized the benefits of digital technology. Our new larger-format stores, combined with better visual merchandising have helped us grow tremendously. Premiumisation, fashion and technology-driven comfort, have also helped drive footfall into our stores. All our Bata Flagship stores have been renovated across India to reflect a European theme.

In the fourth quarter, we launched our first 'Red Angela Store Concept' in Kolkata and Delhi with a red and white "colour touch" standardised format, creating a homogeneous layout that has instant brand recall for Bata stores across the world. LED lighting in the shelves, headers highlighting products, white lounge seats encouraging self-service in consumers and a redefined sports shoe wall with red square graphics accentuating key sports products are among the new introductions to these concept stores.

Our non-urban market is as important as the urban market. The non-urban market has seen an impressive growth coming from Tier-II and Tier-III cities. Bata has launched new store concepts with clutter-free aesthetics and visual impact in smaller towns in the current financial year.

Women segment is one of the fastest growing segments in the country. Respecting the spirit of womanhood, our Company has not only focussed on great products for women but also a great experience in our stores. We've constantly pushed for more diversity in our stores with a larger female workforce. Bata also launched the first ever 'All-Women Store' in Bengaluru with contemporary and stylish designs for professionals as well as athleisure wear.

Additional footfall was generated through various marketing initiatives, including the TV Campaign 'Me. And Comfortable With It', that showcased the new, confident image of Bata India. We also organised the first edition of the Bata Fashion Event in New Delhi, which was attended by leading fashion editors, bloggers and influencers. The event coincided with a visit by the Global CEO – Mr. Alexis Nasard and Global CMO – Mr. Thomas A. Bata.

Being a Multi-National Company, we organised a 'Bata Fashion Weekend', the first of which was held in Prague last year and was attended by fashion editors and journalists from across the globe. Its resounding success led to a second edition this year in Milan, where we took more than 10 media influencers to witness the grand spectacle with Bata's global upcoming and trendy collections for men and women.

The Company continues to push strongly its digital agenda and our digital sales have rocketed last year as well. We relaunched our website with a much trendier and user-friendly UX/UI. Our partnerships with e-commerce players like Amazon, Flipkart, Myntra etc. have grown deeper and more meaningful. This has helped us grow continuously and profitably in our digital business. We've also debuted our much-awaited Home Delivery service in Delhi and NCR using digital tools. This service provides a great consumer experience and better conversion at the same time.

All of this would mean nothing to us as a Company if we are not able to give back to the society by serving and enhancing people's lives. Our unique CSR campaign 'The Ballerina Project', was launched in Kolkata to empower the girl child, in association with Project Nanhi Kali that provides quality education to over 1,35,000 underprivileged girls across India.

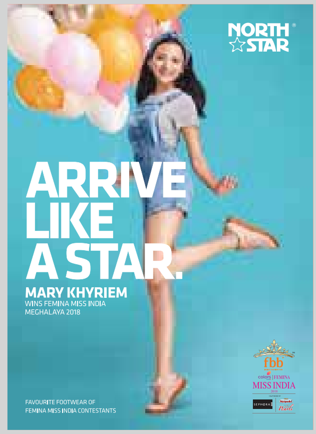
New appointments to the Bata team were made keeping in mind the re-positioning and evolution of the brand. Mr. Sandeep Kataria was appointed by the Board of Directors on November 14, 2017 as the Whole-time Director and Chief Executive Officer and also a Key Managerial Person (KMP) of the Company.

We have had an exciting and eventful year and would not have achieved any of this without the loyalty and commitment of our greatest asset - our employees.

As we have successfully transitioned into becoming the evolved brand that we are today, we are ready to take on the needs of the changing tech-savvy buyer and we are well-equipped to provide them with a world-class global shopping experience, both at the urban and rural levels. Going forward, all our footwear solutions will mirror the latest customised and individualistic consumer demands and while we continue this journey, we will pick up many valuable lessons. I would like to thank you for trusting us and coming along with us on this wonderful journey that began more than 8 decades ago.

I invite you all to come and be surprised at Bata!


NEW
BATA RED LABEL
COLLECTION
Step in before
you step out.
Kriti Sanon
For you. From New York.
Bata
Be Surprised


NORTH STAR
ARRIVE
LIKE
A STAR.
MARY KHYRIEM
WINS FEMINA MISS INDIA
MEGHALAYA 2018
fbb
MISS INDIA
FAVOURITE FOOTWEAR OF
FEMINA MISS INDIA CONTESTANTS


Bata
Makes
every place
a fashion
runway.
marie claire


power
FIND YOUR
POWER...
Smriti Mandhana
25% MORE REBOUND
GUARANTEED
THE NEW
power
XRISE
DESIGNED IN CANADA

MARKETING **MILESTONES**

Developing and implementing a strong marketing strategy is crucial for the new image and positioning of the brand Bata. Last year was all about constructing clear goals and objectives and defining ways to meet these with specific strategies and tactics. Our research and understanding of our target audience as well as aligning our marketing strategies and initiatives across advertising, public relations and digital marketing with Bata's global vision and values of Integrity, Respect, Accountability and Community, have seen all our efforts bear fruit.

Being a global company it has been our endeavour to leverage the best of international fashion for our millennial consumer. It has led to the creation of our annual global fashion property - the 'Bata Fashion Weekend'. Its second edition was held in Milan and showcased upcoming trends in global footwear. We also mirrored this concept in India by hosting our own 'Bata Fashion Event' which not only helped increase the fashion quotient of the brand, but also drive perception change amongst Indian youth. Top Indian influencers from the media fraternity were brought on board to see and experience our fashion forward collections.

Amplification of the offline event happened online through live coverage to reach the younger consumer. Various formats and mediums were used in real-time like Facebook Live, Instagram stories, live tweets, behind the scenes footage, Boomerangs with influencer engagement across media and bloggers.

Driven by a clear vision to target the youth in India, 2017-18 saw Bata rope in brand ambassadors – two young and influential women, a first in 20 years. We got on board achievers from fields that every Indian obsesses about - Cricket and Bollywood. In February this year, we saw Smriti Mandhana, the Opener of the Indian Women's Cricket Team, being announced as the new brand ambassador of our iconic sports and fitness brand 'Power'. The objective was to establish Power's association with Smriti Mandhana and position Power as a brand for the active-lifestyle conscious consumer.

The media reported the tie-up and the campaign with a lot of enthusiasm that Bata has taken pride in doing what other brands usually don't do – giving due credit and support to Indian women cricketers. The philosophy of brand 'Power' has always been to aspire people towards a fit and healthy lifestyle. We launched #FindYourPower Campaign with Smriti Mandhana featuring the Power XO Rise Genesis, Glide Vapor & Speedy range of shoes. They were well received by the audience.

Engagements across Facebook & Instagram increased with campaign promotions. In April this year, we also roped in a brand ambassador for Bata India, the vivacious, young and trendy Bollywood actress Kriti Sanon. Bata India has taken various steps to reinvent its image, evident in the fresh and trendy new collections that have been successfully drawing in young buyers to its stores. In order to reiterate its commitment to the GenNext, your Company rolled out its new campaign 'Come & Be Surprised' to promote its latest Red Label Collection with Kriti Sanon. The TVC strengthens Bata's existing credibility amongst the older audience, while at the same time, appealing to the younger generation.

The announcement reflects Bata's conscious strategy to move towards becoming the go-to fashion brand for people in the 25-35 year-old range. It is targeted at women who have grown up on Bata school shoes, yet over the years might have ceased to associate the brand as being fashionable and stylish. The media, advertising and digital marketing campaigns successfully strengthened Bata's position as a contemporary, must-have brand for the youth as well as the style savvy consumer.

We also celebrated 123 years of Bata, in-line with our global brand manifesto—Me. And comfortable with it. The TV Campaign highlighted the brand's admiration for women in a very special way. It presented a glimpse of the transformation in Bata's image and product line and went on to become the core of our marketing strategy for the Indian market.

Our association with the Miss India beauty pageant was given a boost when Miss India Manushi Chillar went on to win the Miss World Crown. She was also the face of our Festive Season Collection and we launched Fashion-Forward collection leveraging Manushi, thereby creating a lot of buzz on social media.

The success of associating with Miss India beauty pageant last year and seeing Manushi Chillar eventually lift the Miss World Crown, had Bata India partner the pageant as their official footwear partner this year as well. Establishing Bata firmly in style conversations throughout the pageant season, 13 state winners also graced the Bata stores all over the country and brought alive the conversation around styling, fashion and the need for great shoes in life. It was heartening to see the local press and influencers across all these cities from as far as Gangtok in Sikkim reporting on the store visits and giving their best wishes to the contestants. Bata will also be awarding the honour of "Miss Ramp Walk" in the finals of the pageant in 2018.

A global initiative by Power was adopted in India using a local celebrity for promoting two new sporty Power products — Glide Steam and N-Walk collections. Former Miss India Aditi Arya was roped in as an influencer to promote the campaign on Facebook & Instagram. Leveraging a social media celebrity helped in creating appeal among the young consumers and helped in increasing the campaign reach.

Keeping our momentum going on the iconic Power brand, this year we opened our first ever stand-alone store in Noida, inaugurated by Mr. Alexis Nasard, Global CEO, Bata Shoe Organisation and Bollywood actress Diana Penty. This is the first ever Power store in the world. Power is designed in Canada and its newest range - XO Rise (running shoes with 25% more rebound) and Glide Vapor (sock-fit light-weight walking shoes with memory foam) are among the latest, exciting collections on showcase at this store.

Our stores, by virtue of being the visage of our brand, remain the most important aspect of our marketing, strategy and investment. We have invested in breathtaking visual merchandising windows for our major global launches - Insolia for women & Power XO Rise. Top stores have focussed on storytelling techniques with 3D elements and props. Lit backdrops for premium campaign connect, in-store highlight zones, European-inspired décor, trained stylists to recommend collections, in-store wow zones, background music and other measures that appeal to all senses of our consumers, have been rolled out across India.

Our VMRD initiatives saw a big boost with the introduction of the 'Red Angela Store Concept' in India. This new format introduces Indian consumers to a global concept that exposes them to an improved in-store visual merchandising experience, unified throughout all Bata stores across the world with a predominent red & white colour theme. We've married visual merchandising with thematic windows so magnificently that each product on display comes alive.

We are also proud to share that the newly introduced 'Power Wall' was created by Bata India and went on to win the finalist award in the Bata Awards, 2017. It was further nominated as a finalist for the category "In-store Tech & Digital Experience" for the VMRD Awards 2018.

The consumer experience is measured for continuous improvement of our store-service. All our stores are now fully compliant with the popular e-wallet payments, and our staff has been trained to help consumers in downloading, installing and using these e-wallet apps.

Bata has always stood for 'footwear for all' and that is why our marketing activities are not just restricted to the metros and bigger cities but also the Tier-II and Tier-III cities across India to generate more footfall and further enhance our long-standing commitment to serve consumers across the length and breadth of the country.

Overall 2017-18 has been all about storytelling through our marketing initiatives and this financial year will further enhance the Bata shopping experience for our consumers in India.


MRS. SARAH BATA




Bata
SCHOOL HEALTH PROGRAMME



Bata
SCHOOL HEALTH PROGRAMME
BATA INDIA LTD.
Bata Children's Program
Giving children a step ahead

Bata


CORPORATE **SOCIAL RESPONSIBILITY**

The Company works on the belief of its founding family members that organizations should exist to serve a social purpose and enhance the lives of people connected through the business. Thus, we have 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 programmes, which benefit the communities in the vicinity of its operational presence and, result in enhancing the quality of life of the people in those areas.

KEY INITIATIVES - CORPORATE SOCIAL RESPONSIBILITY 2017-2018

Focus on core value of 'Improving lives':

- Worked closely with schools to improve the quality of education;
- Undertook training of under privileged youth in retail sales;
- Organised footcare awareness workshops for school children; and
- Donated shoes to under-privileged communities.

SCHOOLS – BATA CHILDREN'S PROGRAMME (BCP)

We upgraded infrastructure in schools through renovating classrooms, providing classroom furniture, and promoting STEM (Science, Technology, Engineering and Math) education by setting up computer and science labs. We also worked on the project 'I Love Science' in collaboration with an organization that conducts creative science workshops with children to garner interest in the subject by using custom Science Kits. In schools, as part of our preventive healthcare programme and promotion of life skills, we sponsored health checkup camps and conducted workshops for students, on themes like menstrual hygiene and good touch, bad touch for the girl child, personal hygiene, substance abuse, nutrition, etc.

During the year, we worked with around 3,000 children in 6 schools situated across the country, near the areas of our business operations. With a focus on promoting education for the girl child, programmes are formulated and implemented in the right direction.

We believe that education should be holistic and integral, touching upon physical, emotional and aesthetic development in addition to academics.

EMPOWERING THE GIRL CHILD THROUGH SPECIALLY DESIGNED BALLERINAS

The Company launched its unique CSR campaign, 'The Ballerina Project', from the Bata Store in Kolkata's South City Mall in March 2018. Focussed on empowering the girl child, the project aims to create a substantial positive effect in the social and economic fabric. The programme will commence in India in association with Project Nanhi Kali, an initiative jointly managed by the K. C. Mahindra Education Trust and the Naandi Foundation.

For the project, Bata India has introduced specially designed Ballerinas, created with eye-catching illustrations by children from schools adopted by the Bata Children's Programme (BCP), a global programme for disadvantaged children. These drawings have been selected through a theme-based drawing competition organised across 30 countries for children aged 6-8 years. The shortlisted drawings have been incorporated in the inner sole of the Ballerinas. With each pair of these special Ballerinas that gets sold, Bata would contribute some amount to project Nanhi Kali. With the money provided through the Bata Ballerina Project, Nanhi Kali will provide girls with a 360-degree educational programme through academic support classes, where trained tutors will engage them in concept-based learning.

EMPLOYABILITY TRAINING

Bata India's vocational skills project is in line with the Prime Minister's 'Skill India Campaign', and is based on the belief of empowering youth from the underprivileged community. Through this project, we aim to develop employability skills to enable them to find good jobs, which would lead to better living standards and economic growth. We are in the process of training 200 youth in retail sales at Bengaluru, Coimbatore and Hyderabad.

BATA HAPPY STEPS PROGRAMME

We often worry about our teeth, eyes, and other parts of our body. We learn washing, brushing, and grooming. But we ignore our developing feet, which have to carry the entire weight of the body throughout your lifetime. Just like with adults, foot care for children is vital to their health and well-being. But caring for kids' feet isn't exactly the same as caring for your own feet. Their delicate toes and soles are still growing and therefore require special attention and proper shoes.

To address this need, Bata conducted awareness workshops for school children on foot care and hygiene.

OUR PARTNERS

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

PARTNERS	SPECIALIZATION	PROJECT
SHARP (School Health Annual Report Programme)	School health programme	BCC (Behaviour Change Communication) workshops for school children
HLFPPT (Hindustan Latex Family Planning Promotion Trust)	School health programme	BCC (Behaviour Change Communication) workshops for school children
NIIT Foundation	Computer education	'Hole in the Wall' computer project in schools
Ingenuity EduLabs LLP	Creative science workshops	Science workshops for school children
Sambhav Foundation	Vocational skills	Training partner for retail sales
Centum Foundation	Vocational skills	Training partner for retail sales
Agastya International Foundation	Science labs	Science labs in schools
K. C. Mahindra Education Trust	Education	Nanhi Kali
Sugam NGO	Education	Non-formal school for children

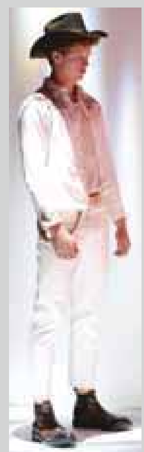
HUMAN CAPITAL & NEW INITIATIVES

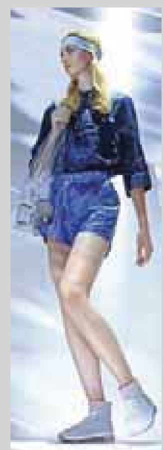
Bata has been continuously working to improve human resource skills, competency and capabilities, which are critical for achieving the desired results in line with our strategic business ambitions. Some major initiatives were taken during the year 2017-18 in this direction.

Our Retail Training Academy imparted training to 412 District Managers and Store Managers for a duration of 10-12 weeks. 2091 Sales Promoters were also trained in product and customer service at our stores. Furthermore, as part of our continuous learning initiative, we implemented online learning modules for our store staff. The modules, available on smartphones as well as tablets 24x7, feature videos, presentations, quizzes and tests developed in-house by our training team. Employees can select a course of their choice, learn at their own pace, and take self-assessments to judge their progress and achieve proficiency. Career-linked learning plans have been configured in the system with well-defined courses for easy access. Completing these modules leads to certification, which adds to the employees' career graphs.

Lastly, to retain the top talent within the organization, the Company has strengthened the goal setting and measurement process throughout the year, supported by structured development plans for high-potential people to move into different roles. This has resulted in higher retention levels across the organization. As on March 31, 2018, we have 4,698 permanent employees on the roll.

BATA WORLD IN PHOTOGRAPHS





Bata brought the second edition of the Bata Fashion Weekend to Milan. This year, the whole venue revolved around the concept of “The Sound of Style”, featuring an engaging combination of music, design and craftsmanship. Bata Fashion Weekend hosted guests from all over the world, including members of Bata’s Executive Committee like Group CEO, Alexis Nasard and Group CMO, Thomas A. Bata, President of Bata Africa, Alberto Errico & Bata Kenya Advertising Manager, Keziah Kabutu among many others. Various activities like Bata Red Label Corner, Canvas shoe painting, watch party and performances added an oomph to the event.

It is the second consecutive year, that Bata has been the official footwear partner to Miss India pageant. Bata invited the Miss India state-winners to come and visit the Bata stores. They were all smiles and happily interacted during the store visits.

AWARDS AND ACCOLADES

IMAGES Most Admired Footwear Brand of the year 2017
at the 18th Annual IMAGES Fashion Awards

Featured among
AFAQ'S 2017 India's Buzziest Brands

DUN & BRADSTREET CORPORATE AWARDS 2017

BATA INDIA LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Uday Khanna	Chairman and Independent Director
Mr. Ravindra Dhariwal	Independent Director
Mr. Akshay Chudasama	Independent Director
Ms. Anjali Bansal	Independent Director
Mr. Christopher Kirk	Non-Executive Director
Mr. Shaibal Sinha	Non-Executive Director
Mr. Rajeev Gopalakrishnan	Managing Director
Mr. Sandeep Kataria	Whole-time Director and Chief Executive Officer *[with effect from November 14, 2017]*
Mr. Ram Kumar Gupta	Director Finance and Chief Financial Officer

AUDIT COMMITTEE

Mr. Ravindra Dhariwal	Chairman
Mr. Uday Khanna	Member
Mr. Akshay Chudasama	Member
Ms. Anjali Bansal	Member
Mr. Christopher Kirk	Member
Mr. Shaibal Sinha	Member

NOMINATION AND REMUNERATION COMMITTEE

Ms. Anjali Bansal	Chairperson
Mr. Uday Khanna	Member
Mr. Ravindra 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. Ravindra Dhariwal	Member
Mr. Christopher Kirk	Member
Mr. Sandeep Kataria	Member
Mr. Ram Kumar Gupta	Member
Mr. Sanjay Kanth	Member (SVP-Manufacturing & Sourcing)
Mr. Vikas Baijal	Member (SVP-Human Resources)
Mr. Vinod Kumar Mangla	Member (Chief Internal Auditor)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Arunito Ganguly *[with effect from December 15, 2017]*

EXECUTIVE COMMITTEE

Mr. Rajeev Gopalakrishnan
Mr. Sandeep Kataria
Mr. Ram Kumar Gupta
Mr. Sanjay Kanth
Mr. Vikas Baijal
Mr. Vijay Shrikant Gogate
Mr. Kumar Sambhav Verma
Mr. Anand Narang
Mr. Sandeep Bakhshi
Mr. Uttam Kumar
Mr. Matteo Lambert
Mr. Ankur Rastogi

CORPORATE IDENTITY NUMBER (CIN)

L19201WB1931PLC007261

INVESTOR RELATIONS MANAGER

Mr. Jyotirmoy Banerjee
Share Department
27B, Camac Street, 1st Floor,
Kolkata - 700016, West Bengal
Telephone : (033) 2289 5796 ; 2301 4421
Fax : (033) 2289 5748
E-mail : share.dept@bata.com

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s. R & D Infotech Private Limited
7A, Beltala Road, 1st Floor,
Kolkata - 700026, West Bengal
Telephone : (033) 2419 2641 / 2642
Fax : (033) 2419 2642
E-mail : bata@rdinfotech.net / info@rdinfotech.net

REGISTERED OFFICE

27B, Camac Street, 1st Floor,
Kolkata - 700016, West Bengal
Telephone: (033) 2301 4400
Fax: (033) 2289 5748
E-mail: corporate.relations@bata.com

BANKERS

State Bank of India
HDFC Bank Limited

AUDITORS

M/s. B S R & Co. LLP
Chartered Accountants
Building No.10, 8th Floor, Tower-B,
DLF Cyber City, Phase - II,
Gurugram - 122002, Haryana

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, West Bengal

PRACTISING COMPANY SECRETARY

M/s. S. M. Gupta & Co.
Company Secretaries
P - 15, Bentinck Street,
Kolkata - 700001, West Bengal

CORPORATE OFFICE

Bata House
418/02, M.G. Road, Sector - 17,
Gurugram - 122002, Haryana
Telephone: (0124) 3990100
Fax: (0124) 3990116 / 118
E-mail: in-customer.service@bata.com

BATA INDIA LIMITED

CIN: L19201WB1931PLC007261
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Telephone: +91 33 2301 4400 I Fax: +91 33 2289 5748
E-mail: corporate.relations@bata.com I Website: www.bata.in

NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighty Fifth Annual General Meeting of the Members of Bata India Limited ('the Company') will be held at **'KALAMANDIR', 48, Shakespeare Sarani, Kolkata - 700017** on **Friday, July 20, 2018** at **10:00 a.m.**, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 (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, 2018. The Board recommends a Dividend of Rs. 4/- per Equity Share of Rs. 5/- each, fully paid-up.

3. To appoint a Director in place of Mr. Christopher MacDonald Kirk (DIN: 07425236), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To appoint Mr. Sandeep Kataria as a Director of the Company**

   To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** Mr. Sandeep Kataria (DIN: 05183714), who was appointed as an Additional Director on the Board of Directors of the Company on November 14, 2017 to hold office upto the date of this Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. **To appoint Mr. Sandeep Kataria as the Whole-time Director and Chief Executive Officer of the Company and to fix his remuneration**

   To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 2(18), 2(94), 196, 197, 198 and 203 read with Schedule V to the Companies Act, 2013, consent of the Company be and is hereby accorded to the appointment of Mr. Sandeep Kataria (DIN: 05183714), as the Whole-time Director and Chief Executive Officer of the Company (with such other designation or designations as the Board of Directors may determine and deem fit to confer on Mr. Sandeep Kataria from time to time) for a period of five consecutive years with effect from November 14, 2017 on the terms and conditions contained in the Agreement executed by and between Mr. Sandeep Kataria and the Company, salient features of which are specified in the Explanatory Statement under Section 102 of the Companies Act, 2013 annexed to this Notice, with liberty to the Board of Directors to vary the terms including increase in remuneration within the limits prescribed under the Act and as may be mutually agreed to by and between Mr. Sandeep Kataria and the Company from time to time."

By Order of the Board

ARUNITO GANGULY
Assistant Vice President,
Company Secretary & Compliance Officer
ICSI Membership No.: FCS 9285

Place : Gurugram
Date : May 22, 2018

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Rules framed thereunder, in respect of the Special Business under Item Nos. 4 and 5 of the accompanying Notice are annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EIGHTY FIFTH 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 the 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.

3. 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 Directors seeking appointment / re-appointment at the AGM is provided hereunder.

4. As required under SS-2 issued by ICSI, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed in page no. 181 of Annual Report and forms part of this Notice.

5. 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.

6. 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 'Share Department' of the Company at the Registered Office at least seven working days prior to the AGM, so that the required information can be made available at the AGM.

7. 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 Agent (RTA) of the Company, at their 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, i.e., *www.bata.in* at "Investor Information" under "Investor Relations" category.

8. 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 Wednesday, July 11, 2018 to Friday, July 20, 2018 (both days inclusive).

9. Dividend on Equity Shares, as recommended by the Board of Directors of the Company, for the financial year ended March 31, 2018, if declared, at the AGM, will be paid to:

   i. those Members whose names appear in the Register of Members of the Company at the end of business hours on Tuesday, July 10, 2018, after giving effect to all valid share transfers in physical mode lodged with the Company / RTA on or before Tuesday, July 10, 2018.

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 Tuesday, July 10, 2018.

10. Members holding shares in physical mode are requested to immediately notify any change in their address along with self-attested copy of address proof i.e., Aadhaar Card / Electricity Bill / Telephone Bill / Driving License / Passport / Bank Passbook particulars to the Company or its RTA and in case their shares are held in dematerialized mode, this information should be notified / submitted directly to their respective DPs.

11. 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 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.

12. In all correspondence with the Company, Members holding shares in physical mode are requested to quote their Folio numbers and in case their shares are held in the dematerialized mode, Members are requested to quote their DP Id and Client Id.

13. Pursuant to erstwhile Section 205 of the Companies Act, 1956, all unclaimed / unpaid dividends up to the financial year ended December 31, 1993 were transferred to the General Revenue Account of the Central Government. Consequent upon amendments of erstwhile Sections 205A and 205C of the Companies Act, 1956 and introduction of Sections 124 and 125 of the Companies Act, 2013, and subsequent amendments thereof, 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, including the amounts which were transferred to General Revenue Account, 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 Company has transferred 229948 underlying Equity Shares, in aggregate in respect of 2401 Members on which dividends remained unpaid or unclaimed for a period of seven consecutive years or more, to the Demat Account of IEPF Authority maintained with National Securities Depository Limited (NSDL).

15. In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the IEPF Rules as amended from time to time, the Equity Shares in respect of which dividend remains unclaimed / unpaid for seven consecutive years or more, 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 publication of Notice(s) in daily Newspapers, *viz.*, '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 along with 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 the website of the Company, i.e., *www.bata.in* under the 'Investor Relations' category.

16. Members are informed that once the unclaimed / unpaid dividend is transferred to the designated account of IEPF and shares are transferred to the Demat Account of the 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 and the specified procedure to claim refund of dividend amount / shares along with an access link to the refund webpage of IEPF Authority's website for claiming the dividend amount / shares has been provided on the Company's website, i.e., *www.bata.in* under the "Investor Relations" category.

17. The Company has requested the Members vide its letter dated January 25, 2018 who have not encashed their dividend warrant for the financial year ended December 31, 2010 onwards, to claim the amount of dividend from the Company immediately. The unclaimed / unpaid dividend amount, if not encashed before the due date as mentioned in Point No.18 below will be transferred to IEPF established by the Government of India.

18. During the financial year ended March 31, 2018, the Company has deposited a sum of Rs. 894294/- (Rupees Eight Lacs Ninety Four Thousand Two Hundred and Ninety Four only) into the specified bank account of the IEPF, Government of India, towards unclaimed / unpaid dividend for the financial year ended December 31, 2009. The due dates for transfer of the unclaimed / unpaid dividend relating to subsequent years to IEPF are as follows:

Dividend for the Financial Year ended	Due date for transfer to IEPF
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
March 31, 2017	22/08/2024

* *The financial year ended March 31, 2015 comprised of fifteen months from January 1, 2014 to March 31, 2015.*

19. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all Members holding shares in physical form. Therefore, the Members are requested to submit their PAN and Bank Account details to the 'Share Department' of the Company at the Registered Office or to M/s. R & D Infotech Pvt. Limited, the Registrar and Share Transfer Agent (RTA) of the Company. In this regard, the Members are requested to submit a duly signed letter along with self-attested copy of PAN Card(s) of all the registered Members (including joint holders). Members are also requested to submit original cancelled cheque bearing the name of the sole / first holder. In case of inability to provide the original cancelled cheque, a copy of Bank Passbook / Statement of the sole / first holder duly attested by the Bank, not being a date earlier than one month may be provided. Members holding shares in demat form are requested to submit the aforesaid documents to their respective Depository Participant (s).

20. 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 copies of their Income Tax Permanent Account Number (PAN) Card. Additionally, for securities market transactions and / or for off market / private transactions involving transfer of shares in physical mode for listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copies 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).

21. 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 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.

22. The Ministry of Corporate Affairs (MCA), Government of India has introduced '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 its 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 Initiative of the MCA and to protect our environment.

23. 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.

24. All documents referred to in the accompanying Notice and the Explanatory Statement 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, West Bengal. 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, Gurugram-122002, Haryana. Inspection by the Members can be done on any working day between 11:00 a.m. and 1:00 p.m. upto the date of AGM of the Company and shall also be available at the venue of the AGM.

25. **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 as amended by 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 cast 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**:

    How do I vote electronically using NSDL e-Voting system?

    The way to vote electronically on NSDL e-Voting system consists of "**Two Steps**" which are mentioned below:

    Step 1: Login to NSDL e-Voting system at *https://www.evoting.nsdl.com*.

    Step 2: Cast your vote electronically on NSDL e-Voting system.

DETAILS ON STEP 1 ARE GIVEN BELOW:

How to Login to NSDL e-Voting website?

1. Open the web browser by typing the URL: *https://www.evoting.nsdl.com* either on a Personal Computer or on a Mobile.

2. Click on icon “Login” available under “Shareholder” section.

3. Enter your User Id, Password and also a verification code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e., IDEAS, you can login at *https://eservices.nsdl.com* with your existing IDEAS login. Once you login to NSDL e-services after using your login credentials, click on e-voting and you can proceed to Step 2 i.e., directly to cast your vote electronically.

4. Your User Id details are given below :

Manner of holding shares i.e., in Demat Account or in Physical Form	Your User Id is:
a) For Members who hold shares in Demat Account with NSDL.	8 Character DP Id followed by 8 Digit Client Id. For example if your DP Id is IN300*** and Client Id is 12****** then your User Id is IN300***12******
b) For Members who hold shares in Demat Account with CDSL.	16 Digit DP Id and Client Id. For example if your DP Id and Client Id is 12************** then your User Id is 12**************
c) For Members holding shares in Physical Form.	EVEN followed by Folio Number registered with the Company. For example if Folio Number is 001*** and EVEN is 101456 then User Id is 101456001***

5. Your Password details are given below:

   a. If you are already registered with NSDL for remote e-voting then you can use your existing User Id and Password to login and cast your vote.

   b. If you are using NSDL e-Voting system for the first time, you are required to retrieve the “Initial Password” which was communicated to you. Once you retrieve your “Initial Password”, you need to enter the “Initial Password” and the system will direct you to change your “Initial Password”.

   c. How to retrieve your “Initial Password”?

      (i) Open the e-mail and open the PDF file viz.: “BataIndiaLimited_e-voting.pdf”. The Password to open the pdf file is your 8 digit Client Id of NSDL Demat Account or the last 8 digits of Client Id of CDSL Demat Account or Folio Number for shares held in Physical form. The said PDF file contains your User Id and “Initial Password” for remote e-voting purpose.

      (ii) If your e-mail Id is not registered, your “Initial Password” is communicated to you on your registered postal address.

6. If you are unable to retrieve or have not received the “Initial Password” or have forgotten your Password:

   a. If you are holding shares in Demat Account with NSDL or CDSL, click on icon “Forgot User Details / Password?” available on *www.evoting.nsdl.com*.

b. If you are holding shares in physical mode, click on icon "Physical User Reset Password?" available on *www.evoting.nsdl.com.*

c. If you are still unable to get the Password by following aforesaid two options, you can send your request at evoting@nsdl.co.in mentioning your DP Id and Client Id / Folio Number, your PAN, your name and your registered postal address.

7. Tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now click on icon "Login".
9. Home page of remote e-voting opens.

DETAILS ON STEP 2 ARE GIVEN BELOW:

How to cast your vote electronically on NSDL e-Voting system?

1. Click on remote e-voting: "Active Voting Cycles".
2. Select "EVEN" of Bata India Limited.
3. Now you are ready for remote e-voting as "Cast Vote" page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify / modify the number of shares for which you wish to cast your vote and thereafter click on icon "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you have confirmed after voting on the Resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR MEMBERS

1. 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.

2. It is strongly recommended not to share your Password with any other person and you must take utmost care to keep your Password confidential. Login to e-voting website will be disabled upon five unsuccessful login attempts with incorrect details. In such an event, you will require to reset the Password by clicking on the icon "Forgot User Details / Password" or "Physical User Reset Password" available on *www.evoting.nsdl.com*.

3. In case of any queries, 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 or alternatively at evoting@nsdl.co.in. For any further assistance, you may contact Mr. Jyotirmoy Banerjee, Investor Relations Manager at Telephone No. (033) 2289 5796 or at e-mail id: share.dept@bata.com.

4. 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).

5. The remote e-voting period commences on Tuesday, July 17, 2018 (09:00 a.m.) and ends on Thursday, July 19, 2018 (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 13, 2018, 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 a Member, the Member shall not be allowed to change it subsequently.

6. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date i.e., July 13, 2018.

7. Any person, who acquires shares in the Company and becomes a Member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date i.e., July 13, 2018, may obtain the Login User Id and Password by sending a request at evoting@nsdl.co.in or share.dept@bata.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing User Id and Password for casting your vote.

8. 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 venue through electronic means, if not participated through remote e-voting.

9. Mr. Pawan Kumar Sarawagi of M/s. P. Sarawagi & Associates, Company Secretaries (Membership No.: FCS-3381 and C.P. No. 4882), Narayani Building, Room No. 107, 1st Floor, 27, Brabourne Road, Kolkata – 700001, 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.

10. The Chairman shall at the AGM 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.

11. 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 presence of at least two witnesses, not in the employment of the Company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, within 48 hours of conclusion of the AGM, 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.

12. The declared results along with the report of the scrutinizer shall be placed on the Company's website i.e., *www.bata.in* under "Investor Relations" category and on the website of NSDL immediately after the declaration of the result by the Chairman or a person authorized by him in writing. 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 at the Corporate Office in Gurugram.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (AS AMENDED)

Item Nos. 4 & 5: Appointment of Mr. Sandeep Kataria (DIN: 05183714) as a Director and also as the Whole-time Director and Chief Executive Officer of the Company and fixing his remuneration

Mr. Sandeep Kataria (Mr. Kataria) is a business leader with more than two and half decades of experience in the consumer and retail industry across the developing and developed markets.

Mr. Kataria was appointed as the Country Manager of Bata India Limited with effect from August 1, 2017. Prior to joining Bata India Limited, Mr. Kataria was at Vodafone India as its Chief Commercial Officer. An IIT- Delhi and XLRI Jamshedpur alumnus has held general management and top sales & marketing posts at Yum Restaurants - Owners of KFC, Pizza Hut and Taco Bell in India & Europe. His longest stint of more than 17 years was at the consumer goods Company, Unilever, where he was responsible for building and managing Indian and global markets across Home & Personal Care categories and well-known brands like Lux, Lifebuoy, Rin & Comfort.

Mr. Kataria, aged about 48 years, was appointed as an Additional Director of the Company at the Board Meeting held on November 14, 2017. In terms of Section 161 of the Companies Act, 2013, he holds office upto the date of the Eighty Fifth Annual General Meeting (AGM) of the Company. At the said Meeting held on November 14, 2017, based on the recommendations of the Nomination and Remuneration Committee of the Board pursuant to the provisions of Section 178 of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Companies Act, 2013 and the applicable Regulation(s) of the Listing Regulations and the Nomination and Remuneration Policy of the Company, the Board also appointed Mr. Kataria as the Whole-time Director and Chief Executive Officer and a Key Managerial Person of the Company, for a period of five consecutive years with effect from November 14, 2017, subject to approval of the Members of the Company at the forthcoming AGM.

Pursuant to the provisions contained in Article 107 of the Articles of Association of the Company, the period of office of Mr. Kataria as the Whole-time Director of the Company shall be liable to determination by retirement of directors by rotation at every AGM.

In terms of the provisions of the Companies Act, 2013, Mr. Kataria has filed requisite consent(s) before the Board. The Company has also received an intimation from Mr. Kataria in Form DIR-8 to the effect that he is not disqualified to be appointed as a Director in any Company.

The Company has received Notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing the candidature of Mr. Kataria, as a Director of the Company.

The Company has entered into an Agreement dated November 15, 2017 with Mr. Kataria containing therein, *inter alia*, the remuneration and authority, powers, rights and obligations of Mr. Kataria during his tenure as the Whole-time Director and Chief Executive Officer of the Company. The said remuneration paid / payable to Mr. Kataria has been revised with effect from January 1, 2018 based on the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors at its Board Meeting held on May 22, 2018, as detailed below:

Basic Salary	:	Rs. 1,53,75,000/- per annum, payable monthly.
Special Allowance	:	Rs. 60,28,500/- per annum, payable monthly.
House Rent Allowance	:	Rs. 20,00,000/- per annum, payable monthly.
Incentive	:	Rs. 1,05,47,250/- per annum.
Car & Driver	:	Rs. 10,40,000/- per annum.
Education Allowance	:	Rs. 10,00,000 /- per annum.
Insurance Premium	:	Rs. 25,60,000/-per annum.
Variable Pay	:	Long Term Incentive Plan (LTIP) not exceeding USD 5,00,000 (in equivalent INR) shall be payable after 3 years.
Retirement Benefits	:	As per Rules of the Company.
Leave Entitlement	:	As per Rules of the Company.
Notice Period	:	Six Months.

In addition to the above, Mr. Sandeep Kataria would also be entitled to a Retention Bonus as may be mutually agreed to between Mr. Sandeep Kataria and the Company, subject to maximum amount of Rs. 50,00,000/- (Rupees Fifty Lacs only).

The aforesaid remuneration of Mr. Kataria falls within the maximum ceiling limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder read with Schedule V to the Companies Act, 2013. The resolution provides that the Company will have the liberty to vary the terms of appointment of Mr. Kataria including increase in remuneration within the limits prescribed under the Act as may be mutually agreed to between Mr. Kataria and the Company from time to time. The Company shall enter into a Supplementary Agreement with Mr. Kataria for his revision in remuneration with effect from January 1, 2018, draft whereof was approved at the Board Meeting held on May 22, 2018.

Copies of the aforesaid Agreements shall be available for inspection without payment of fees by any Member of the Company at the Registered Office of the Company situated at 27B, Camac Street, 1st Floor, Kolkata – 700016 and also at the Corporate Office of the Company at Bata House, 418/02, Mehrauli Gurgaon Road, Sector - 17, Gurugram - 122002, on any working day between 11:00 A.M. and 1:00 P.M., upto and including the date of AGM and also at the venue of the Eighty Fifth AGM of the Company.

The brief resume of Mr. Kataria, nature of his expertise in specific functional areas, names of Companies in which he holds Directorships and Membership / Chairmanship of Board Committees, etc., are separately annexed. Mr. Kataria holds 100 Equity Shares of Rs. 5/- each, fully paid-up in the Company. After his appointment, Mr. Kataria has attended all the Meetings of the Board of Directors of the Company held during the year.

Name of the Companies in which Mr. Kataria holds directorship other than Bata India Limited are:

Sl. No.	Name of the Company	Designation
1.	Bata Properties Limited	Additional Director
2.	Coastal Commercial & Exim Limited	Additional Director
3.	Way Finders Brands Limited	Additional Director

Mr. Kataria does not hold Directorship in any listed Company in India other than Bata India Limited. Mr. Kataria does not hold any membership in any committee of the Board of Directors of the aforesaid Companies. Mr. Kataria is a Member of the Management Committee and the Risk Management Committee of Bata India Limited.

Except Mr. Kataria and his relatives, no other Director or Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in Resolution Nos. 4 and 5 as contained in the Notice.

Considering the knowledge, experience and expertise of Mr. Kataria in the field of consumer and retail industry, the Board is of opinion that appointment of Mr. Kataria as the Whole-time Director and Chief Executive Officer of the Company shall be of immense benefit to the Company.

The Board recommends Resolution No. 4 as an Ordinary Resolution and Resolution No. 5 as a Special Resolution for approval by the Members of the Company at the forthcoming AGM.

By Order of the Board

ARUNITO GANGULY
Assistant Vice President,
Company Secretary & Compliance Officer
ICSI Membership No.: FCS 9285

Place : Gurugram
Date : May 22, 2018

Information relating to the appointment / re-appointment of Director(s) at the Eighty Fifth Annual General Meeting

[Pursuant to Regulation 36(3) of the Listing Regulations and SS-2 issued by ICSI]

Item No. 3: Re-appointment of Mr. Christopher MacDonald Kirk (DIN: 07425236) 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. Christopher MacDonald Kirk, 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. Christopher MacDonald Kirk 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. Kirk, aged about 62 years, 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. As CEO, Mr. Kirk had varied international experience with a focus on Europe, Africa and Asia. He has key leadership experience in both regional and business line roles. He was also part of the senior leadership team tasked with restructuring the SGS Group. 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 (BSO) 5 years ago at the request of Mr. Thomas G. Bata and accepted the position as Chairman of the Compass Board as of July 2015. Name of the Companies / Bodies Corporate in which Mr. Kirk holds Directorship other than Bata India Limited are:

Sl. No	Name of the Companies / Bodies Corporate	Designation
1.	Compass Limited	Chairman
2.	SGS SA	Director

Mr. Kirk does not hold Directorship in any Company in India other than Bata India Limited. Mr. Kirk is a Member of the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee of Bata India Limited.

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

Except Mr. Kirk and his relatives, no other Director or Key Managerial Personnel of the Company or their relatives, is concerned or interested financially or otherwise, in Resolution No. 3 as contained in the Notice.

The Board recommends Resolution No. 3 as an Ordinary Resolution for approval by the Members of the Company at the forthcoming AGM.

Item Nos. 4 & 5: Appointment of Mr. Sandeep Kataria (DIN: 05183714) as a Director and also as the Whole-time Director and Chief Executive Officer of the Company and fixing his remuneration

Mr. Kataria is a business leader with more than two and half decades of experience in the consumer and retail industry across the developing and developed markets.

Mr. Kataria was appointed as the Country Manager of Bata India Limited with effect from August 1, 2017. He was appointed to the Board of Directors of Bata India Limited with effect from November 14, 2017 as the Whole-time Director and Chief Executive Officer for a period of five consecutive years.

Prior to joining Bata India Limited, Mr. Kataria was at Vodafone India as its Chief Commercial Officer. An IIT-Delhi and XLRI Jamshedpur alumnus, he has held general management and top sales & marketing posts at Yum Restaurants - Owners of KFC, Pizza Hut and Taco Bell in India & Europe. His longest stint of more than 17 years was at the consumer goods Company, Unilever, where he was responsible for building and managing Indian and global markets across Home & Personal Care categories and well-known brands like Lux, Lifebuoy, Rin & Comfort.

Mr. Kataria does not hold Directorship in any listed Company in India other than Bata India Limited. He is a Member of the Management Committee and Risk Management Committee of Bata India Limited.

Mr. Kataria is an Additional Director on the Board of three wholly-owned subsidiaries of Bata India Limited i.e., Bata Properties Limited, Coastal Commercial & Exim Limited and Way Finders Brands Limited. Mr. Kataria does not hold any membership in any committee of the Board of Directors of the aforesaid subsidiary Companies.

There is no inter-se relationship between Mr. Kataria and other Directors and Key Managerial Personnel of the Company. Mr. Kataria holds 100 Equity Shares of Rs. 5/- each, fully paid-up in the Company.

By Order of the Board

ARUNITO GANGULY
Assistant Vice President,
Company Secretary & Compliance Officer
ICSI Membership No.: FCS 9285

Place : Gurugram
Date : May 22, 2018

BOARD'S REPORT TO THE MEMBERS

Your Directors are pleased to present the 85th Annual Report covering the operational and financial performance of your Company along with the Audited Financial Statements for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

(Rs. in Million)

Particulars	Financial Year ended on March 31, 2018	Financial Year ended on March 31, 2017
	(Audited)	**(Audited)**
Revenue from operations	26363.18	24972.41
Other Income	508.44	466.46
Total	**26871.62**	**25438.87**
Profit / (Loss) before Exceptional items and Taxation	**3400.14**	**2552.44**
Exceptional items– Income / (Loss)	-	(216.69)
Profit / (Loss) before Taxation	**3400.14**	**2335.75**
Provision for Taxation	1164.36	748.27
Net Profit	**2235.78**	**1587.48**
Other Comprehensive Income / (Loss) (net of tax)	(160.03)	(14.10)
Total Comprehensive Income	**2075.75**	**1573.38**

Your Company has prepared the Financial Statements for the financial year ended March 31, 2018 under Sections 129, 133 and Schedule II to the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

During the financial year ended March 31, 2018, your Company recorded a turnover of Rs. 26363.18 Million as compared to the turnover of Rs. 24972.41 Million recorded during the previous financial year ended March 31, 2017. Revenue from operations for the year ended March 31, 2018 has increased by 6% over the corresponding period last year. The numbers are however not comparable consequent to implementation of Goods and Services Tax (GST). The Net Profit of your Company for the financial year ended March 31, 2018 stood at Rs. 2235.78 Million as against the Net Profit of Rs.1587.48 Million for the financial year ended March 31, 2017. Accordingly, the Profit before Exceptional Items and Tax for the financial year ended March 31, 2018 reflects a growth of 33% over the corresponding Profit for the financial year ended March 31, 2017. 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. 26412.16 Million during the financial year ended March 31, 2018 and achieved consolidated Net Profit of Rs. 2205.13 Million for the said financial year.

Your Company continued to be India's leading and most preferred footwear brand by developing and implementing a strong marketing strategy to support its new image and position. Last year your Company has invested in understanding consumer needs through intensive consumer interactions and research and used that knowledge in effectively delivering consumer need based solutions. We continue to build our strengths in the Comfort and Quality parameters while bringing world's best technologies coupled with global design trends to the market.

During the year under review, your Company carefully re-engineered key touchpoints in the consumer journey thereby stepping up the focus on Visual Merchandising via breath taking store windows, curating a shopping conducive playlist for instore music, refreshing the store décor to highlight different brands / features and employing trained stylists to better serve our discerning customer in our top stores in Metro's and to be gradually extended across all stores.

With a view to bring back the swagger to Bata, your Company launched its internationally developed 'Red Angela Store Concept' in Kolkata and Delhi. This concept is aesthetically designed and offers clutter-free shopping experience through merchandise focal points (in red & white) and exudes a premium look that adds up to a 'wow' feel.

A key focus for your Company this year has been to build the brand among the youth of the country especially the millennials. The online marketing initiative, social media presence, blogs and advertisements along with two youthful brand ambassadors Smriti Mandhana and Kriti Sanon have helped strengthen your Company's connect among the younger consumers. With the introduction of new collections in Power, a fashion forward collection under Bata Red Label and a contemporary range of casuals for both men & women, we have seen more and more young Indians come back to our stores. Your Company is also leveraging brand North Star to connect with the youngsters in the country with very encouraging response.

Your Company's brand popularity and consumer initiatives were recognized as 'Bata' was conferred the IMAGES – Most Admired Footwear Brand of the Year 2017 at the 18th Annual IMAGES Fashion Awards. The brand was also featured amongst India's buzziest brands at AFAQ'S 2017 (online portal for the marketing, advertising and media news).

SHARE CAPITAL

The Authorized Share Capital of your Company as on March 31, 2018 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 recommends a dividend of Rs. 4/- per Equity Share of Rs. 5/- each (i.e. 80%) for the financial year ended March 31, 2018. 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 Thursday, August 2, 2018 onwards. The total payout of aforesaid dividend would be approximately Rs. 514.11 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 the Company at *www.bata.in* and is available at the link *https://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, 2018.

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

Subsequent to the end of the financial year on March 31, 2018 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, 2018.

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, 2018, 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, 2018, 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 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 Subsidiary as and when considered appropriate in the future.

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

During the year under review, there has been no materially significant Related Party Transactions having potential conflict with the interest of the Company.

Since all Related Party Transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis, therefore details required to be provided in the prescribed Form AOC - 2 is not applicable to the Company. Necessary disclosures required under the Ind AS 24 have been made in Note No. 37 of the Notes to the Financial Statements for the year ended March 31, 2018.

SUBSIDIARIES

The Company has three wholly owned subsidiaries *viz.,* Bata Properties Limited, Coastal Commercial & Exim Limited and Way Finders Brands Limited.

The Annual Reports of these Subsidiaries will be made available for inspection by the Members of the Company at the Registered Office of your Company at 27B, Camac Street, 1st Floor, Kolkata – 700016, West Bengal between 11:00 a.m. and 1:00 p.m. on any working day upto the date of AGM. 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 aforesaid Subsidiaries for the financial year ended March 31, 2018 shall be provided to the Members of the Company upon receipt of written request from them.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) 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, 2018, prepared in compliance with the provisions of Ind AS 27 issued by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs (MCA), Government of India also forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in the Form No. MGT-9 as on March 31, 2018 is annexed to this Board's Report and marked as Annexure I.

AUDIT AND AUDITORS

Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013 read with provisions of the Companies (Audit and Auditors) Rules, 2014 as amended, M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) was appointed as the Auditors of the Company for a consecutive period of 5 years from conclusion of the 84th AGM held in the year 2017 until conclusion of the 89th AGM of the Company scheduled to be held in the year 2022.

The Members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated May 7, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Auditors of the Company, by the Members at the ensuing AGM.

Your Company has received a certificate from M/s. B S R & Co. LLP, Chartered Accountants confirming their eligibility to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI as required under the provisions of Regulation 33 of the Listing Regulations.

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, 2018 appointed M/s. P. Sarawagi & Associates, Company Secretaries, 27, Brabourne Road, Kolkata - 700001, as the Secretarial Auditor of the Company, to conduct the Secretarial Audit for the financial year ended March 31, 2018 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.

Qualification, reservation or adverse remark in the Auditor's Reports and Secretarial Audit Report

There is no qualification, reservation or adverse remark made by the Auditors in their Reports to the Financial Statements (both Standalone and Consolidated) or by the Secretarial Auditor in his Secretarial Audit Report for the financial year ended March 31, 2018.

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, 2018, which would impact the going concern status and future operations of your Company. The details of litigation on tax matters are disclosed in the Auditor's 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 AND DEVELOPMENT ACTIVITIES AND ENERGY CONSERVATION

Research and Development activities during the year under review continued to emphasize on creating a pollution-free and a safe work environment. Technological improvement in product development, material development, introduction of new footwear moulds, process improvement, etc. were the key focus area to improve quality of footwear and productivity in manufacturing. During the year under review, an expenditure of Rs. 57.93 Million was incurred on Research and Development (including product development initiatives), as against Rs. 59.60 Million during the financial year 2016-17. Research and Development Centres at Batanagar, Batagunj & Bata Shatak manufacturing units across India, are approved by the Department of Science & Technology, Government of India.

The Company has adopted a series of energy conservation measures like continuously replacing conventional tubes with energy efficient LED lights, installation of energy efficient Variable Frequency Drive (VFD) motors in conveyors etc. at its Manufacturing Units across India. Such energy saving measures led to a saving of energy cost worth approx. Rs. 3.64 Million during the year under review. Your Company shall continue to invest on Research and Development activities and energy saving measures in its manufacturing units in the future as well.

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.

The Company works on the belief of its founding family members that Companies should exist to serve a social purpose and enhance the quality of 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 programmes, which benefit the communities in and around the vicinity of its operational presence resulting in enhancing the quality of lives of the people in those areas. The said CSR Policy has been uploaded on the website of the Company at *www.bata.in* and is available at the link *https://bata.in/0/pdf/CorporateSocialResponsibilityPolicy.pdf.*

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

Your Company spent an amount of Rs. 71.14 Million during the financial year 2017-18 as against its 2% obligation amounting to Rs. 55.80 Million, thereby exceeding its entire CSR obligation. Your Company made significant strides to harness all its resources towards successful execution of the CSR projects across all locations.

Schools - Bata Children's Programme (BCP)

During the year, the Company worked with around 3,000 children in 6 schools across the country near its area of business operations. With the focus on promotion of girl child education, programmes were formulated and implemented towards development of the girl child.

The Company upgraded infrastructure in schools through classroom renovation, providing classroom furniture, and promoting STEM (Science, Technology, Engineering and Math) education by setting up computer and science labs. The Company also partnered with an organization on the project 'I Love Science' which conducts creative 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 programme and promotion of life skills, the Company conducted workshops for the children like menstrual hygiene and good touch bad touch for girl child, personal hygiene, substance abuse, nutrition, etc. The Company also sponsored health checkup camps in various schools as part of the preventive healthcare programme.

Your Company believes that education should be holistic and integral touching upon physical, emotional and aesthetic development in addition to academics. Thus, while working on improving academics, the Company also focuses on the overall development of the child by providing opportunities to get involved in extra-curricular activities like sports, arts and crafts, competitions, educational tours, etc. Children were also involved in self-defence classes.

Empowering the girl child through specially designed Ballerinas

Continuing its commitment towards the betterment of the society, the Company launched its unique CSR campaign the 'Ballerina Project' at the Bata Store in South City Mall, Kolkata in March 2018. Focussed on girl child empowerment, the Ballerina Project by Bata aims to create a substantial positive effect for social and economic fabric. The project will be initiated first in India in association with Project Nanhi Kali, an initiative which is jointly managed by the K.C. Mahindra Education Trust and Naandi Foundation.

Employability Training

Bata India's vocational skills project is in line with Hon'ble Prime Minister's 'Skill India Campaign' and is based on the belief of empowering youth from the underprivileged community. Through this project, the Company aims to develop employability skills of the underprivileged youth to enable them to find good jobs, which would lead to better living standards and economic growth. The Company is in the process to train 200 youths in retail sales at Bengaluru, Coimbatore and Hyderabad.

Bata Happy Steps Programme

We worry about our teeth, eyes, and other parts of the body. We learn washing, brushing, and grooming. But we ignore our developing feet which have to carry the entire weight of the body throughout the lifetime. Just like adults, foot care for children is vital to their health and well-being. But caring for kids' feet isn't exactly the same as caring for our own feet. Their delicate toes and soles are still growing and therefore require special attention and proper shoes.

Child's foot health plays an important role in ensuring proper progression into adulthood. If a child has a foot deformity or is experiencing foot pain, it is important to seek treatment from a medical professional as soon as possible. To address this need, Bata conducted awareness workshops across school children on foot care and hygiene and also provided shoes to the underprivileged communities.

CSR Partners

In our endeavor to deliver the best outcomes, we partnered with specialist organizations who are experts in their field.

Partner	Specialization	Project
SHARP (School Health Annual Report Programme)	School health programme	BCC (Behaviour Change Communication) workshops for school children.
HLFPPT (Hindustan Latex Family Planning Promotion Trust)	School health programme	BCC (Behaviour Change Communication) workshops for school children.
NIIT Foundation	Computer education	'Hole in the Wall' computer project in schools.
Ingenuity EduLabs LLP	Creative science workshops	Science workshops with school kids
Sambhav Foundation	Vocational skills	Training partner for retail sales
Centum Foundation	Vocational skills	Training partner for retail sales
Agastya International Foundation	Science labs	Science labs in schools

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, 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 support 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. 255.04 Million to GFS during the financial year ended March 31, 2018, which is around 1% of the Turnover of your Company.

BOARD OF DIRECTORS, BOARD MEETINGS AND KEY MANAGERIAL PERSONNEL

Your Company's Board is duly constituted and 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 four Meetings of the Board of Directors of the Company were held, i.e., on May 15, 2017; August 2, 2017; November 14, 2017 and February 9, 2018. Details of Board composition and Board Meetings held during the financial year 2017-18 have been provided in the Corporate Governance Report which forms part of this Annual Report.

During the year under review, Mr. Shaibal Sinha (DIN: 00082504), who retired at the 84th AGM, was re-appointed as a Director of the Company. The Board has appointed Mr. Sandeep Kataria (DIN: 05183714) as an Additional Director of the Company with effect from November 14, 2017 to hold office upto the date of the forthcoming AGM. At the said Board Meeting, Mr. Sandeep Kataria has also been appointed as the Whole-time Director and Chief Executive Officer of the Company for a period of five years with effect from November 14, 2017, subject to approval of the Members at the forthcoming AGM. In terms of Section 152(6) of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Kataria shall be liable to retire by rotation. Being a Whole-time Director and Chief Executive Officer of the Company, Mr. Kataria is also a Key Managerial Person (KMP) of the Company in terms of the provisions of Sections 2(51) and 203 of the Companies Act, 2013.

The Company has received Notice under Section 160 of the Companies Act, 2013 from a Member of the Company signifying the candidature of Mr. Sandeep Kataria (DIN: 05183714) for his appointment as a Director of the Company at the forthcoming AGM. A brief profile along with necessary disclosures of Mr. Kataria has been annexed to the Notice convening the ensuing AGM and forms an integral part of this Annual Report. Your Board recommends appointment of Mr. Kataria as a Director and also the Whole-time Director and Chief Executive Officer of the Company.

Mr. Christopher MacDonald Kirk (DIN: 07425236), 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. Christopher MacDonald Kirk 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. Christopher MacDonald Kirk 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 Sections 149(6) and 149(7) 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.

During the year under review, Mr. Maloy Kumar Gupta, Company Secretary & Compliance Officer, resigned from the Company with effect from October 31, 2017 and Mr. Arunito Ganguly has been appointed in his place as the Assistant Vice President, Company Secretary & Compliance Officer, with effect from December 15, 2017.

Mr. Rajeev Gopalakrishnan, Managing Director, Mr. Sandeep Kataria, Whole-time Director and Chief Executive Officer, Mr. Ram Kumar Gupta, Director Finance and Chief Financial Officer and Mr. Arunito Ganguly, Assistant Vice President, Company Secretary & Compliance Officer are the Key Managerial Personnel (KMP) 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 requisite details have been provided in the Corporate Governance Report which forms part of this Annual Report. Recommendations made by the Audit Committee are 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 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 of upto five consecutive years on the Board of your Company. Based on their eligibility for re-appointment, the outcome of their performance evaluation and 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 the 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 ensure 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 of Directors 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 Non-Independent Directors of your Company do not accept any sitting fees / commission. 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 the Company at *www.bata.in* and is available at the link *https://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 financial year 2017-18 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, 2018 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 adopted a Whistle Blower Policy which has been uploaded on the website of the Company at *www.bata.in* and is available at the link *https://bata.in/0/pdf/Bata-WhistleBlowerPolicy.pdf*. A Vigil Mechanism Committee under the Chairmanship of the Audit Committee Chairman has been constituted. The Policy provides access to the Legal Head of the Company and to the Chairman of the Audit Committee.

No person has been denied an opportunity to have access to the Vigil Mechanism Committee and the Audit Committee Chairman.

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 satisfactorily during the financial year ended March 31, 2018:

- No. of Complaints received : 2
- No. of Complaints disposed off : 2

Your Company has been conducting awareness campaign across all its manufacturing units, warehouses, retail 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, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

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 Internal Audit function is responsible to assist the Audit Committee and Risk Management Committee on an independent basis with a complete review of the risk assessments and associated management action plans.

Risk Management is embedded in the Company's operating framework. Your Company believes that risk resilience is key to achieving higher growth. To this effect, there is a robust process in place to identify key risks across the Company and prioritize relevant action plans to mitigate these risks. Risk Management framework is reviewed periodically by the Board and the Audit Committee and Risk Management Committee, which includes discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

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.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and developments

The financial year 2017-18 was an eventful year with the adoption of GST. While there were some initial hiccups that were to be expected, the implementation of the GST will act as a boon in the long term for the organized manufacturing industry across the country.

The Indian footwear industry is currently under transformation phase and moving from a traditionally labour-intensive industry to a more technological and innovation driven industry. The footwear industry in India employs over 1.1 million workers, making it one of the top employment generating industry in the country. The footwear production in India is over 22 billion pairs annually, which is approximately 9.6% of the total global annual footwear output. India is the second largest global producer of footwear after China and also the world's third-largest footwear consumer after China and the USA. Almost 90% of the footwear manufactured in India is sold in the domestic market. Today, India is already among the world's top 10 footwear exporters, and its share is growing. The organised footwear market in India is still dominated by men's footwear which contributes around 58% of the total retail footwear market and is expected to grow at a CAGR of around 10% by 2020. The women's footwear segment, however, is projected to grow at a much faster CAGR of around 20%. In terms of the product type, casual footwear is the largest product segment in the Indian footwear market and contributes to approximately 67% of the total retail footwear market. The footwear industry is dominated by the unorganized domestic footwear manufacturers but with the fast changing consumer behaviour, growing Indian fashion and lifestyle market, increase in disposable income of middle class, awareness of fitness among youth, urbanization and demographic changes, the organised sector footwear brands are likely to witness higher growth in the near future.

The Indian footwear industry, is in a confident phase with growth in online shopping, fitness awareness, latest style, fashion trends and consciousness among consumers. With the growing health and fitness awareness amongst urban Indians, demand for fitness footwear has increased manifold and is expected to continue for several years to come. Rapid growth was also registered in Internet retailing in India, which recorded double-digit value share in overall footwear sales in 2017. It is expected that around 11% of total revenue in the Indian footwear market will be generated through online sales by 2021. Due to rapidly increasing urbanization, there is a also an opportunity in Tier II and Tier III cities across India.

The Government of India recently approved special package of Rs 2600 crore for leather and footwear sector which also includes measures for simplification of labour laws. The package involves implementation of central scheme 'Indian Footwear, Leather & Accessories Development Programme' with an approved expenditure of Rs. 2600 crore over the three financial years from 2017-18 to 2019-20. The package would lead to development of infrastructure for the leather sector, address environmental concerns specific to the leather sector, facilitate additional investments, employment generation and increase in production.

Opportunities and Threats

Being aware of the changes in the external business environment coupled with growing competition both from domestic and foreign players in the industry your Company is making constant endeavours to manufacture better quality, comfortable and durable products. With an eye to improve customer shopping experience your Company is focusing on larger format stores combined with better visual merchandising with continuous focus on operational cost efficiency so that its able to retain its market share and grow further. The online marketing initiatives using digital influencers have already proved to be successful mainly among the younger consumers. With the infusion of new lines in men's and women's contemporary collection along with exciting and colorful range for teenage consumers and a range of offerings for the sports & fitness lovers the footfalls at stores are increasing. A range of products in the casual and lifestyle offering especially for working women are expected to create a sustained demand for the future.

The competition is expected to intensify in the coming years with more and more organized players entering the market with a range of offerings in formal and fashion segment. The brick and mortar retail industry is also expected to witness intense competition from the innovative digital platforms.

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, 2018 are highlighted below:

Retail Business

Your Company has followed a strategy of driving same store growth while adding new retail stores in Malls and High Street locations to enhance its Retail footprint. During the twelve month period ended March 31, 2018, your Company added over 100 new retail stores, 31 franchisee stores & renovated more than 90 stores across India. These spacious new stores are located in the growing markets of the country and are based on global design, making them look enticing with contemporary display of the products. Your Company shall continue to make investment on renovating existing stores hence creating a delightful shopping experience for the customers by improving store layouts on the lines of new 'Red Angela Store Concept' 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 launches of products and collections. Your Company is also focussed on improving customer service at stores through regular training of store staff.

With the relaunch of Power range - 'XO Rise' Genesis, Glide Vapor & Speedy your Company is confident of attracting teenagers and youth in a big way. As a step to building the brand "Power" your Company has opened its first stand-alone Power store in Noida and plan to open more exclusive stores next year.

Your Company also opened the first Bata Women Store in India in Bengaluru focussed on catering to footwear & accessories needs of woman consumers.

Digital Multi-Channel Business

Your Company's online business has recorded a remarkable growth during the year under review. Your Company sold more than 8.9 lac pairs of footwear through online channels and achieved a turnover of Rs. 879 Million. Your Company's e-commerce presence has penetrated in 1000+ cities and towns across India.

During the financial year, your Company's e-commerce division worked on opportunities to diversify brand reach in the existing online business models. Your Company further continued to strengthen its online customer database by reaching out to the leading telecom, airline and banking players in association with affiliated partners. There were continuous efforts to retain the loyalty database by reaching out to them through SMS on a week-on-week basis. Your Company's online business with partners like Amazon, Flipkart etc. has grown across all portals - with a steep increase in secondary sales through competitive product offerings, creation of interactive brand stores and rigorous marketing campaigns which in turn resulted better secondary sales on these platforms. Various market expansion strategies were put in place like increase of brand presence through marketplace model by listing products on high-traffic generating websites including TataCliq, ShopClues, GoFynd and Limeroad.

Your Company's e-commerce website *www.bata.in* migrated to a secure AWS server for enhanced performance that includes features like auto scaling and elastic load balancing. The website of your Company has been further enhanced to a better UX / UI which is simple, user friendly and high on fashion quotient. Your Company has further upgraded its Mobile Application with interactive user-interface leading to an increase in registered mobile users. With the launch of Bata Home Delivery your Company has also embarked on a journey towards being a truly omni-channel organization where consumers can view and buy our products from any platform and use our stores as a point of service. Going forward your Company will use digital devices in our stores to show a wider range of products to the consumers thereby improving the overall conversion of our stores.

Hush Puppies

The financial year 2017-18 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 womens footwear as a premium comfort category has been introduced 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 90 exclusive stores and 60 shop-in-shops in premium departmental stores. During the year under review, Hush Puppies continues to strongly reposition itself as a 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 opened its first Bubblegummers Store in Bengaluru which provide a unique shopping experience to shoppers with great collection of shoes and accessories.

Your Company has further 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 created 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 approximately 350 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 like GST implementation. Your Company is strengthening 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 service team to ensure customers don't face any inconvenience and their queries and concerns get addressed in an amicable way. A toll free customer support number is there in place so that customer can reach directly to the Company along with other channels like e-mail, Facebook, Twitter etc. Your Company provides the best in class services to the customers, all the concerns are being resolved within minimum timelines ensuring complete transparency. Your Company's loyalty programme "Bata Club" has increased its reach by registering over 19 Million members. The programme ensures continuous engagement with members and rewards them special benefits upon purchase. These customer engagement programmes are conducted throughout the year to drive increased footfalls and improved conversion in both retail stores and on digital multi-channel platforms. Your Company has also started collecting customer feedback about their shopping experience and measuring it as per the global standard tool "NPS" (Net Promoter Score) since January 2018.

Outlook

Your Company has an established leadership position in the industry and is the most trusted name in branded footwear and accessories. With the change in customer preferences, shoes have become a style statement especially among the teenagers, youth and the affluent working class. The domestic demand for footwear is projected to grow at a fast pace. The inclination towards purchase of products manufactured by established brands is increasing. The digital platform, presence in social media, blogs and advertisements are fast catching up with the brick and mortar sales model. Your Company is proactively engaged in taking appropriate steps to tap these opportunities in order to improve its market share and retain its leadership position in the organized footwear and accessories sector of the industry.

Risks and concerns and Contingent Liabilities

Your Company acknowledges the fact that competition from both domestic and international players is increasing by every passing day. In addition to increasing competition the changing customer behavior and impact of online marketing initiatives have an effect on your Company's performance since your Company has a huge network of retail stores Pan India. With the opportunity for employment gradually increasing people/ talent retention is considered as a challenge. Your Company also realizes that modernization of I.T. systems along with having suitable protection from risk of loss / theft of data is one of the major areas of concern globally. Your Company monitors its major risks and concerns at regular intervals. Appropriate steps are taken in consultation with all concerned including the Risk Management Committee and the Audit Committee of the Board to identify and mitigate suck risks.

During the normal course of its business operations, your Company has been subjected to litigations 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 are unlikely to cause a materially adverse effect on the Company's profitability or business performance. Your Company has a Contingent Liability of Rs. 460.54 Million as on March 31, 2018 as compared to Rs. 576.97 Million as on March 31, 2017. Attention is drawn to the explanations mentioned in Note No. 32 of the Notes to Financial Statements for the financial year ended March 31, 2018. In view of the present status and based on legal advice obtained from time to time, your Board is of the opinion that no provision is required to be made against these Contingent Liabilities.

Internal control systems and their adequacy

A separate paragraph on internal control systems and their adequacy has been provided elsewhere in the Board's Report.

Discussion on financial performance

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

The Earnings per Share (EPS) (Basic and Diluted) of your Company for the financial year ended March 31, 2018 was at Rs. 17.40. The EPS for the previous financial year ended March 31, 2017 was Rs. 12.35, which was lower primarily due to one-time exceptional expenses. Excluding such exceptional items, the EPS of your Company for the financial year ended March 31, 2017 was Rs.14.04. Your Company recorded EBITDA margin of 13.40% during the financial year under review as compared to 11.10% during the financial year 2016-17.

Your Company does not have any Bank Borrowings and the entire capital expenditure has been funded through internal sources.

The Capital Expenditure incurred during the year under review amounted to Rs. 930.77 Million as compared to Rs. 386.79 Million in the previous year.

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 its strategic business ambitions. Some key initiatives have been taken during the financial year 2017-18 in this direction are summarized below:

- Execution of Long Term Agreement (LTA) for settlement of dues with the Worker's Union at the manufacturing units of the Company at Batanagar, Kolkata.
- 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 412 District Managers and Store Managers for 10 - 12 weeks duration. During the year, 2091 Sales Promoters were trained on product as well as customer service in our stores.
- As part of continuous learning initiative, your Company implemented online learning modules accessible on mobile as well as tabs for its store staff. Each of the modules is supported by video content, presentations as well as assessments. The completion of these modules leads to certification which is in turn mapped to the career map for different roles.
- In order to retain good talent within the organization, your Company has strengthened the goal setting and measurement process during the year supported with structured development plans for high potential people to move into different roles. This has resulted in higher retention levels across the organization.

As on March 31, 2018, there were 4,698 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 labour 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, 2018 and a Certificate from M/s. B S R & Co., LLP, Chartered Accountants, the 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, 2018 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 at *www.bata.in* and is available at the link *https://bata.in/bataindia/a-29_s-181_c-42/investor-relations.html.*

ACKNOWLEDGEMENTS

Your Board is grateful for the continuous patronage of the valued customers of the Company and remains committed to delivering more style and comfort at every step. Your Board acknowledges and appreciates the relentless efforts of the employees, workmen and staff including the management team headed by the Executive Directors who always lead from the front in achieving a commendable business performance year on year despite a challenging business environment.

Your Board is indebted for the unstinted support and trust reposed by you, the Members and also remains thankful to Bata Shoe Organization (BSO) for their ongoing support and guidance.

Your Board wishes to place on record its deep appreciation of the Independent Directors and the Non-Executive Directors of the Company for their immense contribution by way of strategic guidance, sharing of knowledge, experience and wisdom, which helps your Company to take right decisions in achieving its business goals.

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 : Gurugram
Date : May 22, 2018

Annexure I

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on March 31, 2018

[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, West Bengal Telephone: (033) 2301 4400 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, West Bengal Telephone: (033) 2419 2641 / 2642 Fax: (033) 2419 2642 E-mail: bata@rdinfotech.net / info@rdinfotech.net

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	88.23
2.	Footwear- Non Retail	46413	11.77

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. Europaplein 1, 5684 ZC Best, P.O. Box 990, 1000 AZ, Amsterdam, The Netherlands	Company Registration No. 33038028	Holding	52.96	2(46)
2.	Bata Properties Limited 6A, S. N. Banerjee Road, Kolkata - 700013, West Bengal	U70101WB1987PLC042839	Subsidiary	100	2(87)
3.	Coastal Commercial & Exim Limited 16A, Shakespeare Sarani, Kolkata - 700071, West Bengal	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, West Bengal	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	17139909	2302	17142211	13.34	22491559	600	22492159	17.50	4.16
b) Banks / FI	292852	2048	294900	0.23	494588	1680	496268	0.38	0.15
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	9938267	300	9938567	7.73	9790775	300	9791075	7.62	-0.11
g) FIIs	8720202	824	8721026	6.79	7951267	100	7951367	6.19	-0.60
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	**36091230**	**5474**	**36096704**	**28.08**	**40728189**	**2680**	**40730869**	**31.69**	**3.61**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	7311093	14484	7325577	5.70	3425719	10436	3436155	2.67	-3.03
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	13791444	1861782	15653226	12.18	13172027	1523237	14695264	11.43	-0.75
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1376463	0	1376463	1.07	1359634	0	1359634	1.06	-0.01
c) Others									
Directors and Relatives	10056	0	10056	0.01	10156	0	10156	0.01	0.00
IEPF Authority	0	0	0	0.00	229948	0	229948	0.18	0.18
Sub-total (B)(2):	**22489056**	**1876266**	**24365322**	**18.96**	**18197484**	**1533673**	**19731157**	**15.35**	**-3.61**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**58580286**	**1881740**	**60462026**	**47.04**	**58925673**	**1536353**	**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)	**126645800**	**1881740**	**128527540**	**100.00**	**126991187**	**1536353**	**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 share-holding 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.	68065514	52.96	0.00	68065514	52.96	0.00	0.00
	Total	**68065514**	**52.96**	**0.00**	**68065514**	**52.96**	**0.00**	**0.00**

iii) Change in Promoters' Shareholding:

There was no change in shareholding of Promoter during the financial year ended March 31, 2018.

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

Sl. No.	For Each of the Top 10 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		**8383966**	**6.52**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	21-07-17	Sell	-189160	-0.15	8194806	6.38
	28-07-17	Sell	-554968	-0.43	7639838	5.94
	04-08-17	Sell	-455872	-0.35	7183966	5.59
	18-08-17	Sell	-76000	-0.06	7107966	5.53
	25-08-17	Sell	-404912	-0.32	6703054	5.22
	01-09-17	Sell	-537416	-0.42	6165638	4.80
	08-09-17	Sell	-181672	-0.14	5983966	4.66
	At the end of the year				**5983966**	**4.66**
2	**KOTAK FUNDS - INDIA MIDCAP FUND**					
	At the beginning of the year		**N.A.**	**N.A.**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	04-08-17	Buy	372630	0.29	372630	0.29
	11-08-17	Buy	474838	0.37	847468	0.66
	18-08-17	Buy	8280	0.01	855748	0.67
	25-08-17	Buy	75000	0.06	930748	0.72
	01-09-17	Buy	192000	0.15	1122748	0.87
	08-09-17	Buy	107478	0.08	1230226	0.96
	06-10-17	Buy	5914	0.00	1236140	0.96
	17-11-17	Buy	250000	0.19	1486140	1.16
	24-11-17	Buy	370955	0.29	1857095	1.44
	01-12-17	Buy	109803	0.09	1966898	1.53
	08-12-17	Buy	25000	0.02	1991898	1.55
	22-12-17	Buy	109878	0.09	2101776	1.64
	29-12-17	Buy	81182	0.06	2182958	1.70
	05-01-18	Buy	108386	0.08	2291344	1.78
	19-01-18	Buy	126959	0.10	2418303	1.88
	26-01-18	Buy	100000	0.08	2518303	1.96
	02-02-18	Buy	29993	0.02	2548296	1.98
	09-02-18	Buy	172524	0.13	2720820	2.12
	16-02-18	Buy	155594	0.12	2876414	2.24
	02-03-18	Buy	35053	0.03	2911467	2.27
	09-03-18	Buy	50000	0.04	2961467	2.30
	23-03-18	Buy	51705	0.04	3013172	2.34
	At the end of the year				**3013172**	**2.34**

Sl. No.	For Each of the Top 10 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		**2173426**	**1.69**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	21-04-17	Buy	26574	0.02	2200000	1.71
	02-06-17	Buy	100000	0.08	2300000	1.79
	27-10-17	Sell	-17175	-0.01	2282825	1.78
	03-11-17	Sell	-82825	-0.06	2200000	1.71
	24-11-17	Sell	-200000	-0.16	2000000	1.56
	At the end of the year				**2000000**	**1.56**
4	**FIL INVESTMENTS (MAURITIUS)LTD**					
	At the beginning of the year		**2565656**	**2.00**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	10-11-17	Sell	-145981	-0.11	2419675	1.88
	17-11-17	Sell	-286065	-0.22	2133610	1.66
	12-01-18	Sell	-154444	-0.12	1979166	1.54
	At the end of the year				**1979166**	**1.54**
5	**FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA FUND**					
	At the beginning of the year		**1387522**	**1.08**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	26-05-17	Buy	75000	0.06	1462522	1.14
	22-09-17	Sell	-50000	-0.04	1412522	1.10
	02-02-18	Buy	483541	0.38	1896063	1.48
	At the end of the year				**1896063**	**1.48**
6	**KOTAK SELECT FOCUS FUND**					
	At the beginning of the year		**330000**	**0.26**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	07-04-17	Buy	215000	0.17	545000	0.42
	14-04-17	Buy	207783	0.16	752783	0.59
	26-05-17	Buy	247217	0.19	1000000	0.78
	08-12-17	Buy	550000	0.43	1550000	1.21
	15-12-17	Buy	24392	0.02	1574392	1.22
	22-12-17	Buy	175608	0.14	1750000	1.36
	09-02-18	Buy	50000	0.04	1800000	1.40
	At the end of the year				**1800000**	**1.40**
7	**IDFC PREMIER EQUITY FUND**					
	At the beginning of the year		**1561455**	**1.21**		
	Date wise increase(+)/decrease(-) with reasons, during the year		0	0.00	0	0.00
	At the end of the year				**1561455**	**1.21**

Sl. No.	For Each of the Top 10 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
8	**KOTAK MAHINDRA LIFE INSURANCE COMPANY LTD.**					
	At the beginning of the year		**1299889**	**1.01**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	26-05-17	Buy	130784	0.20	1430673	1.11
	23-06-17	Sell	-36068	-0.06	1394605	1.09
	30-06-17	Sell	-36252	-0.06	1358353	1.06
	28-07-17	Sell	-75640	-0.12	1282713	1.00
	04-08-17	Sell	-50000	-0.08	1232713	0.96
	13-10-17	Buy	83426	0.13	1316139	1.02
	20-10-17	Sell	-8090	-0.01	1308049	1.02
	27-10-17	Buy	54520	0.08	1362569	1.06
	03-11-17	Buy	18759	0.03	1381328	1.07
	15-12-17	Sell	-5322	-0.01	1376006	1.07
	29-12-17	Sell	-354	0.00	1375652	1.07
	05-01-18	Sell	-1023	0.00	1374629	1.07
	12-01-18	Sell	-36427	-0.06	1338202	1.04
	26-01-18	Buy	25484	0.04	1363686	1.06
	02-02-18	Buy	31839	0.05	1395525	1.09
	23-03-18	Sell	-7962	-0.01	1387563	1.08
	At the end of the year				**1387563**	**1.08**
9	**ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE BALANCED 95**					
	At the beginning of the year		**137776**	**0.11**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	14-04-17	Sell	-137776	-0.11	0	0.00
	22-12-17	Buy	47500	0.04	47500	0.04
	29-12-17	Buy	241000	0.19	288500	0.22
	05-01-18	Buy	385500	0.30	674000	0.52
	12-01-18	Buy	114500	0.09	788500	0.61
	19-01-18	Buy	440000	0.34	1228500	0.96
	16-02-18	Buy	100000	0.08	1328500	1.03
	At the end of the year				**1328500**	**1.03**
10	**KOTAK EMERGING EQUITY SCHEME**					
	At the beginning of the year		**298543**	**0.23**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	21-04-17	Buy	100000	0.08	398543	0.31
	12-05-17	Buy	100000	0.08	498543	0.39
	26-05-17	Buy	86457	0.07	585000	0.46
	02-06-17	Buy	50000	0.04	635000	0.49
	09-06-17	Buy	24269	0.02	659269	0.51
	16-06-17	Buy	50000	0.04	709269	0.55
	23-06-17	Buy	30000	0.02	739269	0.58
	30-06-17	Buy	100000	0.08	839269	0.65
	08-12-17	Buy	50000	0.04	889269	0.69
	22-12-17	Buy	25000	0.02	914269	0.71
	05-01-18	Buy	30000	0.02	944269	0.73
	19-01-18	Buy	125000	0.10	1069269	0.83
	23-02-18	Buy	25000	0.02	1094269	0.85
	23-03-18	Buy	30000	0.02	1124269	0.87
	At the end of the year				**1124269**	**0.87**

Sl. No.	For Each of the Top 10 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
11	**BAJAJ HOLDINGS AND INVESTMENT LTD**					
	At the beginning of the year		**1067022**	**0.83**		
	Date wise increase(+)/decrease(-) with reasons, during the year		0	0.00	0	0.00
	Ceased to be part of top ten shareholders of the Company w.e.f. 19-01-2018				**1067022**	**0.83**
	At the end of the year				**N.A.**	**N.A.**
12	**HDFC STANDARD LIFE INSURANCE COMPANY LIMITED**					
	At the beginning of the year		**1122921**	**0.87**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	26-05-17	Sell	-1122921	-1.75	0	0.00
	02-06-17	Buy	1122921	1.75	1122921	0.87
	30-06-17	Sell	-184	0.00	1122737	0.87
	14-07-17	Sell	-299	0.00	1122438	0.87
	21-07-17	Sell	-306	0.00	1122132	0.87
	28-07-17	Buy	605	0.00	1122737	0.00
	06-10-17	Buy	2718	0.00	1125455	0.88
	03-11-17	Sell	-60000	-0.09	1065455	0.83
	08-12-17	Buy	3421	0.01	1068876	0.83
	15-12-17	Buy	26693	0.04	1095569	0.85
	22-12-17	Sell	-1615	0.00	1093954	0.85
	29-12-17	Sell	-5836	-0.01	1088118	0.85
	05-01-18	Sell	-4894	-0.01	1083224	0.84
	19-01-18	Sell	-67000	-0.10	1016224	0.79
	16-02-18	Sell	-4910	-0.01	1011314	0.79
	23-02-18	Buy	127	0.00	1011441	0.79
	02-03-18	Buy	1419	0.00	1012860	0.79
	16-03-18	Sell	-6464	-0.01	1006396	0.78
	23-03-18	Buy	20000	0.03	1026396	0.80
	Ceased to be part of top ten shareholders of the Company w.e.f. 23-03-2018				**1026396**	**0.80**
	At the end of the year				**N.A.**	**N.A.**
13	**ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C BIRLA SUN LIFE MNC FUND**					
	At the beginning of the year		**1108114**	**0.86**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	07-04-17	Sell	-17225	-0.01	1090889	0.85
	28-04-17	Sell	-34400	-0.03	1056489	0.82
	02-03-18	Sell	-45000	-0.04	1011489	0.79
	Ceased to be part of top ten shareholders of the Company w.e.f. 02-03-2018				**1011489**	**0.79**
	At the end of the year				**N.A.**	**N.A.**

Sl. No.	For Each of the Top 10 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
14	**ICICI PRUDENTIAL LONG TERM EQUITY FUND (TAX SAVINGS)**					
	At the beginning of the year		**1147724**	**0.89**		
	Date wise increase(+)/decrease(-) with reasons, during the year :					
	Date	**Reason**				
	28-04-17	Sell	-199140	-0.15	948584	0.74
	02-06-17	Sell	-38483	-0.03	910101	0.71
	16-06-17	Sell	-66036	-0.05	844065	0.66
	23-06-17	Sell	-60355	-0.05	783710	0.61
	30-06-17	Buy	16565	0.01	800275	0.62
	07-07-17	Sell	-206288	-0.16	593987	0.46
	14-07-17	Sell	-137648	-0.11	456339	0.36
	29-09-17	Sell	-32369	-0.03	423970	0.33
	06-10-17	Sell	-123869	-0.10	300101	0.23
	13-10-17	Sell	-300101	-0.23	0	0.00
	Ceased to be part of top ten shareholders of the Company w.e.f. 13-10-2017				**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. Sandeep Kataria, Whole-time Director and Chief Executive Officer ***				
	At the beginning of the year	**N.A**	**N.A.**		
	Appointed with effect from 14/11/2017	**100**	**0.00**		
	Date wise increase (+) / decrease (-) with reasons, during the year	0	0.00	0	0.00
	At the end of the year			**100**	**0.00**
3.	**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**

** Appointed with effect from November 14, 2017.*

Other than Mr. Uday Khanna, Mr. Sandeep Kataria and Mr. Ram Kumar Gupta, no other Director and Key Managerial Personnel held any share(s) in the Company either at the beginning of the financial year, during the financial year or as at the end of the financial year 2018-17.

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
		Mr. Rajeev Gopalakrishnan, Managing Director	Mr. Sandeep Kataria, Whole-time Director and Chief Executive Officer*	Mr. 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.	44.21	10.06	19.07	73.34
	(b) Value of perquisites under Section 17(2) of the Income-Tax Act, 1961.	0.50	0.35	0.04	0.89
	(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)		**44.71**	**10.41**	**19.11**	**74.23**
Ceiling as per the Act		(10% of Net Profits of the Company calculated under Section 198 of the Companies Act, 2013)			**350.44**

* *Appointed with effect from November 14, 2017.*

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	0.85	0.80	0.60	1.25	3.50
2.	• Commission	2.65	1.32	1.32	1.32	6.61
3.	• Others, please specify	-	-	-	-	-
Total (B)		**3.50**	**2.12**	**1.92**	**2.57**	**10.11**
Ceiling as per the Act		(1% of Net Profits of the Company calculated under Section 198 of the Companies Act, 2013)				**35.04**
Total Managerial Remuneration [Total (A) + Total (B)]						**84.34**
Overall ceiling as per the Act		(11% of Net Profits of the Company calculated under Section 198 of the Companies Act, 2013)				**385.48**

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 of the Company.

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

(Rs. in Million)

Sl. No.	Particulars of Remuneration	Mr. Maloy Kumar Gupta, Company Secretary & Compliance Officer*	Mr. Arunito Ganguly, Assistant Vice President, Company Secretary & Compliance Officer **
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	3.31	0.71
	(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	**3.31**	**0.71**

* *Ceased with effect from October 31, 2017.*
** *Appointed with effect from December 15, 2017.*

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, it's Directors or other officers in default, during the financial year ended March 31, 2018.

For and on behalf of the Board of Directors

Uday Khanna
Chairman
DIN: 00079129

Place : Gurugram
Date : May 22, 2018

Annexure II

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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, 2018, 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, 2018, 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 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; 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, all the decisions at the meetings of the Board and Committees thereof, were carried out unanimously as the Minutes of these Meetings did not reveal any dissenting member's view.

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 22, 2018

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 22, 2018

Annexure - III

Information Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of the Board's Report for the financial year ended March 31, 2018

(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 & natural ventilation.

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

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

e) Installed automated "Switch off" devices in the offices for controlling energy cut during non-occupancy of the offices.

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	2017-18	2016-17	2015-16
Amount (Rs. in Million)	5.52	0.55	0.37

(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 & introduced new synthetic upper material for PU sandal with better physical properties for improved durability & higher quality.
2. Introduced value added Power sports shoe with molded KPU upper & IMEVA &TPR sole.
3. Developed & introduced new range of Industrial Safety Boots with DIN leather with water penetration resistance.
4. Developed & introduced approx 150 New Articles during this financial year as per requirement of Marketing Division.
5. Developed & introduced alternative chemicals by replacing existing chemicals for producing more cost effective shoes without compromising quality.

6. Introduced moulded Memory Cushion socks for sports shoe to improve comfort.
7. Developed & introduced different new moulds for new articles such as, Butterfly, Dance School, Walk School for DIP project, Cushion Cold mould & Pata Pata sheet mould for BGM sandal & EVA Thong for better aesthetic look according to market demand.
8. Developed and introduced new non-woven synthetic PU upper with improved quality for specific shoes.
9. Developed & introduced dark shade Buff suede leather for specific shoes with improved appearance & quality.
10. Introduced 4 way imported Lycra upper material for DIP project for better comfort & product appeal.
11. During the period under review, the Company undertook modernization of Batanagar Factory for strengthening of old building structures, replacement of old machines by less energy sensitive machines for the benefit of energy savings, quality improvement and productivity enhancement .

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; and

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

iv. Expenditure incurred on Research and Development:

Capital	: Rs. 0.19 Million
Recurring	: Rs. 57.74 Million
Total	: Rs. 57.93 Million

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to export	: Rs. 139.83 Million
Total Foreign exchange used	: Rs. 2648.43 Million
Total Foreign exchange earned	: Rs. 160.97 Million

For and on behalf of the Board of Directors

UDAY KHANNA
Chairman
DIN: 00079129

Place : Gurugram
Date : May 22, 2018

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 programme, 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, 2018, your Company focussed on promotion of educational initiatives by supporting the schools near its area of operations. It participated in the Prime Minister's 'Skill India Campaign' by enhancing employability skills of the underprivileged youth. Under the Company's Happy Steps Programme, your Company was also engaged in undertaking educational awareness workshops amongst the school children and provided shoes to the underprivileged members of the society, with the aim to eradicate poverty, promote preventive healthcare and promote education.

During the year under review, your Company was engaged with CSR activities with 6 schools and touched lives of around 3,000 school children through various programmes, trained 200 youths on an on-going basis in retail sales employability training programme under the Prime Minister's 'Skill India Campaign' and is in the process to build public toilets at 5 metro stations in New Delhi in collaboration with DMRC (Delhi Metro Rail Corporation) and Sulabh Sanitation Mission Foundation (SSMF) as part of 'Swachh Bharat Mission' of Government of India. Your Company also maintains the school toilets constructed last year across 14 schools 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 the Company at *www.bata.in* and is available at the link *https://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.

Composition of CSR Committee

The Composition of the CSR Committee along with the Name and Designation of Directors as Members are detailed below. The Company Secretary acts as the Secretary to the Committee.

Sl. No.	Name of the Director	Designation
1.	Mr. Akshay Chudasama	Independent Director, Chairman of the Committee
2.	Mr. Ravindra Dhariwal	Independent Director, Member
3.	Mr. Rajeev Gopalakrishnan	Managing Director, Member
4.	Mr. Ram Kumar Gupta	Director Finance and Chief Financial Officer, Member

Details of CSR Expenditures

Particulars	**Amount** (Rs. in Million)	**Amount** (Rs. in Million)
A. Net Profits of the Company for the:		
• financial year ended March 31, 2015	3089.21	
• financial year ended March 31, 2016	2728.24	
• financial year ended March 31, 2017	2552.44	
B. Aggregate Net Profits of the Company for the last three financial years		8369.89
C. Average Net Profits of the Company for the last three financial years		2789.96
D. Prescribed CSR Expenditure (2% of amount stated in Item no. C above)		55.80
E. Details of CSR Expenditure during the financial year :		
• Amount spent		71.14
• Amount unspent		-

F. Manner in which the amount spent during the financial year is detailed below:

Sl. No.	**CSR Project / Activity identified**	**Sector in which the Project is covered**	**Projects or Programs (1) Local area or other (2) Specify the state and district where Projects or Programs was undertaken**	**Amount Outlay (budget) Project or Programs wise (Rs. in Million)**	**Amount spent on the Projects or Programs Sub-heads: (1) Direct expenditure on Projects or Programs (2) Overheads (Rs. in Million)**	**Cumulative Expenditure upto the reporting period (Rs. in Million)**	**Amount spent: Direct or through implementing agency**
1.	Promotion of quality education in the schools: • Infrastructural upgrade • Celebrating Special days and events • Awareness workshops, health check-up camps • Computer classes • Science lab • Sports classes • Girl child education	Promotion of Education	Kolkata, West Bengal; Gurugram, Haryana; Patna, Bihar; Delhi	23.65	23.65	23.65	Direct Agencies: NGO – SHARP, NGO – NIIT Foundation, NGO- HLFPPT, NGO- Rishi Chaitanya Trust (Shakti Vidya Nidhi Kosh), NGO - Agastya International Foundation, NGO – NCPEDP, NGO- Sugam
2.	Conducting employment enhancement vocational skills amongst underprivileged youth	Skill Development	Bengaluru, Karnataka; Chennai, Coimbatore, Tamil Nadu	2.11	2.11	2.11	Agencies: NGO - Sambhav Foundation, NGO - Centum Foundation

Sl. No.	CSR Project / Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where Projects or Programs was undertaken	Amount Outlay (budget) Project or Programs wise (Rs. in Million)	Amount spent on the Projects or Programs Sub-heads: (1) Direct expenditure on Projects or Programs (2) Overheads (Rs. in Million)	Cumulative Expenditure upto 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; Bengaluru, Karnataka; Haryana; Delhi; Kolkata, West Bengal	41.39	41.39	41.39	Agencies: NGO- Sambhav Foundation, NGO- Concern India Foundation, NGO – Catholic Club Orphans Trust, NGO – Indian Council for Child Welfare
4.	Public toilets at metro stations and maintenance of school toilets	Promoting preventive healthcare and sanitation	New Delhi; Gurugram, Haryana	3.49	3.49	3.49	Agencies: NGO – Sulabh International Social Service Organization, NGO- Sulabh Sanitation Mission Foundation
5.	Promotion of Sports amongst the youth from the community near our area of operations	Community Development	Gurugram, Haryana	0.20	0.20	0.20	Agencies: District Amateur Body Building Federation
6.	Medical camps during Bihar floods	Disaster relief and rehabilitation	Saharsa District, Bihar	0.30	0.30	0.30	Agency: SEEDS (Sustainable Environment and Ecological Development Society)
	TOTAL			71.14	71.14	71.14	

Details of Implementing Agencies:

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

a) **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 the 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.

b) **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 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 partner. It also works on the issues of prevention of disability.

c) **Centum Foundation -** Your Company partnered with them to impart training on retail sales to the youth in Bengaluru 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 WorkSkills India (Centum WSI), NSDC certified implementing partner.

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

e) **Sulabh Sanitation Mission Foundation (SSMF)** - Your Company partnered with them to build public toilets at metro stations in Delhi. It is registered under the Societies Registration Act, 1860 and has been a pioneer organization to work on providing health & sanitation facilities to the communities.

f) **Delhi Metro Rail Corporation (DMRC)** - Your Company partnered with them to build public toilets at metro stations in Delhi. The Delhi Metro has been instrumental in ushering in a new era in the sphere of mass urban transportation in India. The Delhi Metro Rail Corporation Limited (DMRC) was registered on 3rd May, 1995 under the Companies Act, 1956 with equal equity participation of the Government of the National Capital Territory of Delhi (GNCTD) and the Central Government to implement the dream of construction and operation of a world-class Mass Rapid Transport System (MRTS).

g) **Hindustan Latex Family Planning Promotion Trust (HLFPPT) -** Your Company partnered with them to undertake the school health programme 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 programmes.

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

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 vocational skills, sponsoring marriage of orphan girls, etc.

k) **Agastya International Foundation -** Your Company partnered with them to set up science centres in the schools. It is a registered Trust founded in April 1999 that runs one of the world's largest mobile hands-on science education programme for economically disadvantaged children and Government school teachers. Through all its programmes, Agastya has reached over 8 million children and 2,00,000 teachers in 18 states across India.

l) **Sustainable Environment and Ecological Development Society (SEEDS) -** Your Company collaborated with them to hold medical camps in flood affected areas in Bihar. The organization is registered under the Societies Registration Act, 1860 and a humanitarian non-profit organization working to make vulnerable communities resilient to disasters. SEEDS is the first and the only NGO in India, working in humanitarian response, to be certified by Geneva based Humanitarian Accountability Partnership (HAP) and is signatory to the Code of Conduct for the International Red Cross and Red Crescent.

G. 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**
Place : Gurugram	Managing Director	Independent Director & Chairman - CSR Committee
Date : May 22, 2018	DIN: 03438046	DIN: 00010630

Annexure V

Information pursuant to 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 each Executive Director to the median remuneration of the employees of the Company for the financial year 2017-18 along with the percentage increase in Remuneration of each Executive Director and Key Managerial Personnel (KMP) during the financial year 2017-18:

Sl. No.	Name of Director and KMP	Designation	Ratio of remuneration of each Director / KMP to the Median Remuneration of Employees	Percentage increase in Remuneration
1.	Mr. Rajeev Gopalakrishnan	Managing Director	68.61	4.39%
2.	Mr. Sandeep Kataria*	Whole-time Director and Chief Executive Officer	27.67	#
3.	Mr. Ram Kumar Gupta	Director Finance and Chief Financial Officer	28.62	15.00%
4.	Mr. Maloy Kumar Gupta**	Company Secretary & Compliance Officer	4.83	#
5.	Mr. Arunito Ganguly***	Assistant Vice President, Company Secretary & Compliance Officer	1.07	#

* *Appointed with effect from November 14, 2017.*

** *Ceased with effect from October 31, 2017.*

*** *Appointed with effect from December 15, 2017.*

\# *Percentage increase in remunaretion is not reported as they were holding respective office(s) for part of the financial year 2017-18.*

Note:

a) The Independent Directors of the Company are entitled to sitting fee and commission on Net Profits 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 Independent Directors of the Company have been provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the Independent Directors' Remuneration is, therefore, not considered for the purpose above.

b) Percentage increase in remuneration indicates annual total compensation increase, as recommended by the Nomination and Remuneration Committee and duly approved by the Board of Directors of the Company.

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 2017-18 was 9.46%.

(iii) There were 4,698 permanent employees on the rolls of the Company as on March 31, 2018.

(iv) Average percentage increase made in the salaries of employees other than the KMP in the previous financial year was 10.98%, whereas the average percentage increase in remuneration of the KMP was 8.28%. The average increase of remuneration every year is an outcome of the 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, KMP, Senior Managerial Personnel and all other employees of the Company during the financial year ended March 31, 2018, 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 : Gurugram
Date : May 22, 2018

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, 2018

Top 10 Employees including those Employed throughout the financial year under review and were 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 Million)	Last Employment-Designation
1.	Rajeev Gopalakrishnan	Managing Director	Permanent	B. Tech - Mechanical Engineering	53	31-01-2011	27	48.92	Bata Bangladesh Ltd.- Managing Director
2.	Ram Kumar Gupta	Director Finance and Chief Financial Officer	Permanent	B.Com, A.C.A.	59	01-07-2015	38	20.40	Bata Shoe Company (Kenya) Ltd. - Director Finance
3.	Sanjay Kanth	Sr. Vice President-Manufacturing & Sourcing	Permanent	B.A. - Economics, Diploma in Marketing Mgmt, MBA - Operations, MDP	56	02-07-2012	33	15.73	Adidas Technical Services Pvt. Ltd. - Head of Operations
4.	Matteo Lambert	Chief Collection Manager	Permanent	Bachelor Degree in Literature and Social Studies	46	06-06-2013	19	17.39	ARTSANA - Purchase Manager
5.	Anand Narang	Vice President-Marketing & Customer Services	Permanent	B.E. - Electronics & Electrical Engineering, PG. Diploma in Mgmt - Marketing & International Business	45	01-06-2016	24	11.15	Reliance JIO (INDIA)
6.	Kumar Sambhav Verma	Vice President-E-Commerce	Permanent	B.Com, PG Diploma in Marketing Management	38	08-03-2010	19	8.62	Home Shops 18 - Senior Manager - Marketing (Category)
7.	Vikas Baijal	Senior Vice President - HR	Permanent	B. Sc, Master of Social Work	50	13-01-2014	28	8.19	Bharat Hotel Ltd - Vice President - HR
8.	Raman Krishnamoorthy	Vice President - IT	Permanent	B.Com, ICWAI	54	25-09-2013	30	8.11	Vesuvius India Ltd. - Regional PM - APAC IT
9.	Uttam Kumar	Chief Merchandising Manager	Permanent	Bachelor of Marketing Mgmt., Diploma in Footwear Tech.	35	16-08-2005	14	7.66	Leiner Shoes Pvt Ltd - Senior Merchandiser
10.	Vijay Shrikant Gogate	Vice President-Famous Brands & Retail Operations (FSC)	Permanent	MBA - Marketing, Diploma In International Trade Management	45	25-11-2009	19	7.40	VF Arvind Brands - Regional Sales Manager

Employees those Employed for part of the financial year under review and were 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 Million)	Last Employment -Designation
1.	Sandeep Kataria*	Whole-time Director and Chief Executive Officer	Permanent	B. Tech. - Chemical Engineering, PG Diploma in Business Management	48	01-08-2017	27	19.73	Chief Commercial Officer - Vodafone
2.	Inderpreet Singh	Head Retail - Family	Permanent	B. Tech - Textile Technology, PGP in Fashion Management	38	01-01-2016	13	8.38	Bata Exports Pvt. Ltd. (Sri Lanka) - Company Manager
3.	Juan Pablo Malaver	Chief Collection Manager	Permanent	Master in Footwear and Accessories Design	39	27-04-2015	11	5.18	3A Antonini - Lumberjack - Designer / Developer
4.	Kiran Joshi	Vice President - Procurement	Permanent	B. Sc, M. Sc, Management in Footwear Technology	45	19-07-2010	21	2.53	Adidas Technical Services- Head - Sourcing
5.	Rossano Fogarin	Head - Product Development	Permanent	Diploma Course in Shoes Designing, Diploma Course in Planning - CAD / CAM	57	22-01-2018	36	2.33	Product Development & Technical Manager - PT. Sepatu Bata Tbk.

* *Mr. Sandeep Kataria was initially appointed as the Country Manager with effect from August 1, 2017 and thereafter appointed as the Whole-time Director and Chief Executive Officer of the Company with effect from November 14, 2017.*

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 along with spouse and dependent children not less than 2% of the Equity Shares of the Company as on March 31, 2018.

For and on behalf of the Board of Directors

UDAY KHANNA
Chairman
DIN: 00079129

Place : Gurugram
Date : May 22, 2018

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, 2017 - March 31, 2018
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:	
a.	Number of International Locations:	None
b.	Number of National Locations:	The Company has 4 operational manufacturing units located at (i) Batanagar, Kolkata, West Bengal, (ii) Batagunj - Patna, Bihar, (iii) Peenya Industrial Area, Bengaluru, Karnataka, (iv) Batashatak, Hosur, Tamil Nadu and also operates through more than 1375 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, Tier-II & Tier-III cities across India. For non-urban areas, the Company sells its footwear through its network of more than 400 Distributors.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital:	Rs. 642.64 Million
2.	Total Turnover:	Rs. 26363.18 Million
3.	Total profit after taxes:	Rs. 2235.78 Million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	Rs. 71.14 Million, i.e., 3.18 % 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 2017-18 by the Company have been provided in page no. 19 of the Board's Report and also in the Annual Report on CSR Activities, 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, 2018, 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:**	
Sl. No.	**Particulars**	**Details**
1.	DIN:	03438046
2.	Name:	Mr. Rajeev Gopalakrishnan
3.	Designation:	Managing Director
4.	Telephone Number:	(0124) 3990100
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 Responsi-bility	Wellbeing of Em-ployees	Stake-holder Engage-ment & CSR	Hu-man Rights	Envi-ron-ment	Public Policy	CSR	Cus-tomer 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 *https://bata.in/bataindia/a-31_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 / support 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:

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 is 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 is it published?	This is the second BR Report of the Company for publication. The BR Reports may be viewed on the website of the Company at *www.bata.in* and is available at the link *https://bata.in/bataindia/a-29_s-181_c-42/investor relations.html.* The Company is publishing 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 Anti-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 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.com, to enable the Members / Investors of the Company to communicate their grievances directly.

   The details of Investor's 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 for the end consumer of various Organizations where it is sold.

   ii. The Company has also replaced Natural Rubber & Leather with synthetic EVA (Ethylene Vinyl Acetate) in Sole making & PU coated PVC in Shoe upper making respectively, thereby contributing towards natural resource conservation.

iii. The Company has also introduced usages of recycled waste Rubber from Tyre Industries for Rubber outsole making in collaboration with Austin Rubber, U.S.A.

iv. The Company has also replaced Natural Fossil Fuel by eco-friendly Bio-Mass waste materials for operation of Boiler.

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 2017-18	Previous Financial Year 2016-17
Electrical Energy (Kwh per pair of Shoes)	0.56	0.64
Thermal Energy (Equivalent kwh per pair of shoes)	0.48	0.53
CO2 Emission (Kg CO2 per pair of Shoes) [consider : 0.537 kg CO2 /1 kwh Grid electricity & 0.268 kg CO2 / kwh fuel oil]	0.43	0.49

(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 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, 2018 the Company achieved 11.12 % reduction in consumption of energy in its manufacturing units across India.

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. The Company has worked out Individual Development Plan of all Units which is being continuously monitored to improve both capacity & capability of all Local & Small producers.

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 balance. 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.**

Sl. No.	Category of Manpower	No. of Employees
1.	Managerial staff	1051
2.	Non managerial staff in manufacturing	2207
3.	Managers + Permanent employees in Stores	1440
4.	Contracted and Third Party employees	3779
	Total	**8477**

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

   Out of the above, 3,779 persons were hired on temporary / contractual / casual basis.

3. **Please indicate the Number of permanent women employees.**

   There are 172 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?**

   55.64%

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, 2018, there were two cases reported and were dealt satisfactorily towards sexual harassment under the Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.There was no pending complaints as on March 31, 2018.

   The Company did not receive any complaints relating to child labour, forced labour, involuntary labour.

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

   (a) Permanent Employees: 83%

   (b) Permanent Women Employees: 92%

(c) Casual / Temporary / Contractual Employees: 76%

(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 formal 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 programmes 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 Programme (BCP) initiatives of Bata Shoe Organization (BSO) globally, towards improving the lives of the underprivileged children, especially the girl child.

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 area.

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 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 through monitoring system. Required necessary steps and safeguarding measures have been taken 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 is conscious and committed to maintain environmental and ecological balances of this planet and makes its conduct subject to environment audit practices. Across all manufacturing units, Sewage treatment plants are working effectively and efficiently. Since Batanagar and Bataganj factories are located on the bank of River Ganga, water discharge to the River Ganga meets the norms of the "Clean Ganga" initiatives of the Central Government. At Bataganj unit, "Zero Effluent Discharge" vision is implemented by utilizing treated effluent water for gardening & washrooms. All the factories are complying with stack emission qualities and ambient air qualities. Special thrusts are given on waste management, conservation of energy and water and natural resources.

   On Water Conservation initiatives, Rain Water Harvesting Plant was established at our Peenya Industrial Area, Bengaluru, Karnataka factory 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 consuming devices. Further, in all factories, the 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 and same will be done for other manufacturing units also in near future in phases.

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, 2018 and no show cause / legal notice related to CPCB / SPCB are pending with the Company as on the end of the 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 Council for Footwear Leather & Accessories (CFLA).

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 organization 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, 2018, your Company focussed on promotion of educational initiatives by supporting the schools near its area of operations. It participated in the Prime Minister's 'Skill India Campaign' by enhancing employability skills of the underprivileged youth. Under the Happy Steps Programme, your Company was also engaged in undertaking educational awareness workshops amongst the school children and provided shoes to the underprivileged members of the society, with the aim to eradicate poverty, promote preventive healthcare and promote education.

   During the year under review, your Company was engaged with CSR activities with 6 schools and touched lives of around 3,000 school children through various programmes, trained 200 youth on an on-going basis in retail sales employability training programme under the Prime Minister's 'Skill India Campaign' and is in the process to build public toilets at 5 metro stations in New Delhi in collaboration with DMRC (Delhi Metro Rail Corporation) and Sulabh Sanitation Mission Foundation (SSMF) as part of 'Swachh Bharat Mission' of Government of India. Your Company also maintains the school toilets constructed last year across 14 schools 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 design 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 programmes. This includes baseline and end-line surveys by the end of the project. Based on the findings of the surveys, the effectiveness of the programme 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, 2018, the Company has spent a total amount of Rs. 71.14 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.	Promotion of education in schools	23.65
2.	Eradicating Poverty & preventive healthcare through Happy Steps Programme	41.39
3.	Promotion of Sports amongst the Youth	0.20
4.	Promotion of preventive healthcare and sanitation	3.49
5.	Promotion of employment enhancement skill development	2.11
6.	Disaster relief and rehabilitation during Bihar floods	0.30
Total		**71.14**

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 programme implementation committee which ensures planning and implementation of projects, periodic reviews and information sharing with stakeholders. 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 ensured to address and resolve customer complaints / consumer cases amicably and has further strengthened its Customer Care Team and improvised the complaints redressal processes for speedy resolution of customer complaints. The Company has received 76607 customer / consumer complaints during the year under review and have resolved 76603 complaints amicably during the financial year 2017-18. Remaining 4 (0.01%) complaints lying pending at the end of financial year has since been resolved.

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 has introduced a strong Customer Feedback Mechanism to capture the feedback about Customers' Shopping Experience 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 sustained long term value creation 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 essential to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate governance and 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 three 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, 2018, four Board Meetings were held, i.e., on May 15, 2017; August 2, 2017; November 14, 2017 and February 9, 2018.

The Composition and category of each Director on the Board and attendance at the Board Meetings and at the last Annual General Meeting (AGM) held on July 18, 2017 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	4	Yes	5	5 (Chairman of 1)
Mr. Akshay Chudasama	Independent Director	4	Yes	7	4
Ms. Anjali Bansal	Independent Director	4	Yes	5	1
Mr. Christopher Kirk	Non-Executive Director	2	Yes	1	1
Mr. Shaibal Sinha	Non-Executive Director	4	Yes	1	1
Mr. Rajeev Gopalakrishnan	Managing Director (Executive Director)	4	Yes	3	1
Mr. Sandeep Kataria#	Whole-time Director and Chief Executive Officer (Executive Director)	2	NA	4	0
Mr. Ram Kumar Gupta	Director Finance and Chief Financial Officer (Executive Director)	4	Yes	4	1

NOTE:

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

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

Appointed with effect from November 14, 2017.

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 April 20, 2017, 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. Other than Managing Director and Independent Directors, not less than two-thirds of the total number of Directors are liable to retire by rotation, out of which one-third shall retire at every AGM and if eligible, may seek approval from the Members for their re-appointment.

In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Independent Directors of the Company were 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 appointment 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 Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the required information about the Directors proposed to be appointed / re-appointed has been annexed to the Notice convening the 85th 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, market visits and hold one-on-one discussions with key Functional Heads of the Company to understand various functions which are critical to the 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 all Policies and Code of Conduct and Business Ethics adopted by the Board.

During the year under review, the Company conducted Familiarization Programmes for the Independent Directors of the Company. The details of such Programmes has been uploaded on the website of the Company at *www.bata.in* and is available at the link *https://bata.in/0/pdf/BataIndiaLimited_Detailsof%20 FamiliarizationProgramme_2017-18.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 *https://bata.in/0/pdf/BIL-CodeofConductforDirectors&SMPs.pdf.*

(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, *inter alia,* with 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; and

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 quarterly financial statements before submission to the board for approval.

e. 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.
- Modified Opinion(s), if any, in the draft audit report.

f. 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;

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

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

i. Scrutiny of inter-corporate loans and investments;

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

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

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

m. 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;

n. Discussion with internal auditors any significant findings and follow-up thereon;

o. 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;

p. 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;

q. 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;

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

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

t. 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.

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, 2018, i.e., on May 15, 2017; August 2, 2017; November 14, 2017 and February 9, 2018. The Company Secretary acts as the Secretary to the Committee.

The Name and Category of Directors as 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	4
4.	Ms. Anjali Bansal	Independent Director	3
5.	Mr. Christopher Kirk	Non-Executive Director	2
6.	Mr. Shaibal Sinha	Non-Executive Director	4

The Chairman of the Audit Committee was present at the 84th AGM of the Company held on July 18, 2017.

The Executive Directors, the Statutory Auditors, the Chief Internal Auditor and the Head of Finance are permanent invitees to 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 includes 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;
- To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

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 four times during the financial year ended March 31, 2018, i.e., on April 20, 2017; July 28, 2017; November 14, 2017 and February 9, 2018. The Company Secretary acts as the Secretary to the Committee.

The Name and Category of Directors as Members and their attendance at the aforesaid Nomination and Remuneration Committee Meetings are detailed below:

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

The Chairperson of the Nomination and Remuneration Committee was present at the 84th AGM of the Company held on July 18, 2017.

The Executive Directors and the Head of Human Resource are permanent invitees to the Meetings of the Nomination and Remuneration Committee.

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 Listing Regulations 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 of the Board / Individual Directors including the Chairman of the Board of Directors for the financial year ended March 31, 2018.

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 May 22, 2018.

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 22, 2018. All the criteria of Evaluation as envisaged in the SEBI Circular on '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 adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs), Functional Heads and other employees of the Company. The Policy provides for criteria and qualifications for appointment of Director, KMPs and SMPs, remuneration paid / payable to them, Board diversity etc. The said policy has been uploaded on the website of the Company at *www.bata.in* and is available at the link *https://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 Members of the Company. Such remuneration is also in line 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 Non-Independent Directors do not accept sitting fees and / or Commission on Net Profits of the Company. The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the year under review. Except Mr. Uday Khanna, no other Non-Executive Directors hold any share(s) 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 AGM, in such proportion as 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, 2018 and the number of Equity Shares held in the Company by the Independent Directors are also mentioned below:

Name of the Director	Sitting Fees paid (Rs. in Million)	Commission paid for the financial year March 31, 2017 (Rs. in Million)	No. of Shares held
Mr. Uday Khanna	0.85	2.65	10000
Mr. Ravindra Dhariwal	1.25	1.32	-
Mr. Akshay Chudasama	0.80	1.32	-
Ms. Anjali Bansal	0.60	1.32	-

- **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	34.92	11.74	2.26
Mr. Sandeep Kataria* Whole-time Director and Chief Executive Officer	10.74	-	0.38
Mr. Ram Kumar Gupta Director Finance and Chief Financial Officer	17.82	2.44	0.14

** Appointed with effect from November 14, 2017.*

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(s) 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, 2018, i.e., on May 15, 2017; August 2, 2017; November 14, 2017 and February 9, 2018. The Company Secretary acts as the Secretary to the Committee.

The Name and Category of Directors as Members and their attendance at the Stakeholders Relationship Committee 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 ceased to be the Company Secretary & Compliance Officer of the Company with effect from October 31, 2017. Mr. Arunito Ganguly, Assistant Vice President, Company Secretary & Compliance Officer was appointed as the Compliance Officer of the Company with effect from December 15, 2017.

The Chairman of the Stakeholders Relationship Committee was present at the 84th AGM of the Company held on July 18, 2017.

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 complaints were lying unresolved as on March 31, 2018 under 'SCORES'.

It is confirmed that there was no request for registration of share transfers / transmissions lying pending as on March 31, 2018 and that all requests for issue of new certificates, sub-division or consolidation of shareholdings, etc., received upto March 31, 2018 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 of 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 March 31, 2018:

Sl. No.	Subject matter of Complaints	Complaints pending as on April 1, 2017	Complaints Received during the financial year ended March 31, 2018	Total Complaints during the financial year ended March 31, 2018	Complaints Redressed upto March 31, 2018	Complaints pending as on March 31, 2018
1.	Non-receipt of Dividend	2	7	9	8	1
2.	Transfer / Transmission of Shares	0	1	1	1	0
3.	Dematerialization / Re- materialization of Shares	0	1	1	1	0
4.	Others	0	3	3	3	0
	Total	**2**	**12**	**14**	**13**	**1**

It is also confirmed that one (1) investor complaint lying pending as on March 31, 2018 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.

Pursuant to the provisions of the CSR Policy of the Company, the CSR Committee met four times during the financial year ended March 31, 2018, i.e., on April 20, 2017; August 2, 2017; November 14, 2017 and February 9, 2018. The Company Secretary acts as the Secretary to the Committee.

The Name and Category of Directors as Members and their attendance at the CSR Committee Meetings are detailed below:

Sl. No.	Name of the Member	Category	No. of Meetings attended
1.	Mr. Akshay Chudasama, Chairman	Independent Director	4
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 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 Management Committee are circulated to the Directors of the Company in order to keep them informed about the risk assessment and risk mitigation 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 makes assessment of the potential risks and concern for the Company as well as suggests the best course of action to mitigate and avoid such risks.

The Committee met two times during the financial year ended March 31, 2018, i.e., on May 15, 2017 and November 14, 2017. The Company Secretary acts as the Secretary to the Committee.

The Name and Category of Directors as Members along with other Members and their attendance at the Risk Management Committee 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. Sandeep Kataria*	Executive Director	-
4.	Mr. Ram Kumar Gupta	Executive Director	2
5.	Mr. Christopher Kirk	Non-Executive Director	1
6.	Mr. Sanjay Kanth	Senior Vice President - Manufacturing & Sourcing	-
7.	Mr. Vikas Baijal	Senior Vice President - Human Resource	2
8.	Mr. Vinod Kumar Mangla	Chief Internal Auditor	2

**Appointed as a Member of the Committee with effect from February 9, 2018.*

(9) GENERAL BODY MEETINGS

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

Financial Year ended	Day & Date	Time	Venue
March 31, 2017	Tuesday, July 18, 2017	10:00 a.m.	'Kalamandir', 48, Shakespeare Sarani, Kolkata- 700017
March 31, 2016	Thursday, August 4, 2016	10:00 a.m.	
March 31, 2015*	Wednesday, August 5, 2015	10:00 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 AGMs:

Date of AGM	Details of the Special Resolutions passed
July 18, 2017	No Special Resolution was passed at the 84th AGM of the Company.
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 and Chief Financial Officer of the Company for a period of five consecutive years with effect from August 19, 2015 and fixation of his remuneration.
August 5, 2015	(i) Payment of commission upto 1% of the Net Profits of the Company to the 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 for change in Authorised Capital 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 the entire exclusion of the Company's existing Articles of Association bearing Article 1 to Article 121.

(c) No Extraordinary General Meeting (EGM) was held by the Company during the financial year ended March 31, 2018.

(d) No Resolution was passed during the financial year ended March 31, 2018 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 AGM.

(10) MEANS OF COMMUNICATION

Financial Results: Prior intimation of the Board Meeting 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 the 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 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 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 Members / Investors can view the details of electronic filings done by the Company on the respective websites of BSE and NSE 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's website.

(11) 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, 2018, 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 Transactions Policy 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 Transactions Policy has been uploaded on the website of the Company at *www.bata.in* and is available at the link *https://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, 2018 (both standalone and consolidated basis) as included in this Annual Report.

(12) 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.

(13) GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting

The 85th Annual General Meeting (AGM) of the Company will be held at 'KALAMANDIR', 48, Shakespeare Sarani, Kolkata - 700017 on Friday, July 20, 2018 at 10:00 a.m.

(b) Financial Year

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

Financial Calendar [Current Financial Year 2018-19]	Tentative Dates
First Quarter Financial Results (June 30)	By end of July 2018
Second Quarter Financial Results (September 30)	By mid November 2018
Third Quarter Financial Results (December 31)	By mid February 2019
Fourth Quarter & Annual Audited Financial Results of the current Financial Year (March 31)	By end of May 2019

(c) Book Closure: Wednesday, July 11, 2018 to Friday, July 20, 2018 (both days inclusive).

(d) Dividend Payment Date: Dividend for the financial year ended March 31, 2018, if declared at the AGM, shall be paid from Thursday, August 2, 2018 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
[CSE Scrip Code: 10000003]

ii) **BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001
[BSE Security Code: 500043]

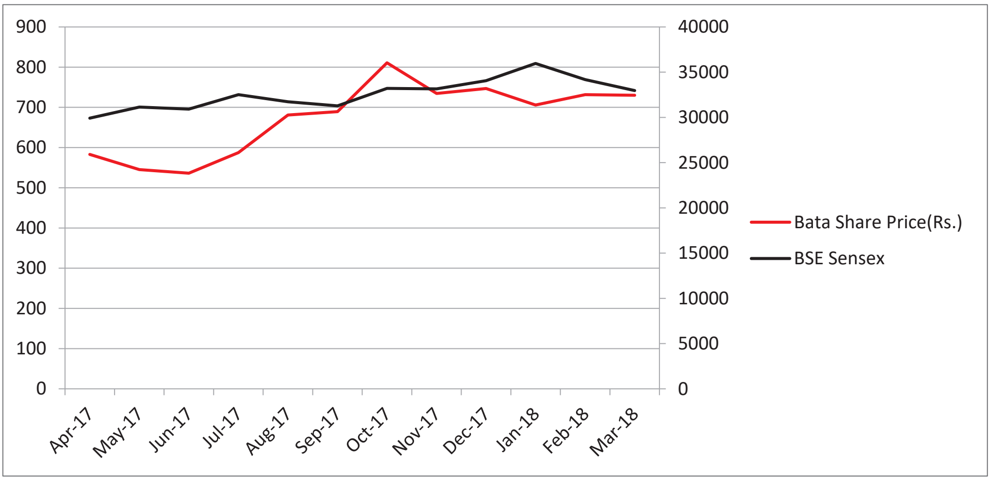
iii) **National Stock Exchange of India Limited (NSE)**
Exchange Plaza, 5^{th} Floor,
Plot No. C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051
[NSE Symbol: BATAINDIA]

The annual listing fees for the year 2017-18 and 2018-19 have been paid to all these Stock Exchanges.

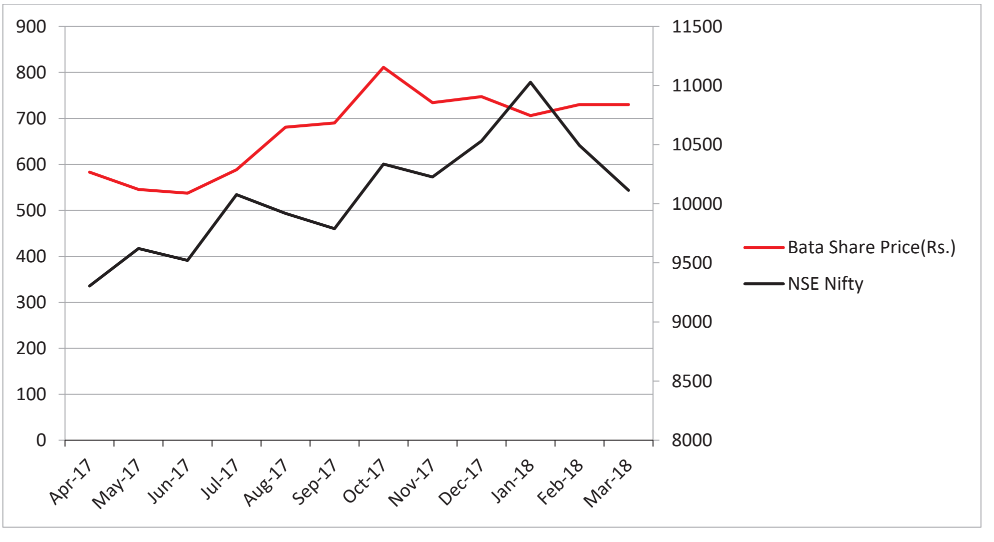
(f) Stock Market Performance

Month & Year	B S E			N S E		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April 2017	592.40	549.90	546675	592.95	549.65	8053805
May 2017	589.00	517.00	825674	589.50	516.45	11494590
June 2017	566.20	510.50	742471	566.75	510.70	6907698
July 2017	595.40	540.00	1310842	595.75	539.35	14986455
Aug 2017	694.85	580.25	2322777	695.00	582.00	28717585
Sept 2017	750.00	669.50	911377	749.60	668.50	13303376
Oct 2017	826.60	684.80	1041810	825.40	685.00	17544472
Nov 2017	833.00	723.80	1227757	832.80	727.65	20861266
Dec 2017	762.75	705.45	732460	763.95	704.35	13155454
Jan 2018	779.85	700.00	775297	779.95	700.10	12528774
Feb 2018	749.80	656.80	611885	740.70	653.10	10278275
Mar 2018	754.50	673.60	518743	754.80	673.90	10525155

Note: During the financial year ended March 31, 2018, there was no trading in the equity 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 Agent (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 re-materialization 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 and Chief Financial Officer, Mr. Arunito Ganguly, Assistant Vice President, Company Secretary & Compliance Officer 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, 2018.

Documents and Share Certificates lodged by the Members / 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 Regulations, 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) Member's / Investor's Complaints: The Company and the RTA attend to the Member's / Investor's Complaints within the minimum possible time not exceeding 7 days to 15 days and steps have been taken to resolve the same within the statutory time limit except in disputed cases or cases involving legal issue, etc.

A Practicing 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 next Board Meeting.

The Company has received certificates from the Stock Exchanges (CSE / NSE / BSE) confirming that there were no pending complaints as on March 31, 2018 in the records of the Stock Exchanges.

(j) Dematerialization of Shares and Liquidity: Since the equity shares of the Company are compulsorily traded in dematerialized mode, 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, M/s. R & D Infotech Private Limited at 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. Members/ 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 Equity 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, 2018, 98.80% of the total paid-up share capital of the Company representing 126991187 Equity Shares is held in dematerialized mode. The balance 1.20% paid-up share capital representing 1536353 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, 2018, total 658 requests for dematerialization of 140087 equity shares of the Company (0.11% of the paid-up equity share capital) were received and processed successfully.

(k) Distribution of Shareholding as on March 31, 2018

Range of Shares	No. of Shareholders	No. of Shares
1 – 5000	113665	14191617
5001 - 10000	139	1016893
10001 - 50000	115	2559341
50001 - 100000	37	2653935
100001 and Above	67	108105754
Total	**114023**	**128527540**

(l) Shareholding Pattern as on March 31, 2018

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	111002	15594978	12.13
(ii)	Domestic Companies	1262	3436155	2.67
(iii)	N.R.I.	1534	459920	0.36
(iv)	Mutual Fund	77	22492159	17.50
(v)	Financial Institutions / Banks	29	496268	0.38
(vi)	Insurance Companies	23	9791075	7.62
(vii)	F.I.I.	91	7951367	6.19
(viii)	Directors	3	10156	0.01
(ix)	IEPF Authority	1	229948	0.18
Total Public Shareholding (B)		**114022**	**60462026**	**47.04**
Total (A)+(B)		**114023**	**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 (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments as on March 31, 2018.

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

i) Batanagar, Kolkata, West Bengal.
ii) Bataganj, Patna, Bihar.
iii) Peenya Industrial Area, Bengaluru, Karnataka.
iv) Batashatak, Hosur, Tamil Nadu.

(o) Address for Correspondence

(i) BATA INDIA LIMITED
Registered Office
27B, Camac Street, 1st Floor, Kolkata – 700016, West Bengal
Telephone No. : (033) 2301 4400
Fax No. : (033) 2289 5748
E-mail Id : corporate.relations@bata.com

Contact Persons
Mr. Arunito Ganguly : Assistant Vice President, Company Secretary & Compliance Officer
E-mail Id : arunito.ganguly@bata.com
Mr. Jyotirmoy Banerjee : Investor Relations Manager (Designated Nodal Officer)
E-mail Id : share.dept@bata.com

(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, West Bengal
Telephone Nos. : (033) 2419 2641 / 2642
Fax No. : (033) 2419 2642
E-mail Id : bata@rdinfotech.net / info@rdinfotech.net
Contact Person : Mr. Ratan Kumar Mishra, Director

(14) 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 "Board's Report" 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 and the same are also uploaded on the Company's website at *www.bata.in*. 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, Managing Director and Chief Executive Officer (CEO) of the Company are three different individuals; and

(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.

(15) ANNUAL DECLARATION BY THE CHIEF EXECUTIVE OFFICER (CEO)

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, 2018.

Sandeep Kataria
Chief Executive Officer (CEO)
DIN: 05183714

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

The following certificate was placed at the Board Meeting held on May 22, 2018.

We, Sandeep Kataria, Whole-time Director and Chief Executive Officer (CEO) and Ram Kumar Gupta, Director Finance and Chief Financial Officer (CFO), to the best our knowledge and belief certify that:

A. We have reviewed financial statements for the year ended March 31, 2018 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, 2018 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 those 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, 2018;

(ii) There has not been significant changes in accounting policies during the financial year ended March 31, 2018, 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	**Sandeep Kataria**
Place : Gurugram	**Director Finance and CFO**	**Whole-time Director and CEO**
Date : May 22, 2018	DIN: 01125065	DIN: 05183714

(17) 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. B S R & Co. LLP, Chartered Accountants, the 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 : Gurugram
Date : May 22, 2018

Auditors' Certificate on Corporate Governance

To
The Members of Bata India Limited

We have examined the compliance of conditions of Corporate Governance by Bata India Limited ('the Company'), for the year ended March 31, 2018, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our examination in accordance with the Guidance Note on Report or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Review of Historical Financial Information, and other Assurance and Related Service Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on Use

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Tarun Gupta
Partner
Membership No.: 507892

Place : Gurugram
Date : May 22, 2018

FINANCIAL HIGHLIGHTS FROM 2008 TO 2017-18

(Rs. in million)

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

* All figures are as per Ind AS

(Rs. in millions)

2011	2012	2013	Fifteen months ended 31.03.2015	2015-16*	2016-17*	2017-18*
16,959.91	19,017.06	21,297.54	27,808.31	24,753.15	25,438.87	26,871.62
3,605.04	3,033.39	3,418.21	4,079.01	3,754.50	2,985.81	4,004.34
411.01	513.75	591.97	792.34	788.01	650.05	604.21
3,194.03	2,519.64	2,826.24	3,286.68	2,966.49	2,335.75	3,400.14
935.64	803.61	918.81	974.96	790.54	748.28	1,164.36
2,258.39	1,716.03	1,907.43	2,311.72	2,175.95	1,587.48	2,235.78
-	-	-	-	-	-	-
2,258.39	1,716.03	1,907.43	2,311.72	2,175.95	1,587.48	2,235.78
447.14	448.13	491.68	488.70	502.75	541.42	541.42
1,811.25	1,267.90	1,415.75	1,823.02	1,673.20	1,046.06	1,694.36
5,084.40	5,793.97	6,252.34	7,436.45	3,987.87	4,338.22	4,997.50
2,270.66	2,594.66	2,699.42	3,548.56	3,211.50	2,957.86	3,065.76
48.51	48.51	48.51	49.51	49.51	49.51	49.51
3,423.89	3,482.26	4,590.48	4,961.96	7,424.54	8,562.30	9,873.62
-	1,438.97	1,864.35	2,639.02	2,564.01	2,722.84	2,857.57
5,743.05	**7,564.40**	**9,202.76**	**11,199.05**	**13,249.56**	**14,292.53**	**15,846.46**
642.64	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	14,144.50
5,743.05	7,003.30	8,410.01	10,221.45	12,220.85	13,252.81	14,787.14
-	-	-	-	-	-	-
-	561.10	792.75	977.60	1,028.71	1,039.71	1,059.32
5,743.05	**7,564.40**	**9,202.76**	**11,199.05**	**13,249.56**	**14,292.53**	**15,846.46**

SIGNIFICANT RATIOS FROM 2008 TO 2017-18

				2008	2009	2010
MEASURES OF INVESTMENTS						
Return on Equity		Profit after Tax / Shareholders' Funds	(%)	21.42	20.20	23.94
Earnings per Share****		Net Profit / No. of Shares	(Rs.)	4.73	5.23	7.42
Dividend Cover			(times)	3.78	3.49	3.71
Dividend			(%)	25.00	30.00	40.00
Book Value of an Equity Share****		Shareholders' Funds / No. of Shares	(Rs.)	22.06	25.89	30.98
MEASURES OF PERFORMANCE						
Profitability	a)	Profit before Tax / Sales	(%)	7.10	9.01	11.20
	b)	Profit after Tax / Sales	(%)	6.00	6.04	7.47
Capital Turnover		Sales / Total Funds	(times)	3.09	3.11	3.10
Stock Turnover		Sales / Stocks	(times)	3.46	4.01	4.27
Working Capital Turnover		Sales / Net Current Assets	(times)	5.25	5.31	5.29
MEASURES OF FINANCIAL STATUS						
Debt Equity Ratio		Loan Funds / Shareholders' Funds	(times)	0.16:1	0.08:1	0.03:1
Current Ratio		Current Assets / Current Liabilities	(times)	1.71:1	1.72:1	1.53:1
Fixed Assets to Shareholders' Funds		Net Fixed Assets / Shareholders' Funds	(times)	0.42:1	0.39:1	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.

(Rs. in millions)

2011	2012	2013	Fifteen months ended 31.03.2015	2015-16***	2016-17***	2017-18***
24.74**	24.50	22.68	19.37**	14.29**	11.98	15.12
11.06**	13.35	14.84	15.40**	13.59**	12.35	17.40
3.68**	4.45	4.57	4.74**	3.88**	3.53	4.35
60.00	60.00	65.00	65.00	70.00	70.00	80.00
44.69	54.49	65.43	79.53	95.08	103.11	115.05
13.42**	13.46	13.47	10.79**	10.36**	9.35	12.90
9.08**	9.17	9.09	7.23**	7.13**	6.36	8.48
2.73	2.67	2.50	2.68	2.00	1.88	1.78
4.00	4.05	3.60	3.88	3.61	3.54	3.46
4.57	5.38	4.57	5.52	3.30	2.92	2.67
-	-	-	-	-	-	-
2.00:1	1.93:1	1.99:1	1.96:1	2.83:1	2.74:1	2.76:1
0.40:1	0.37:1	0.32:1	0.35:1	0.26:1	0.22:1	0.21:1

INDEPENDENT AUDITOR'S REPORT

To the Members of Bata India Limited

Report on the Audit of 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 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Ind AS 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS 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 the 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 are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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 aforesaid 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 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 15 May 2017 expressed an unmodified opinion.

Our opinion is not modified in respect of these matters.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" 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 purposes 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, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   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 32 to the 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 disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Tarun Gupta
Partner
Membership No.: 507892

Place : Gurugram
Date : 22 May 2018

Annexure A referred in the Independent Auditor's Report to the Members of Bata India Limited on the standalone Ind AS financial statements for the year ended 31 March 2018

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the fixed assets are physically verified by the management in accordance with a phased programme designed to cover all items of fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year. As informed to us, no material discrepancies were observed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties included in the fixed assets are held in the name of the Company.

(ii) According to the information and explanations given to us, the inventories (excluding stocks with third parties and goods-in-transit) have been physically verified during the year by the management. For goods in transit in respect of purchase and sales of material, all material is substantially received or delivered until the date of issuance of this report. In respect of inventories lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. Further, as informed, the discrepancies noticed on verification between the physical inventory and the book records were not material.

(iii) 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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits covered under Section 73 to 76 of the Act.

(vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Goods and Services Tax ('GST'), Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, GST, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax, Cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:-

Name of the Statute	Nature of dues	Amount of demand * (in INR millions)	Period to which the amount relates	Forum where 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 (Uttar Pradesh)
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	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 (antidumping 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	Disallowance of certain expenditure	293.1	AY 2011-2012, AY 2012-2013 & AY 2014-2015	Commissioner of Income Tax (Appeal), Kolkata

* Amount as per demand orders including interest and penalty, wherever indicated in the order.

(viii) According to the information and explanations given to us, the Company has neither taken any loans from financial institutions or banks or government nor issued any debentures, therefore, the provision of clause (viii) of the Order is not applicable.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details have been disclosed in the Ind AS financial statements, as required by the applicable accounting standard.

(xiv) According to information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Tarun Gupta
Partner
Membership No.: 507892

Place : Gurugram
Date : 22 May 2018

Annexure B referred in the Independent Auditor's Report to the Members of Bata India Limited on the standalone Ind AS financial statements for the year ended 31 March 2018

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 with reference to financial statements of Bata India Limited ("the Company") as of 31 March 2018 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 with reference to financial statements 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 ('ICAI'). 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 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 with reference to financial statements 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Tarun Gupta
Partner
Membership No.: 507892

Place : Gurugram
Date : 22 May 2018

BALANCE SHEET AS AT 31 MARCH 2018

(Amount in INR millions)

	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4a	2,929.10	2,645.75
Capital work-in-progress	4c	121.19	242.29
Intangible assets	4b	15.47	13.77
Intangible assets under development	4c	-	56.06
Financial assets			
Investments	5a	49.51	49.51
Loans	5b	993.07	980.94
Deferred tax assets (net)	6	1,053.93	1,004.33
Other non-current tax assets	7b	466.33	377.63
Other non-current assets	7a	344.24	359.94
		5,972.84	**5,730.22**
Current assets			
Inventories	8	7,621.14	7,054.39
Financial assets			
Trade receivables	9	886.31	671.48
Cash and cash equivalents	10	543.60	616.99
Bank Balances other than those included in cash and cash equivalents	11	5,341.29	4,592.13
Loans	5b	37.67	32.44
Other financial assets	5c	331.90	261.92
Other current assets	7a	713.91	266.40
		15,475.82	**13,495.75**
Total assets		**21,448.66**	**19,225.97**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	642.64	642.64
Other equity	13	14,144.50	12,610.17
		14,787.14	**13,252.81**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Trade payables	14	1,037.42	1,039.71
Provisions	17b	21.90	-
		1,059.32	**1,039.71**
Current liabilities			
Financial liabilities			
Trade payables			
-Micro, small and medium enterprises	14	37.96	39.90
-Others	14	4,754.35	4,032.25
Other financial liabilities	15	353.86	401.84
Other current liabilities	16	173.60	302.84
Provisions	17b	103.19	43.46
Current tax liabilities (net)	17a	179.24	113.16
		5,602.20	**4,933.45**
Total Equity and Liabilities		**21,448.66**	**19,225.97**
Significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration number: 101248W/W-100022
Chartered Accountants

Tarun Gupta
Partner
Membership no.: 507892

Place : Gurugram
Date : May 22, 2018

For and on behalf of the Board of Directors of Bata India Limited

UDAY KHANNA
Chairman
DIN: 00079129

RAJEEV GOPALAKRISHNAN
Managing Director
DIN: 03438046

SANDEEP KATARIA
Whole-time Director & CEO
DIN: 05183714

RAM KUMAR GUPTA
Director Finance
DIN: 01125065

ARUNITO GANGULY
Company Secretary
Membership No.: FCS 9285

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR millions)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
REVENUE			
Revenue from operations	18	26,363.18	24,972.41
Other income	19	508.44	466.46
Total revenue		**26,871.62**	**25,438.87**
EXPENSES			
Cost of raw materials and components consumed	20a	2,695.23	2,914.18
Purchase of stock-in-trade	20b	9,842.28	8,878.15
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(578.95)	(263.53)
Excise duty		70.47	300.80
Employee benefits expense	22	2,953.78	2,726.95
Finance costs	23	41.98	40.34
Depreciation and amortization expense	24	604.21	650.05
Other expenses	25	7,842.48	7,639.49
Total expenses		**23,471.48**	**22,886.43**
Profit before exceptional items and income tax		**3,400.14**	**2,552.44**
Exceptional Items	26	-	216.69
Profit before tax		**3,400.14**	**2,335.75**
Tax expense:			
Current tax	6	1,213.95	924.70
Tax for earlier year	6	-	(62.83)
Deferred tax (credit)	6	(49.59)	(113.60)
Profit for the year		**2,235.78**	**1,587.48**
Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans	27	(244.73)	(21.56)
Income tax effect	27	84.70	7.46
Other comprehensive income for the year, net of income tax		**(160.03)**	**(14.10)**
Total comprehensive income for the year, net of income tax		**2,075.75**	**1,573.38**
Earnings per equity share			
(nominal value per share INR 5 (Previous year INR 5))			
(1) Basic (INR)	29	17.40	12.35
(2) Diluted (INR)	29	17.40	12.35
Significant accounting policies	2		
The accompanying notes are an integral part of these financial statements			

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration number: 101248W/W-100022
Chartered Accountants

Tarun Gupta
Partner
Membership no.: 507892

Place : Gurugram
Date : May 22, 2018

For and on behalf of the Board of Directors of Bata India Limited

UDAY KHANNA
Chairman
DIN: 00079129

RAJEEV GOPALAKRISHNAN
Managing Director
DIN: 03438046

SANDEEP KATARIA
Whole-time Director & CEO
DIN: 05183714

RAM KUMAR GUPTA
Director Finance
DIN: 01125065

ARUNITO GANGULY
Company Secretary
Membership No.: FCS 9285

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR millions)

(a) Equity share capital

	No. of shares	Amount
Equity shares of INR 5 each issued, subscribed and fully paid		
At 31 March 2016	128,527,540	642.64
Issue of share capital	-	-
At 31 March 2017	128,527,540	642.64
Issue of share capital	-	-
At 31 March 2018	**128,527,540**	**642.64**

(b) Other equity

For the year ended 31 March 2018:

	Attributable to owners of the company			Total Other equity
	Reserves and Surplus			
	Securities premium (Note 13a)	General reserve (Note 13b)	Retained earnings (Note 13c)	
As at 31 March 2017	**501.36**	**1,498.83**	**10,609.98**	**12,610.17**
Profit for the period	-	-	2,235.78	2,235.78
Other comprehensive income, net of tax (Note 27)	-	-	(160.03)	(160.03)
Total comprehensive income	**501.36**	**1,498.83**	**12,685.73**	**14,685.92**
Cash dividends (Note 28)	-	-	(449.85)	(449.85)
Dividend distribution tax (Note 28)	-	-	(91.57)	(91.57)
As At 31 March 2018	**501.36**	**1,498.83**	**12,144.31**	**14,144.50**

For the year ended 31 March 2017:

	Attributable to owners of the company			Total Other equity
	Reserves and Surplus			
	Securities premium (Note 13a)	General reserve (Note 13b)	Retained earnings (Note 13c)	
As at 31 March 2016	**501.36**	**1,498.83**	**9,578.02**	**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**	**1,498.83**	**11,151.40**	**13,151.59**
Cash Dividends (Note 28)	-	-	(449.85)	(449.85)
Dividend distribution tax (Note 28)	-	-	(91.57)	(91.57)
As at 31 March 2017	**501.36**	**1,498.83**	**10,609.98**	**12,610.17**

The accompanying notes are an integral part of these financial statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration number: 101248W/W-100022
Chartered Accountants

Tarun Gupta
Partner
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Director Finance
DIN: 01125065

ARUNITO GANGULY
Company Secretary
Membership No.: FCS 9285

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR millions)

		Notes	As at 31 March 2018	As at 31 March 2017
A	**Cash flow from operating activities**			
1	**Profit before tax**		3,400.14	2,335.75
2	**Adjustments to reconcile profit before tax to net cash flows:**			
	Depreciation of property, plant & equipment	24	600.45	646.03
	Amortisation of intangible assets	24	3.76	4.02
	Straightlining on lease rental		18.64	39.10
	Loss on sale of fixed assets (net)	25	16.70	62.65
	Allowance for doubtful debt, loans, advances	25	30.03	-
	Finance expense (including fair value change in financial instruments)	23	41.98	40.34
	Finance income (including fair value change in financial instruments)	19	(498.23)	(443.26)
	Liabilities no longer required written back	19	-	(5.92)
	Provisions for litigations		10.10	-
3	**Operating profit before working capital changes (1+2)**		**3,623.57**	**2,678.71**
4	**Movements in Working Capital:**			
	Decrease/(Increase) in trade & other receivables		(227.45)	75.73
	Decrease /(Increase) in inventories		(566.75)	(265.44)
	Increase/(Decrease) in trade and Other Payables		720.15	823.58
	Increase/(Decrease) in short term provisions		(208.00)	(18.07)
	Decrease/(Increase) in other current assets		(447.51)	39.78
	Decrease/(Increase) in other current financial assets		(69.32)	50.15
	Increase/(Decrease) in other current liabilities		(129.24)	(5.26)
	Increase/(Decrease) in other financial liabilities		(62.90)	(54.90)
	Change in Working Capital		**(999.02)**	**645.57**
5	**Changes in non current assets and liabilities**			
	Decrease/(Increase) in loans & advances		34.36	(48.25)
	Increase/(Decrease) in trade payables & Provisions		0.97	(28.10)
	Decrease/(Increase) in other non-current assets		40.92	19.69
	Changes in non current assets and liabilities		**76.25**	**(56.66)**
6	**Cash Generated From Operations (3+4+5)**		**2,708.80**	**3,267.62**
7	**Less : Taxes paid**		**(1,151.86)**	**(652.05)**
8	**Net cash flow from operating activities (6-7)**		**1,556.94**	**2,615.57**
B	**Cash flow from investing activities:**			
	Purchase of property, plant and equipment		(778.83)	(512.30)
	Proceeds from sale of property, plant and equipment		24.79	35.70
	Repayments/(Investments) in bank deposits (having original maturity of more than three months)		(748.30)	(2,074.72)
	Loan given to subsidiary		-	(46.92)
	Loan received back from subsidiary		23.64	-
	Interest received (finance income)		404.81	268.98
	Net cash flow used in Investing Activities:		**(1,073.89)**	**(2,329.26)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR millions)

		Notes	As at 31 March 2018	As at 31 March 2017
C	**Net cash flow from financing activities:**			
	Dividend paid to equity shareholders	28	(448.99)	(448.75)
	Dividend distribution tax	28	(91.57)	(91.57)
	Interest paid		(15.02)	(16.65)
	Net cash used in financing activities:		**(555.58)**	**(556.97)**
D	**Net change in cash & cash equivalents (A+B+C)**		**(72.53)**	**(270.66)**
E - 1	Cash & cash equivalents as at end of the year		557.33	629.86
E - 2	Cash & cash equivalents as at the beginning of year		629.86	900.52
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)		**(72.53)**	**(270.66)**

	As at 31 March 2018	As at 31 March 2017
Components of cash and cash equivalents		
Cash on hand	103.24	99.27
With banks		
- on current accounts	440.36	517.72
- unpaid dividend accounts*	13.73	12.87
Total cash and cash equivalents	**557.33**	**629.86**

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

Significant accounting policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration number: 101248W/W-100022
Chartered Accountants

Tarun Gupta
Partner
Membership no.: 507892

Place : Gurugram
Date : May 22, 2018

For and on behalf of the Board of Directors of Bata India Limited

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Whole-time Director & CEO
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RAM KUMAR GUPTA
Director Finance
DIN: 01125065

ARUNITO GANGULY
Company Secretary
Membership No.: FCS 9285

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.

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) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 (the Act and other relevant provisions of the Act).

The financial statements are authorised for issue by Company's board of directors on May 22, 2018.

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).

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.

Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 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.

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 is 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.

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.

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.

g. Inventories

Inventories are valued at the lower of cost and 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 fixed manufacturing overheads based on the normal operating capacity. 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.

Till June 30, 2017, based on the guidance note on accounting treatment of excise duty, 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. Post June 30, 2017 excise duty has been subsumed to Goods and Services Tax (GST) and hence the same is not received by the company on its own account, rather it is tax collected on 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 (based on data available). 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.

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. Government grants

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.

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.

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 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 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). 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 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 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 and unpaid dividend account, 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

Recognition and initial 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 directly 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').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Company has not designated any debt instrument as at FVTPL.

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 except equity investment which is carried 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).

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.

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 is 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 when and only when 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 unfavourable.

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 highly probable 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. i) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the accounting policies and the reported amounts of income, 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:

(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.

(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 subleases. 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 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 31.

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.

3. (ii) Standards issued but not yet effective

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

Sales of goods

For the sale of goods, revenue is currently recognised when the goods are delivered, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. The revenue from these contracts will be recognised as the products are being manufactured.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

(Amount in INR millions)

Property, plant and equipment and capital work in progress

4a

Property, plant and equipment	Freehold land	Buildings	Lease Hold improvements	Plant and equipment**	Furniture and fixtures	Vehicles	Office equipments	Total
Cost or deemed cost (gross carrying amount)								
As 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)
As at 31 March 2017	**240.84**	**1,094.59**	**688.91**	**587.76**	**1,382.04**	**17.71**	**6.78**	**4,018.63**
Additions	-	174.65	248.61	197.32	241.76	11.34	51.62	925.30
Disposals	-	-	(27.71)	(14.01)	(51.84)	(0.76)	(0.01)	(94.33)
As at 31 March 2018	**240.84**	**1,269.24**	**909.81**	**771.07**	**1,571.96**	**28.29**	**58.39**	**4,849.60**
Accumulated depreciation								
As 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)
As at 31 March 2017	**-**	**166.60**	**220.69**	**310.92**	**660.57**	**11.99**	**2.10**	**1,372.88**
Depreciation charge for the year	-	57.80	171.16	102.18	257.00	4.74	7.57	600.45
Disposals	-	-	(15.84)	(2.85)	(33.70)	(0.43)	(0.00)	(52.82)
As at 31 March 2018	**-**	**224.40**	**376.01**	**410.25**	**883.87**	**16.30**	**9.67**	**1,920.50**
Net Book Value								
As at 31 March 2018	**240.84**	**1,044.84**	**533.80**	**360.82**	**688.09**	**11.99**	**48.72**	**2,929.10**
As at 31 March 2017	240.84	927.99	468.22	276.84	721.47	5.72	4.68	2,645.75

4b

Intangible assets	Computer Software
Cost or deemed cost (gross carrying amount)	
As at 31 March 2016	**9.42**
Addition	11.83
As at 31 March 2017	**21.25**
Addition	5.46
As at 31 March 2018	**26.71**
Accumulated amortisation	
As at 31 March 2016	**3.46**
Amortisation	4.02
As at 31 March 2017	**7.48**
Amortisation	3.76
As at 31 March 2018	**11.24**
Net book Value	
As at 31 March 2018	**15.47**
As at 31 March 2017	13.77

4c

Capital work in progress and Intangible assets under development	As at 31st March 2018	As at 31st March 2017
Capital work-in-progress	121.19	242.29
Intangible assets under development	-	56.06

** Additions includes INR 0.19 millions (31 March 2017 INR NIL) towards assets located at research and development facilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)
(Amount in INR millions)

5. Financial assets

	Non Current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
a. Investments				
Investment in equity instruments of subsidiaries (cost)				
Unquoted:				
4,851,000 (31 March 2017 : 4,851,000) equity shares of INR 10 each fully paid-up in Bata Properties Limited	48.51	48.51	-	-
100,000 (31 March 2017 :100,000) equity shares of INR 10 each fully paid-up in Way Finders Brands Limited	1.00	1.00	-	-
Total Investment in subsidiaries (a)	49.51	49.51	-	-
Investments in Cooperative Societies (Fair Value through profit and loss)				
Unquoted:				
250 (31 March 2017 :250) equity shares of INR 10 each fully paid-up in Bata Employees' Co-operative Consumers' Stores Limited, Hathidah*	0.00	0.00	-	-
5 (31 March 2017 :5) equity shares of INR 10 each fully paid-up in Bhadrakali Market Co-operative Society Limited, Nasik*	0.00	0.00	-	-
Total Investment in Cooperative Societies (b)	0.00	0.00	-	-
TOTAL (a+b)	**49.51**	**49.51**	**-**	**-**
* Rounded off to INR Nil.				
Aggregate value of unquoted investments	**49.51**	**49.51**	**-**	**-**
b. Loans				
Unsecured, Considered Good				
Loans and advances				
To related parties	85.59	109.23	7.68	7.88
	85.59	109.23	7.68	7.88
Security deposits	907.48	871.71	29.99	24.56
	907.48	871.71	29.99	24.56
TOTAL	**993.07**	**980.94**	**37.67**	**32.44**
c. Other Financial assets				
Interest accrued on loans and advances and deposits	-	-	215.63	192.33
Other receivable (unsecured, considered good)	-	-	115.35	69.08
Other receivable (unsecured, considered doubtful)	-	-	56.81	72.80
Less: loss allowance	-	-	(56.81)	(72.80)
Insurance claim receivable	-	-	0.92	0.51
TOTAL	**-**	**-**	**331.90**	**261.92**

(Amount in INR millions)

6. Deferred tax assets (net)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax recognised in statement of profit and loss:		
Current income tax charge	1,213.95	924.70
Adjustment in respect of current income tax of previous year	-	(62.83)
Deferred tax :		
Relating to origination and reversal of temporary difference	(49.59)	(113.60)
	1,164.36	**748.27**

	As at 31 March 2018	As at 31 March 2017
Deferred tax assets (net)		
Property, plant, equipments and intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged in the financial statement	543.26	464.47
Impact of expenditure charged to the statement of profit and loss in the current/earlier years but allowable for tax purposes on payment basis	473.13	503.47
Provision for doubtful debts and advances	29.20	28.96
Effect of measuring financial instruments at fair value	8.34	7.43
	1,053.93	**1,004.33**

Reconciliation of average effective tax rate

	For the year ended 31 March 2018		For the year ended 31 March 2017	
Profit before tax		3,400.14		2,335.75
Tax using the Company's domestic tax rate	34.61%	1,176.72	34.61%	808.36
Effect of non deductible expenses	0.22%	7.47	0.99%	23.18
Effect of deductible expenses at higher rate	-0.30%	(10.09)	-0.88%	(20.44)
Effect of change in Income tax rate	-0.83%	(9.74)	-	-
Reversal of tax of earlier years	0.00%	-	-2.69%	(62.83)
Total	**34.24%**	**1,164.36**	32.04%	**748.27**
Tax as per statement of profit and loss	**34.24%**	**1,164.36**	32.04%	**748.27**

Componentwise deferred tax recognised in statement of profit and loss	For the year ended 31 March 2018	For the year ended 31 March 2017
Property, plant, equipments and intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged in the financial statements	(78.79)	(79.16)
Impact of expenditure charged to the statement of profit and loss in the current/earlier years but allowable for tax purposes on payment basis	30.34	(48.27)
Provision for doubtful debts and advances	(0.24)	13.59
Effect of measuring financial instruments at fair value	(0.90)	0.23
	(49.59)	**(113.60)**

Income tax recognised in other comprehensive income	For the year ended 31 March 2018	For the year ended 31 March 2017
Re-measurement of defined benefit plans	84.70	7.46
	84.70	**7.46**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)
(Amount in INR millions)

7. Other Assets

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
a Other non-current assets				
Unsecured and considered good				
Capital advances	52.74	27.52	-	-
Supplier advances	-	-	23.76	26.76
Recoverable from statutory authorities	62.24	85.31	525.80	102.39
Prepaid expenses	229.26	247.11	164.35	137.25
	344.24	**359.94**	**713.91**	**266.40**
Unsecured, considered doubtful				
Recoverable from statutory authorities	19.38	10.36	-	-
Less: loss allowance	(19.38)	(10.36)	-	-
	-	**-**	**-**	**-**
Total	**344.24**	**359.94**	**713.91**	**266.40**
b Other non-current assets tax assets				
Advance income tax (net of provision)	466.33	377.63	**-**	-
	466.33	**377.63**	-	-

8. Inventories

	As at 31 March 2018	As at 31 March 2017
Raw materials and components (including goods in transit INR 2.46 million (31 March 2017: INR Nil)	239.04	249.25
Work-in-progress	107.88	127.89
Finished goods * (including goods in transit INR 912.56 million (31 March 2017: INR 359.57 million))	7,264.09	6,665.13
Stores and spares	10.13	12.12
Total inventories at the lower of cost and net realisable value	**7,621.14**	**7,054.39**

*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 NIL million (31 March 2017 : INR 135.30). The write down is included in cost of materials consumed and increase/decrease in inventories.

9. Trade receivables

	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good - Others	874.00	650.85
Unsecured, considered doubtful	7.39	0.52
Less : loss allowance	(7.39)	(0.52)
Trade receivables from related parties - unsecured considered good (Refer note 37)	12.31	20.63
	886.31	**671.48**

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 40.

(Amount in INR millions)

10. Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017
Balances with banks:		
- On current account	440.36	517.72
Cash on hand	103.24	99.27
	543.60	**616.99**

11. Bank Balances other than those included in cash and cash equivalents

	Non - current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Unpaid dividend accounts	-	-	13.73	12.87
Deposits with original maturity for more than 3 months but upto 12 months*	-	-	5,327.56	4,579.26
	-	**-**	**5,341.29**	**4,592.13**

*Includes deposit pledged with banks of INR 8.16 millions (31 March 2017 INR Nil millions).

12. Equity share capital

	As at 31 March 2018	As at 31 March 2017
Authorised share capital		
Equity share capital		
140,000,000 (March 31, 2017: 140,000,000) equity shares of INR 5 each	700.00	700.00
Issued share capital*		
Equity share capital		
128,570,000 (March 31, 2017: 128,570,000) equity shares of INR 5 each	642.85	642.85
Subscribed and fully paid up share capital		
Equity share capital		
128,527,540 (March 31, 2017: 128,527,540) equity shares of INR 5 each	642.64	642.64
TOTAL	**642.64**	**642.64**

***Shares held in abeyance**

42,460 (31 March, 2017: 42,460) equity shares of INR 5 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.

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	128,527,540	642.64	128,527,540	642.64
Issued during the year	-	-	-	-
Outstanding at the end of the year	**128,527,540**	**642.64**	**128,527,540**	**642.64**

B. Rights, preferences and restrictions 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 THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)
(Amount in INR millions)

C. Shares held by holding company	As at 31 March 2018	As at 31 March 2017
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 (March 31, 2017: 68,065,514) equity shares of INR 5/- each	340.33	340.33
	340.33	**340.33**

D. Details of shareholders holding more than 5% shares in Company

Name of shareholder	As at 31 March 2018		As at 31 March 2017	
	Number of shares held	% of holding in class	Number of shares held	% of holding in class
Equity shares of INR 5 each fully paid				
Bata (BN) B.V., Amsterdam, The Netherlands, the holding Company	68,065,514	52.96%	68,065,514	52.96%

13. Other Equity

	As at 31 March 2018	As at 31 March 2017
Reserves and Surplus		
a) Securities Premium*:		
Opening Balance	501.36	501.36
Add/(less) : Movement during the year	-	-
Closing balance	**501.36**	**501.36**
(b) 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**
(c) Retained earnings		
Opening Balance	10,609.98	9,578.02
Add: Net profit after tax transferred from statement of profit and loss	2,235.78	1,587.48
Add:- Re-measurement gains/(losses) on defined benefit plans (net of tax)	(160.03)	(14.10)
Less: Appropriations		
Final dividend for 31 March 2017: INR 3.50 per share(31 March 2016: INR 3.50 per share)	(449.85)	(449.85)
Dividend Distribution Tax on final dividend	(91.57)	(91.57)
Closing balance	**12,144.31**	**10,609.98**
Total (a + b + c)	**14,144.50**	**12,610.17**

* Securities premium is used to record the premium received on issue of shares. It is to be utilised in accordance with the provisions of the Companies Act, 2013.

** In previous years, the Company appropriated a portion of profits to general reserve as per the provions of the Act. The said reserve is available for payment of dividend to the shareholders as per provisions of the Companies Act, 2013.

(Amount in INR millions)

14. Trade payables

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Trade payables to micro, small and medium enterprises	-	-	37.96	39.90
Trade payables to related parties	-	-	66.34	22.34
Trade payables to others*	1,037.42	1,039.71	4,688.01	4,009.91
TOTAL	**1,037.42**	**1,039.71**	**4,792.31**	**4,072.15**

*Includes asset retirement obligation INR 11.78 million (31 March 2017 INR 10.73 million).

15. Other financial liabilities

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Payable for capital goods	-	-	27.30	92.75
Deposit from agents and franchisees	-	-	312.83	296.22
Unpaid dividend	-	-	13.73	12.87
TOTAL	**-**	**-**	**353.86**	**401.84**

16. Other liabilities

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Advance from customers*	-	-	0.24	0.24
Statutory dues payable	-	-	96.46	212.77
Unearned revenue	-	-	76.90	89.83
TOTAL	**-**	**-**	**173.60**	**302.84**

*Includes INR 0.24 million (31 March 2017 INR 0.24 million) payable to related party (refer note 37).

17. Provisions

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
a) Current tax liabilities				
Provision for income tax (net)	-	-	179.24	113.16
	-	**-**	**179.24**	**113.16**
b) Provisions				
Provision for employee benefits				
Provision for gratuity (refer note 31)	-	-	32.70	2.86
Provision for compensated absences	21.90	-	14.34	16.68
Others				
Provision for warranties*	-	-	21.68	12.45
Provision for litigation**	-	-	34.47	11.47
TOTAL	**21.90**	**-**	**103.19**	**43.46**

***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.

(Amount in INR millions)

	As at 31 March 2018	As at 31 March 2017
Opening balance	12.45	9.99
Arising during the year	104.44	104.56
Utilized during the year	(95.21)	(102.10)
Closing balance	**21.68**	**12.45**

****Provision for litigation**

	As at 31 March 2018	As at 31 March 2017
Opening balance	11.47	11.67
Arising during the year	23.00	-
Utilized during the year	-	(0.20)
Closing balance	**34.47**	**11.47**

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.

18. Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products (including excise duty)**		
Sale of goods*	26,349.04	24,956.69
Total sale of products	**26,349.04**	**24,956.69**
Other operating revenue		
Others (including export incentives, scrap sales etc.)	14.14	15.72
Total	**26,363.18**	**24,972.41**

*Sale of goods include excise duty collected from customers of INR 70.47 million (31 March 2017 : INR 300.80 million).

**In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 2017, VAT/ Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. Accordingly, financial statements for the year ended 31 March 2018 and in particular, sales and ratios in percentage of sales, will not comparable with the figures of the previous year.

19. Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Finance Income		
- Unwinding of financial instruments at amortised cost	70.12	65.67
- Deposits with bank	367.90	326.93
- Others	60.21	50.66
	498.23	443.26
Liabilities no longer required written back	-	5.92
Foreign exchange fluctuation (net)	6.08	0.77
Insurance claim received	4.13	1.10
Miscellaneous income	-	15.41
	508.44	**466.46**

(Amount in INR millions)

20. Cost of raw material and components consumed

	For the year ended 31 March 2018	For the year ended 31 March 2017
a. Raw material and components consumed		
Inventory at the beginning of the year	249.25	187.16
Add: Purchases	2,685.02	2,976.27
	2,934.27	**3,163.43**
Less: inventory at the end of the year	(239.04)	(249.25)
Cost of raw material and components consumed	**2,695.23**	**2,914.18**
b. Purchases of stock-in-trade		
Purchases	9,842.28	8,878.15
Purchase of stock-in-trade	**9,842.28**	**8,878.15**

21.Changes in Inventories of finished goods, work in progress and stock-in-trade

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the end of the year		
Finished goods*	7,264.09	6,665.13
Work-in-progress	107.88	127.89
	7,371.97	6,793.02
Inventories at the beginning of the year		
Finished goods*	6,665.13	6,297.02
Work-in-progress	127.89	292.28
	6,793.02	6,589.30
(Increase)/decrease in inventories before excise duty	**(578.95)**	**(203.72)**
Increase/(decrease) of excise duty on change in inventories	-	(59.81)
	(578.95)	**(263.53)**

*Finished goods includes stock in trade, as both are stock together.

22. Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	2,697.07	2,475.69
Contribution to provident and other funds	131.67	135.55
Gratuity expense (refer note 31)	25.11	22.01
Staff welfare expenses	99.93	93.70
	2,953.78	**2,726.95**

23. Finance costs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense		
- Unwinding of financial instruments at amortised cost	14.06	23.69
- Others	27.92	16.65
	41.98	**40.34**

24. Depreciation and amortisation expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property,plant and equipment	600.45	646.03
Amortisation of intangible assets	3.76	4.02
	604.21	**650.05**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)
(Amount in INR millions)

25. Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Consumption of stores and spares	32.81	34.64
Power and fuel	559.59	537.15
Rent (refer note 32)	3,622.30	3,563.73
Bank charges	106.21	109.53
Insurance	67.97	69.48
Repairs and maintenance		
Plant and machinery	52.84	33.64
Buildings	76.36	61.13
Others	47.66	38.49
CSR expenses (Refer note 36)	71.14	60.02
Sales commission	570.44	665.31
Royalty	379.19	391.32
Legal and professional fees	156.81	182.70
Payment to auditor (Refer details below)	7.37	9.43
Freight	522.51	546.45
Rates and taxes	141.45	203.70
Advertising and sales promotion	399.94	240.89
Technical collaboration fee	255.04	269.32
Allowance for doubtful debt, loans, advances	30.03	-
Loss on sale of property, plant and equipment (net)	16.70	62.65
Miscellaneous expenses	726.12	559.91
	7,842.48	**7,639.49**
Payment to auditors		
As auditor:		
Audit fee	3.10	5.69
Tax audit fee	0.50	0.58
Limited review	1.65	1.38
In other capacity:		
Certification & others	0.25	0.46
Reimbursement of expenses*	1.87	1.32
	7.37	**9.43**

*Includes payment made to erstwhile auditor for reimbursement of expenses INR 1.34 million (31 March 2017 INR Nil).

26. Exceptional items

	For the year ended 31 March 2018	For the year ended 31 March 2017
Voluntary retirement scheme*	-	216.69
	-	**216.69**

*During the year ended 31 March 2017, the Company had announced a Voluntary retirement scheme (VRS) for the workmen of its Faridabad Unit.

(Amount in INR millions)

27. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI in equity is shown below:

During the year ended 31 March 2018

	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	(160.03)	(160.03)
	(160.03)	(160.03)

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)

28. Distribution made and proposed

	As at 31 March 2018	A s at 31 March 2017
Cash dividends on equity shares declared and paid:		
Final 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 final dividend	91.57	91.57
	541.42	**541.42**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2018: INR 4 per share (31 March 2017: INR 3.50 per share)	514.11	449.85
Dividend Distribution Tax on proposed dividend*	105.68	91.57
	619.79	**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 year end.

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 EPS and diluted EPS computations:

	As at 31 March 2018	As at 31 March 2017
Profit attributable to equity holders	2,235.78	1,587.48
	2,235.78	**1,587.48**
	No. of shares	**No. of shares**
Weighted average number of equity shares in calculating basic EPS and diluted EPS	128,527,540	128,527,540
Earnings per equity share in INR		
Computed on the basis of profit for the year		
Basic (INR)	**17.40**	**12.35**
Diluted (INR)	**17.40**	**12.35**

30. Note 22 includes R&D expenses of INR 46.99 million (31 March 2017 INR 42.81 million) and Note 25 includes R&D expenses of INR 10.75 million (31 March 2017 INR 15.16 million).

(Amount in INR millions)

31. 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 Company's 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 and 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:

	As at 31 March 2018	As at 31 March 2017
Fair value of plan assets	664.62	453.52
Defined benefit obligation	697.32	456.38
Net Defined benefit (liability)	**(32.70)**	**(2.86)**

Amount recognised in Statement of Profit and Loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	33.43	24.47
Net interest expense	(8.32)	(2.46)
Amount recognised in Statement of Profit and Loss	**25.11**	**22.01**

Amount recognised in Other Comprehensive Income:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial changes arising from changes in financial assumptions	187.73	28.69
Return on plan assets (greater)/less than the discount rate	23.14	(24.95)
Experience adjustments	33.86	17.82
Amount recognised in Other Comprehensive Income	**244.73**	**21.56**

Changes in the present value of the defined benefit obligation are, as follows:

	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation at the beginning of the year	456.38	442.68
Current service cost	33.43	24.47
Interest expense	30.81	31.85
Benefits paid	(44.89)	(89.14)
Actuarial (gain)/ loss on obligations - OCI	221.59	46.52
Defined benefit obligation at the end of the year	**697.32**	**456.38**

Changes in the fair value of plan assets are, as follows:

	As at 31 March 2018	As at 31 March 2017
Fair value of plan assets at the beginning of the year	453.52	463.39
Contribution by employer	240.00	20.00
Benefits paid	(44.89)	(89.14)
Interest Income on plan assets	39.13	34.31
Return on plan assets greater/(lesser) than discount rate - OCI	(23.14)	24.96
Fair value of plan assets at the end of the year	**664.62**	**453.52**

(Amount in INR millions)

The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity	As at 31 March 2018	As at 31 March 2017
Investment details	**Funded %**	**Funded %**
	100%	100%
- Insurer	68.01	50.23
- Government securities and bonds	0.00	3.36
- Bank balances	3.33	1.88
- Special deposit scheme	28.66	44.53

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	As at 31 March 2018	As at 31 March 2017
	%	%
Discount rate	7.4	7.1
Salary increase		
- Management	7.0	5.0
- Non management	7.0	2.0
Employee turnover		
- Non Management		
20-25	7.0	0.5
25-30 and 55-60	7.0	0.3
30-35 and 50-55	7.0	0.2
35-49	7.0	0.1
- Management		
20-25	7.0	5.0
25-35	7.0	3.0
36-60	7.0	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 2018 is as shown below:

Gratuity Plan	Sensitivity level		Impact on DBO	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Assumptions				
Discount rate	1.00%	1.00%	(36.56)	(31.69)
	-1.00%	-1.00%	40.58	35.97
Future salary increases	1.00%	1.00%	39.82	35.93
	-1.00%	-1.00%	(36.66)	(32.38)

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 table below shows the expected undiscounted cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:-

	As at 31 March 2018	As at 31 March 2017
Within the next 12 months (next annual reporting period)	75.07	23.16
Between 2 and 5 years	382.08	179.41
Between 5 and 10 years	503.34	315.94
Total expected payments	**960.49**	**518.51**

(Amount in INR millions)

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (31 March 2017: 10 years).

Expected employer contribution for the period ending 31 March 2019 is INR 74.03 million.

b) Contribution to defined contribution plans:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Pension fund	0.09	0.09

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 2018.

	As at 31 March 2018	As at 31 March 2017
Discount Rate	7.58%	7.10%
Expected Return on Exempt Fund	8.32%	8.33%
Rate of Return on EPFO managed PF	8.55%	8.65%
Mortality Rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate

	For the year ended 31 March 2018	For the year ended 31 March 2017
Contribution to provident and other funds*	128.42	126.64

*Included under employee benefit expense in the head contribution to provident fund and other funds.

The detail of fund and plan asset position as at 31 March, 2017 is given below:

	As at 31 March 2018	As at 31 March 2017
Plan assets at fair value	4,327.75	4,121.89
Present value of the defined benefit obligation	3,677.08	3,491.92
Asset recognized in the balance sheet	NIL	NIL

Information relating to reconciliation from opening balance to closing balance for plan assets and present value of defined benefit obligation, classes of plan assets help, sensitivity analysis for acturial assumptions, other than disclosed above, including the methods and assumptions used in preparing the analysis, expected contribution for the next year and maturity profile of the defined benefit obligation as required by INDAS - 19 'Employee benefits' is not available with the Company.

(Amount in INR millions)

32. Contingent liabilities and commitments

A. Contingent liabilities

a) Claims against Company not acknowledged as debts includes:

Nature	As at 31 March 2018	As at 31 March 2017
Excise, customs and service tax cases	145.65	148.40
Sales tax cases	21.80	21.80
Others*	277.58	273.85
Income tax cases	15.51	132.92
Total	**460.54**	**576.97**

*Others include individually small cases pertaining to rent, labour etc.

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 312.79 million (Previous year: INR 109.48 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 payable are charged as 'Rent' in Note 25.

Future minimum rentals payable under non-cancellable operating leases as at 31 March 2018 are, as follows:

Lease Rentals	As at 31 March 2018	As at 31 March 2017
Within one year	52.29	66.33
After one year but not more than five years	10.72	5.56
More than five years	-	-

(Amount in INR millions)

33. Financial instruments fair values classification

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

	Notes	Level of fair value	Carrying value As at 31 March 2018	Carrying value As at 31 March 2017	Fair value As at 31 March 2018	Fair value As at 31 March 2017
Financial assets						
Measured at cost						
Investments in subsidiaries			49.51	49.51	-	-
Amortised cost						
Loans						
- Loans and Advances to related parties	(b)	3	93.27	117.11	93.27	117.11
- Security deposits	(b)	3	937.46	896.27	937.46	896.27
Financial asset not measured at fair value						
Other Financial assets	(a)					
- Interest accrued on deposits			215.63	192.33	-	-
- Insurance claim receivable			0.92	0.51	-	-
- Other receivables			115.35	69.08	-	-
Trade Receivable	(a)		886.31	671.48	-	-
Cash and Cash equivalents	(a)		543.60	616.99	-	-
Other bank balances	(a)		5,341.29	4,592.13	-	-
Total			**8,183.34**	**7,205.41**	**1,030.73**	**1,013.38**
Financial liabilities						
Amortised cost						
Trade payables	(a)		1,037.42	1,039.71	-	-
Financial liabilities not measured at fair value						
Trade payables	(a)		5,829.73	5,111.86	-	-
Other financial liabilities	(a)					
- Payable for capital goods			27.30	92.75	-	-
- Deposit from agents and franchisees			312.83	296.22	-	-
- Unpaid dividend			13.73	12.87	-	-
Total			**7,221.01**	**6,553.41**	**-**	**-**

a) The management has not disclosed the fair values for financial instruments because their carrying values approximate their fair value largely due to the short-term maturities of these instruments.

b) Fair valuation of non-current financial instruments has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value as the carrying value is based on effective interest rates.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2018 and 31 March 2017.

34. 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 includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The Company is having nil borrowings as on 31 March 2018 (31 March 2017 INR Nil).

(Amount in INR millions)

35. 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-

Particulars of Unhedged foreign currency exposure	Currency	Amount in Foreign Currency		Amount in Indian Currency	
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Trade payables	USD	5,223,192.22@65.64	1,214,659.96@66.87	342.83	81.22
	EURO	8,159@80.35	-	0.66	-
Advance for Import purchases	USD	4,441.48@65.64	146,703.72@67.07	0.29	9.84
Advance from Customer	USD		12,233 @ 64.73		0.79
Trade receivables	USD	255,421.04@65.64	611,042.62 @ 64.84	16.77	39.62
	EURO	7,535@80.35	7,535@69.42	0.61	0.52
	CHF	36,644@68.69	40,488@64.89	2.52	2.63

36. Details of corporate social responsibility expenditure

As per Section 135 of Companies Act,2013, a Company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR Committee has been formed by the Company as per act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the act, in pursuant of the CSR policy.

	For the year ended 31 March 2018	For the year ended 31 March 2017
Gross amount required to be spent by the Company during the year:-	55.80	58.38
(i) Construction/ Acquisition of asset	-	-
(ii) For purpose other than (i) above	71.14	60.02
	71.14	**60.02**

37. Related party disclosures

Names of related parties and related party relationship

I. Related parties where control exists

a. Ultimate Holding company	Compass Limited
b. Immediate 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 31 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 – Chief Finance officer Sandeep Kataria - Chief Executive Officer (w.e.f. 14.11.2017) Uday Khanna (Chairman & Independent Director) Ravindra Dhariwal (Independent Director) Akshay Chudasama (Independent Director) Anjali Bansal (Independent Director)
b. Enterprises in which director is interested	Shardul Amarchand Mangaldas & Co. Delhivery Private Limited (w.e.f. 10.11.2017)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)
(Amount in INR millions)

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. The Zimbabwe Bata Shoe Co. Bata Shoe Co. of Ceylon Ltd. China Footwear Services Bata Industrials Europe-Netherland Bata Shoe Co. (Bangladesh) Ltd. International Footwear Investment B.V. Futura Footwear Ltd. Bata Brands S.A. Empresas Commercial S.A. Manufactura Boliviana S.A.

III. Additional related parties as per the Companies Act 2013 with whom transactions have taken place during the year:

Company Secretary	Mr. Arunito Ganguly (w.e.f. 15.12.2017) Mr. Maloy Kumar Gupta upto 31.10.2017

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		For the year ended 31 March 2018	For the year ended 31 March 2017
i. Sale of goods	Empresas Commercial S.A.		2.26	4.38
	Bata Shoe Co. (Bangladesh) Ltd.		32.45	26.46
	Bata Shoe Co. of Ceylon Ltd.		14.71	30.78
	The Zimbabwe Bata Shoe Co.		0.39	0.08
		Total	**49.81**	**61.70**
ii Reimbursement of Expenses to	Bata Malaysia SDN. BHD		0.52	0.74
	Bata Brands S.A.		3.54	0.3
	Bata shoe (Singapore) Pte Ltd.		2.22	1.07
	Bata Industrials Europe- Netherland		0.06	-
	Futura Footwear Ltd		-	0.15
		Total	**6.34**	**2.26**
iii. Reimbursement of Expenses from	International Footwear Investment B.V.		8.89	8.57
	Global Footwear Services Pte Ltd.		-	5.31
	Bata Brands S.A.		10.78	9.75
	China Footwear Services		1.33	4.65
	Manufactura Boliviana S.A.		-	3.19
	Bata Shoe Co. of Ceylon Ltd.		0.14	-
		Total	**21.14**	**31.47**
iv. Technical collaboration fees	Global Footwear Services Pte Ltd.		246.15	233.48
		Total	**246.15**	**233.48**
v. Royalty				
	Bata Brands S.A.		20.34	36.73
		Total	**20.34**	**36.73**
vi. Legal and professional fees	Shardul Amarchand Mangaldas & Co.		0.39	0.35
		Total	**0.39**	**0.35**
vii. Freight charges	Delhivery Private Limited		0.94	-
		Total	**0.94**	**-**

(Amount in INR millions)

viii. Transaction with Subsidiaries

Nature of the Transactions	Related Party		For the year ended 31 March 2018	For the year ended 31 March 2017
a. Reimbursement of expenses / advance recoverable from	Bata Properties Limited		0.05	0.14
	Coastal Commercial & Exim Limited		0.45	0.47
	Way Finders Brands Limited		15.45	25.22
		Total	**15.95**	**25.83**
b. Rent expenses	Bata Properties Limited		0.71	0.71
	Coastal Commercial & Exim Limited		0.84	0.84
		Total	**1.55**	**1.55**
c. Loan to subsidiary and interest thereon	Way Finders Brands Limited - Loan given		0.80	56.50
	Way Finders Brands Limited - Loan repaid		30.78	13.99
	Way Finders Brands Limited - interest thereon		7.24	6.73
		Total	**38.82**	**77.22**
d. Security deposit received	Way Finders Brands Limited		-	0.31
		Total	-	**0.31**
viii. Transaction with Holding Company				
Dividend paid	BATA (BN) B.V. The Netherlands, Amsterdam		238.23	238.23
		Total	**238.23**	**238.23**

ix. Remuneration to Directors and other key managerial personnel *

Name of the Director/ Other Key Managerial Personnel		For the year ended 31 March 2018	For the year ended 31 March 2017
Rajeev Gopalakrishnan		44.71	37.32
Ram Kumar Gupta		19.11	16.40
Sandeep Kataria (w.e.f. 14.11.2017)		10.41	-
Maloy Kumar Gupta (till 31.10.2017)		3.31	3.71
Arunito Ganguly (w.e.f. 15.12.2017)		0.71	-
Uday Khanna (Independent Director) **		3.50	3.20
Ravindra Dhariwal (Independent Director) **		2.57	2.32
Akshay Chudasama (Independent Director) **		2.12	1.90
Anjali Bansal (Independent Director) **		1.92	1.85
	Total	**88.36**	**66.70**

* As the liabilities for provident fund, gratuity and compensated absences 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 THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)
(Amount in INR millions)

Balances outstanding as at the end of the year:

Nature of the Balance	Related Party		As at 31 March 2018	As at 31 March 2017
i. Trade receivables	Bata Shoe Co. (Bangladesh) Ltd		8.26	6.40
	Bata Shoe Co. of Ceylon Ltd.		4.05	14.23
		Total	**12.31**	**20.63**
ii Trade payables - Reimbursement of Expenses to	Bata Malaysia SDN. BHD		0.05	0.05
	Bata Brands S.A.		0.66	-
		Total	**0.71**	**0.05**
iii. Other Financial assets	Bata Shoe Co. of Ceylon Ltd.		0.14	-
	International Footwear Investment B.V.		4.83	4.17
	Bata Brands S.A.		2.71	2.63
	China Footwear Services		-	1.00
	Bata properties Limited		-	0.08
		Total	**7.68**	**7.88**
iv. Other liability - Advance from customers	Empresas Commercials S.A		0.24	0.24
		Total	**0.24**	**0.24**
v. Trade payables - Technical collaboration Fees	Global Footwear Services Pte Ltd.		61.58	17.77
		Total	**61.58**	**17.77**
vi. Trade payables - Royalty	Bata Brands S.A.		3.76	4.52
		Total	**3.76**	**4.52**
vii. Advance Receivable in cash and kind	Coastal Commercial & Exim Limited		**-**	-
		Total	**-**	-
viii. Trade payables - Legal and professional fees	Shardul Amarchand Mangaldas & Co.		0.11	-
		Total	**0.11**	**-**
ix. Trade payables - Freight	Delhivery Private Limited		0.18	-
		Total	**0.18**	**-**
x. Loans - related party	Way Finders Brands Limited		85.59	109.23
		Total	**85.59**	**109.23**

38. Segment Reporting

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating Segments

The Company's Managing Director/CEO has been identified as the Chief Operating Decision Maker ('CODM'), since Managing Director and CEO are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget and other key decisions.

Managing director/CEO reviews the operating results at the Company level to make decisions about the Company's performance. Accordingly, management has identified the business as single operating segment i.e. Footwear & Accessories. Accordingly, there is only one Reportable Segment for the Company which is "Footwear and Accessories", hence no specific disclosures have been made.

(Amount in INR millions)

a) Revenue & Trade receivables as per Geographical Markets

Particulars	Revenue		Trade Receivables	
	For the year ended 31 March 2018	For the year ended 31 March 2017	As at 31 March 2018	As at 31 March 2017
India	26,237.97	24,808.95	864.19	630.68
Outside India	125.21	163.46	22.12	40.80
Total	26,363.18	24,972.41	886.31	671.48

b) The non-current assets (excluding deferred tax) of the Company are located in the country of domicile i.e. India. Hence no specific disclosures have been made.

c) There are no major customer having revenue greater than 10% of the total revenue.

39. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2018	As at 31 March 2017
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	**37.96**	39.90
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	**215.82**	247.89
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	-	-

40. 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.

A) 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) primarily with respect to USD and Euro.

(Amount in INR millions)

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 31 March, 2018 and 31 March, 2017 has been disclosed in note 35.

For the year ended 31 March 2018, 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 (16.32) million/ 16.32 million respectively and Pre tax equity by (16.32) million/ 16.32 million respectively.

For the year ended 31 March 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.

B) 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.

a) **Trade receivables**

Customer and vendor credit risk is managed by business through the Company's established policy, procedures and control relating to credit risk management. Credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables 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 9. 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.

b) Loans and other financial assets

With regards to all the financial assets with contractual cashflows other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible. The maximum exposure to credit risk at the reporting date in each class of financial assets is disclosed in note 5, 10 and 11.

C) 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 31 March 2018, the Company had a working capital of INR 9873.62 Million including cash and cash equivalents of INR 543.60 Million . As of 31 March 2017, the Company had a working capital of INR 8,562.30 Million including cash and cash equivalents of INR 616.99 Million.

D) Commodity price risk

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The Company manages its commodity price risk by maintaining adequate inventory of raw materials and finished goods considering future price movement. To counter raw material risk, the Company works with variety of leather, PVC and rubber with the objective to moderate raw material cost, enhance application flexibility and increased product functionality and also invests in product development and innovation. To counter finished goods risk, the Company deals with wide range of vendors and manages these risks through inventory management and proactive vendor development practices.

(Amount in INR millions)

Inventory sensitivity analysis (raw material, work in progress and finished goods)

A reasonably possible change of 5% in prices of inventory at the reporting date, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity, net of tax	
	5% increase	5% decrease	5% increase	5% decrease
31 March 2018				
Inventory (raw material, work in progress, stock in trade and finished goods)	(235.27)	235.27	(156.20)	156.20
31 March 2017				
Inventory (raw material, work in progress, stock in trade and finished goods)	(218.81)	218.81	(145.27)	145.27

41. The Comparative financial statement for the year ended 31 March 2017 has been audited by the another firm of chartered accountant.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration number: 101248W/W-100022
Chartered Accountants

Tarun Gupta
Partner
Membership no.: 507892

Place : Gurugram
Date : May 22, 2018

For and on behalf of the Board of Directors of Bata India Limited

UDAY KHANNA
Chairman
DIN: 00079129

RAJEEV GOPALAKRISHNAN
Managing Director
DIN: 03438046

SANDEEP KATARIA
Whole-time Director & CEO
DIN: 05183714

RAM KUMAR GUPTA
Director Finance
DIN: 01125065

ARUNITO GANGULY
Company Secretary
Membership No.: FCS 9285

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:	100.00	1.00	1.00
	Issued & Subscribed:	48.51	0.50	1.00
4.	Reserves and surplus	2.74	1.02	(43.96)
5.	Total assets	51.29	1.56	48.50
6.	Total Liabilities	51.29	1.56	48.50
7.	Investments	0.50	-	-
8.	Turnover	2.67	0.84	49.10
9.	Profit before taxation	2.46	0.36	(32.56)
10.	Provision for taxation	0.70	0.15	0.06
11.	Profit after taxation	1.76	0.21	(32.62)
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

UDAY KHANNA
Chairman
DIN: 00079129

RAJEEV GOPALAKRISHNAN
Managing Director
DIN: 03438046

SANDEEP KATARIA
Whole-time Director & CEO
DIN: 05183714

RAM KUMAR GUPTA
Director Finance
DIN: 01125065

ARUNITO GANGULY
Company Secretary
Membership No.: FCS 9285

Place : Gurugram
Date : May 22, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Bata India Limited (Holding Company)

Report on the Audit of 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"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 in accordance with the Standards on Auditing 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 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 the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

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 2 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, the aforesaid consolidated 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 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. The comparative financial information of the Group for the year ended 31 March 2017 prepared in accordance with Ind AS included in these consolidated financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 15 May 2018 expressed an unmodified opinion.

2. (a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of INR 107.25 million as at 31 March 2018, total revenues of INR 52.61 million and net cash inflows amounting to INR 0.71 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and 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-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

   Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements, as noted in the 'other matter' paragraph, 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 purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 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 with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, as noted in the 'Other matter' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 32 to the consolidated financial statements.

   ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.

   iii. There has been no delay in transferring amounts that were required to be transferred to the Investor Education Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by subsidiary companies, incorporated in India.

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Tarun Gupta
Partner
Membership No.: 507892

Place : Gurugram
Date : 22 May 2018

Annexure A referred to in Independent Auditor's Report to the Members of Bata India Limited on the consolidated Ind AS financial statements for the year ended 31 March 2018

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 the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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 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 with reference to financial statements 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Group's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 subsidiaries, which are incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Tarun Gupta
Partner
Membership No.: 507892

Place : Gurugram
Date : 22 May 2018

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018
(Amount in INR millions)

	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4a	2,948.71	2,665.64
Capital work-in-progress	4c	121.19	242.29
Intangible assets	4b	15.54	13.88
Intangible assets under development	4c	-	56.06
Financial assets			
Investments	5a	0.00	0.00
Loans	5b	912.60	876.83
Other financial assets	5c	0.92	14.47
Deferred tax assets (net)	6	1,054.80	1,005.42
Other non-current tax assets	7b	467.11	377.74
Other non-current assets	7a	344.25	359.94
		5,865.12	**5,612.27**
Current assets			
Inventories	8	7,651.72	7,137.97
Financial assets			
Trade receivables	9	893.50	694.08
Cash and cash equivalents	10	545.11	617.80
Bank Balances other than those included in cash and cash equivalents	11	5,366.80	4,602.57
Loans	5b	37.67	32.37
Others current financial assets	5c	331.90	261.92
Other current assets	7	722.25	272.40
		15,548.95	**13,619.11**
Total assets		**21,414.07**	**19,231.38**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	642.64	642.64
Other equity	13	14,104.27	12,600.59
Total		**14,746.91**	**13,243.23**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Trade payables	14	1,037.42	1,039.71
Provisions	17b	21.90	-
		1,059.32	**1,039.71**
Current liabilities			
Financial liabilities			
Trade payables			
- Micro, small and medium enterprises	14	37.96	39.90
- Others	14	4,759.89	4,044.57
Other financial liabilities	15	353.86	401.84
Other current liabilities	16	173.70	305.05
Provisions	17b	103.19	43.46
Current tax liabilities (net)	17a	179.24	113.62
		5,607.84	**4,948.44**
Total equity and liabilities		**21,414.07**	**19,231.38**
Significant accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration number: 101248W/W-100022
Chartered Accountants

Tarun Gupta
Partner
Membership no.: 507892

Place : Gurugram
Date : May 22, 2018

For and on behalf of the Board of Directors of Bata India Limited

UDAY KHANNA
Chairman
DIN: 00079129

RAJEEV GOPALAKRISHNAN
Managing Director
DIN: 03438046

SANDEEP KATARIA
Whole-time Director & CEO
DIN: 05183714

RAM KUMAR GUPTA
Director Finance
DIN: 01125065

ARUNITO GANGULY
Company Secretary
Membership No.: FCS 9285

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR millions)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
REVENUE			
Revenue from operations	18	26,412.16	25,043.36
Other income	19	503.27	460.20
Total revenue		**26,915.43**	**25,503.56**
EXPENSES			
Cost of raw materials and components consumed	20a	2,695.23	2,914.18
Purchase of stock-in-trade	20b	9,854.70	8,948.92
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(525.95)	(282.53)
Excise duty		70.47	300.80
Employee benefits expense	22	2,956.10	2,731.88
Finance costs	23	41.98	40.34
Depreciation and amortization expense	24	604.52	650.36
Other expenses	25	7,847.98	7,644.28
Total expenses		**23,545.03**	**22,948.23**
Profit before exceptional items and income tax		**3,370.40**	**2,555.33**
Exceptional Items	26	-	216.69
Profit before tax		**3,370.40**	**2,338.64**
Tax expense:			
Current Tax	6	1,214.73	925.63
Tax for earlier years	6	0.13	(62.90)
Deferred tax (credit)	6	(49.59)	(113.60)
Profit for the year		**2,205.13**	**1,589.51**
Other Comprehensive Income			
Items that will not to be reclassified to profit or loss in subsequent periods:			
Re-measurement (losses) on defined benefit plans	27	(244.73)	(21.56)
Income tax effect	27	84.70	7.46
Other comprehensive income for the year, net of income tax		**(160.03)**	**(14.10)**
Total comprehensive income for the year, net of income tax		**2,045.10**	**1,575.41**
Earnings per equity share (nominal value per share INR 5 (Previous year INR 5))			
(1) Basic (INR)	29	17.16	12.37
(2) Diluted (INR)	29	17.16	12.37
Significant accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration number: 101248W/W-100022
Chartered Accountants

Tarun Gupta
Partner
Membership no.: 507892

Place : Gurugram
Date : May 22, 2018

For and on behalf of the Board of Directors of Bata India Limited

UDAY KHANNA
Chairman
DIN: 00079129

RAJEEV GOPALAKRISHNAN
Managing Director
DIN: 03438046

SANDEEP KATARIA
Whole-time Director & CEO
DIN: 05183714

RAM KUMAR GUPTA
Director Finance
DIN: 01125065

ARUNITO GANGULY
Company Secretary
Membership No.: FCS 9285

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR millions)

(a) Equity share capital

	No. of shares	Amount
Equity shares of INR 5 each issued, subscribed and fully paid		
At 31 March 2016	128,527,540	642.64
Issue of share capital	-	-
At 31 March 2017	128,527,540	642.64
Issue of share capital	-	-
At 31 March 2018	**128,527,540**	**642.64**

(b) Other equity

For the year ended 31 March 2018:

	Attributable to the owners of the company				Total other equity
	Reserves and surplus				
	Securities premium (Note 13a)	General reserve (Note 13b)	Capital reserve* (Note 13d)	Retained earnings (Note 13c)	
As at 1 April 2017	501.36	1,498.84	0.00	10,600.39	**12,600.59**
Profit for the period				2,205.13	**2,205.13**
Other comprehensive income, net of tax (Note 27)				(160.03)	**(160.03)**
Total comprehensive income	**501.36**	**1,498.84**	**0.00**	**12,645.49**	**14,645.69**
Cash Dividends (Note 28)				(449.85)	**(449.85)**
Dividend Distribution Tax (Note 28)				(91.57)	**(91.57)**
At 31 March 2018	**501.36**	**1,498.84**	**0.00**	**12,104.07**	**14,104.27**

For the year ended 31 March 2017:

	Attributable to the owners of the company				Total other equity
	Reserves and surplus				
	Securities premium (Note 13a)	General reserve (Note 13b)	Capital reserve* (Note 13d)	Retained earnings (Note 13c)	
As at 1 April 2016	**501.36**	**1,498.84**	**0.00**	**9,566.40**	**11,566.60**
Profit for the period	-	-	-	1,589.51	1,589.51
Other comprehensive income, net of tax (Note 27)	-	-	-	(14.10)	(14.10)
Total comprehensive income	**501.36**	**1,498.84**	**0.00**	**11,141.81**	**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**	**1,498.84**	**0.00**	**10,600.39**	**12,600.59**

* Rounded off to INR Nil.

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration number: 101248W/W-100022
Chartered Accountants

Tarun Gupta
Partner
Membership no.: 507892

Place : Gurugram
Date : May 22, 2018

For and on behalf of the Board of Directors of Bata India Limited

UDAY KHANNA
Chairman
DIN: 00079129

RAJEEV GOPALAKRISHNAN
Managing Director
DIN: 03438046

SANDEEP KATARIA
Whole-time Director & CEO
DIN: 05183714

RAM KUMAR GUPTA
Director Finance
DIN: 01125065

ARUNITO GANGULY
Company Secretary
Membership No.: FCS 9285

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR millions)

		Notes	As at 31 March 2018	As at 31 March 2017
A	**Cash flow from operating activities**			
1	**Profit before tax**		3,370.40	2,338.64
2	**Adjustments to reconcile profit before tax to net cash flows:**			
	Depreciation of property, plant & equipment	24	600.72	646.30
	Amortisation of intangible assets	24	3.80	4.06
	Straightlining on lease rental		18.64	39.10
	Loss on sale of fixed assets (net)	25	16.70	62.65
	Allowance for doubtful debt, loans, advances	25	31.42	-
	Finance Expense (including fair value change in financial instruments)	23	41.98	40.34
	Finance Income (including fair value change in financial instruments)	19	(492.96)	(438.72)
	Liabilities no longer required written back	19	-	(3.85)
	Provisions for Litigation	17b	10.10	-
3	**Operating profit before working capital changes (1+2)**		**3,600.80**	**2,688.52**
4	**Movements in Working Capital:**			
	Decrease/(Increase) in trade & other receivables		(215.55)	64.26
	Decrease /(Increase) in inventories		(513.75)	(284.44)
	Increase/(Decreae) in trade and Other Payables		713.37	798.25
	Increase/(Decrease) in short term provisions		(208.00)	(18.07)
	Decrease/(Increase) in other current assets		(449.85)	33.78
	Decrease/(Increase) in other current financial assets		(66.16)	50.14
	Increase/(Decrease) in other current liabilities		(131.36)	(3.66)
	Increase/(Decrease) in other financial liabilities		(62.90)	(54.90)
	Change in Working Capital		**(934.20)**	**585.36**
	Changes in non current assets and liabilities			
	Decrease/(Increase) in loans & advances		34.36	(48.20)
	Increase/(Decreae) in trade payables		0.97	19.69
	Decrease/(Increase) in other non-current assets		40.92	(28.12)
	Decrease/(Increase) in financial assets		13.56	(0.83)
5	**Changes in non current assets and liabilities**		**89.81**	**(57.46)**
6	**Cash generated from operations (3+4+5)**		**2,756.41**	**3,216.42**
7	**Less : Taxes paid (net of refund)**		**(1,153.70)**	**(651.37)**
8	**Net cash flow from operating activities (6-7)**		**1,602.71**	**2,565.05**
B	**Cash Flow from Investing Activities:**			
	Purchase of Property, plant and equipment		(778.82)	(512.74)
	Proceeds from sale of Property, plant and equipment		24.81	35.70
	Repayments/(Investments) in bank deposits (having original maturity of more than three months)		(763.38)	(2,075.78)
	Interest received (finance income)		398.43	264.64
	Net Cash Flow used in Investing Activities:		**(1,118.96)**	**(2,288.18)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR millions)

		Notes	As at 31 March 2018	As at 31 March 2017
C	**Net Cash Flow From Financing Activities:**			
	Dividend paid to equity shareholders	28	(448.99)	(448.75)
	Dividend distribution tax	28	(91.57)	(91.57)
	Interest paid		(15.02)	(16.65)
	Net Cash Used in Financing Activities:		**(555.58)**	**(556.97)**
D	**Net Change in cash & cash equivalents**		**(71.83)**	**(280.10)**
E - 1	Cash & cash equivalents as at end of the year		558.84	630.67
E - 2	Cash & cash equivalents as at the beginning of year		630.67	910.77
	NET CHANGE IN CASH & CASH EQUIVALENTS (E 1- E 2)		**(71.83)**	**(280.10)**

	As at 31 March 2018	As at 31 March 2017
Cash on hand	103.24	99.27
With banks		
- on deposit with original maturity of upto 3 months	-	-
- on current accounts	441.87	518.53
- unpaid dividend accounts*	13.73	12.87
Total cash and cash equivalents	**558.84**	**630.67**

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

Significant accounting policies 2

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration number: 101248W/W-100022
Chartered Accountants

Tarun Gupta
Partner
Membership no.: 507892

Place : Gurugram
Date : May 22, 2018

For and on behalf of the Board of Directors of Bata India Limited

UDAY KHANNA
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Managing Director
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Whole-time Director & CEO
DIN: 05183714

RAM KUMAR GUPTA
Director Finance
DIN: 01125065

ARUNITO GANGULY
Company Secretary
Membership No.: FCS 9285

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 2018. Group is primarily engaged in the business of manufacturing and trading of footwear and accessories through its retail and wholesale network.

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

The particulars of subsidiary companies, which are included in consolidation and the parent company's holding therein :-

Name	Country of Incorporation	Percentage of holding as at 31 March 2018	Percentage of holding as at 31 March 2017
Bata Properties Limited	India	100%	100%
Coastal Commercial & Exim Limited	India	100%	100%
Way Finders Brands Limited	India	100%	100%

2. Significant Accounting policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of Companies Act 2013 ('the Act') and other provisions of the Act.

The financial statements are authorised for issue by Company's board of directors on May 22, 2018.

For all periods up to and including the year ended 31 March 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 31 March 2017 are the first the Group has prepared in accordance with 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 2018. 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.

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.

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).

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.

Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 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 is 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 to the consolidated financial statements.

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.

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.

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
Plant and equipments	
- Moulds	8 years
- Data processing equipments	3 Years
- Servers	6 Years
- Other Plant and Machinery	5 Years - 15 Years
Furniture & fixtures	
- 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.

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 computer software may be impaired. The amortisation period and the amortisation method 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 computer software is recognised in the consolidated 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.

g. Inventories

Inventories are valued at the lower of cost and 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 fixed 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 in case of finished goods, stock in trade and work in progress 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 guidance note on Ind AS schedule III, accounting treatment of excise duty, the Group has considered 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)/ Goods and Service Tax 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 to 12 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 (based on data available) under the terms of the programme. 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.

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 Costs

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. Government grants

An unconditional government grant related to an asset that is measured at fair value less cost to sell is recognised in statement of profit and loss as other income when the grant becomes receivable. Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, they are then recognised in statement of profit and loss as other operating revenue on a systematic basis.

l. 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 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 retained earnings 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.

m. 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.

Group is lessee

The Group classifies the lease 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 line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

n. 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).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 on temporary differences between the tax base 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 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.

o. 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 consolidated statement of profit and loss.

p. 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.

q. 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 in such cases and discloses the same under contingent liability in the financial statements.

r. Cash and cash equivalents

Cash and cash equivalents 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 and unpaid dividend account, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s. 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

Recognition and initial 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 directly 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)

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 non- current trade receivables, non-current Security deposits and non-current 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').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. The Group has not designated any debt instrument as at FVTPL.

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 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.

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 except equity investment which is carried 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).

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.

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 is 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 when and only when 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 unfavourable.

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 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 consolidated statement of profit and loss. 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 consolidated statement of profit and loss.

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 consolidated statement of 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 highly probable 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. (i) Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the accounting policies and the reported amounts of income, 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 consolidated financial statements:

(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.

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. 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 31.

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.

3. (ii) Standards issued but not yet effective

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

Sales of goods

For the sale of goods, revenue is currently recognised when the goods are delivered, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. The revenue from these contracts will be recognised as the products are being manufactured. The Company's initial assessment indicates that this will result in revenue, and some associated costs, for these contracts being recognised earlier than at present – i.e. before the goods are delivered to the customers' premises.

(Amount in INR millions)

Property, plant and equipment and capital work in progress

4a

Property, plant and equipment	Freehold land	Buildings	Lease hold improvements	Plant and equipment**	Furniture and fixtures	Vehicles	Office equipments	Total
Cost or deemed cost (gross carrying amount)								
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**
Additions	-	174.65	248.61	197.32	241.76	11.34	51.62	925.30
Disposals	-	-	(27.71)	(14.01)	(51.84)	(0.76)	(0.01)	(94.33)
At 31 March 2018	**252.32**	**1,277.67**	**909.81**	**771.07**	**1,572.39**	**28.29**	**58.39**	**4,869.94**
Accumulated depreciation								
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**
Depreciation charge for the year	-	57.98	171.16	102.18	257.09	4.74	7.57	600.72
Disposals	-	-	(15.84)	(2.85)	(33.70)	(0.43)	(0.00)	(52.82)
At 31 March 2018	**-**	**224.94**	**376.02**	**410.25**	**884.05**	**16.30**	**9.67**	**1,921.23**
Net Book Value								
At 31 March 2018	252.32	1,052.73	533.79	360.82	688.34	11.99	48.72	2,948.71
At 31 March 2017	252.32	936.06	468.21	276.84	721.81	5.72	4.68	2,665.64

4b

Intangible assets	Computer Software
Cost or deemed cost (gross carrying amount)	
At 31 March 2016	**9.62**
Addition	11.82
At 31 March 2017	**21.44**
Addition	5.46
At 31 March 2018	**26.90**
Accumulated amortization	
At 31 March 2016	**3.50**
Amortization	4.06
At 31 March 2017	**7.56**
Amortization	3.80
At 31 March 2018	**11.36**
Net book Value	
At 31 March 2018	15.54
At 31 March 2017	13.88

4c

Capital work in progress and Intangible assets under development	As at 31st March 2018	As at 31st March 2017
Capital work-in-progress	121.19	242.29
Intangible assets under development	-	56.06

**Additions includes INR 0.19 millions (31 March 2017 INR NIL) towards assets located at research and development facilities.

(Amount in INR millions)

5. Financial assets

	Non Current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
a. Investments				
Investments in Cooperative Societies (Fair Value through profit and loss)				
Unquoted:				
250 (31 March 2017: 250) equity shares of INR 10 each fully paid-up in Bata Employees' Co-operative Consumers' Stores Limited, Hathidah *	0.00	0.00	-	-
5 (31 March 2017: 5) equity shares of INR 10 each fully paid-up in Bhadrakali Market Co-operative Society Limited, Nasik*	0.00	0.00	-	-
TOTAL	0.00	0.00	-	-
* Rounded off to INR Nil.				
Aggregate value of unquoted investments	**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 2017 : 500) units of face value of 10,000 each	5.00	5.00	-	-
	5.00	5.00	-	-
Unsecured, Considered Good				
Loans and advances				
To related parties	-	-	7.68	7.81
	-	-	7.68	7.81
Security deposits	907.60	871.83	29.99	24.56
	907.60	871.83	29.99	24.56
TOTAL	**912.60**	**876.83**	**37.67**	**32.37**
c. Other Financial assets				
Non-current bank balances (Refer Note 11)	0.64	14.20	-	-
Interest accrued on deposits	0.28	0.27	216.73	192.33
Other receivables (unsecured, considered good)	-	-	114.25	69.08
Other receivables (unsecured, considered doubtful)	-	-	56.81	72.80
Less: Allowance of impairment	-	-	(56.81)	(72.80)
Insurance claim receivable	-	-	0.92	0.51
TOTAL	**0.92**	**14.47**	**331.90**	**261.92**

(Amount in INR millions)

6. Deferred tax assets (net)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax recognised in consolidated statement of profit and loss :		
Current income tax charge	1,214.73	925.63
Adjustment in respect of current income tax of previous year	0.13	(62.90)
Deferred tax :		
Relating to origination and reversal of temporary difference	(49.59)	(113.60)
	1,165.27	**749.13**

	As at 31 March 2018	As at 31 March 2017
Deferred tax assets (net)		
Property, plant, equipments and intangible assets: Impact of difference between tax depreciation and depreciation/amortization charged in the financial statements	543.26	464.47
Impact of expenditure charged to the consolidated statement of profit and loss in the current/earlier years but allowable for tax purposes on payment basis	473.13	503.48
Provision for doubtful debts and advances	29.20	28.96
Effect of measuring financial instruments at fair value	8.34	7.43
Mat credit entitlement	0.87	1.08
	1,054.80	**1,005.42**

Reconciliation of average effective tax rate

	For the year ended 31 March 2018		For the year ended 31 March 2017	
Profit before tax		3,370.40		2,338.64
Tax using the Company's domestic tax rate	34.61%	1,166.43	34.61%	808.35
Effect of non deductible expenses	0.53%	17.77	0.99%	23.18
Effect of deductible expenses at higher rate	-0.30%	(10.09)	-0.87%	(20.43)
Effect of change in Income tax rate	-0.84%	(9.75)	0.00%	-
Reversal of tax of earlier years	0.00%	0.13	-2.69%	(62.90)
Tax for Subsidiaries	0.02%	0.78	0.04%	0.93
Total	**34.57%**	**1,165.27**	**32.03%**	**749.13**
Tax as per consolidated statement of profit and loss	**34.57%**	**1,165.27**	**32.03%**	**749.13**

Component wise deferred tax recognised in consolidated statement of profit and loss	For the year ended 31 March 2018	For the year ended 31 March 2017
Property, plant, equipments and intangible assets: Impact of difference between tax depreciation and depreciation/amortization charged in the financial statements	**(78.79)**	(79.10)
Impact of expenditure charged to the consolidated statement of profit and loss in the current/earlier years but allowable for tax purposes on payment basis	**30.34**	(48.33)
Provision for doubtful debts and advances	**(0.24)**	13.59
Effect of measuring financial instruments at fair value	**(0.90)**	0.23
	(49.59)	**(113.60)**

Income tax recognised in other comprehensive income	For the year ended 31 March 2018	For the year ended 31 March 2017
Re-measurement of defined benefit plans	84.70	7.46
	84.70	**7.46**

(Amount in INR millions)

7. Other assets

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
a. Other non-current assets				
Unsecured and considered good				
Capital advances	52.75	27.52	-	-
Supplier advances	-	-	23.76	26.76
Recoverable from statutory authorities	62.24	85.31	534.13	102.39
Prepaid expenses	229.26	247.11	164.36	143.25
	344.25	**359.94**	**722.25**	**272.40**
Unsecured, considered doubtful				
Recoverable from statutory authorities	19.38	10.36	-	-
Less: Loss allowance	(19.38)	(10.36)	-	-
	-	**-**	**-**	**-**
Total	**344.25**	**359.94**	**722.25**	**272.40**
b. Other non-current assets tax assets				
Advance income tax (net of provision)	467.11	377.74	-	-
	467.11	**377.74**	**-**	**-**

8. Inventories

	As at 31 March 2018	As at 31 March 2017
Raw materials and components (including goods in transit INR 2.46 million (31 March 2017: INR Nil))	239.04	249.25
Work-in-progress	107.88	127.89
Finished goods * (including goods in transit INR 912.56 million (31 March 2017: INR 359.57 million))	7,294.67	6,748.71
Stores and spares	10.13	12.12
Total inventories at the lower of cost and net realisable value	**7,651.72**	**7,137.97**

*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 27.83 million (31 March 2017 : INR 135.30 million).The write down is included in cost of materials consumed and increase/decrease in inventories.

9. Trade receivables

	Current	
	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good - Others	881.19	673.45
Unsecured, considered doubtful	10.84	2.59
Less : Loss allowance	(10.84)	(2.59)
Trade receivables from related parties - unsecured, considered good (Refer note 37)	12.31	20.63
	893.50	**694.08**

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 41.

10. Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017
Balances with banks:		
- On current account	441.87	518.53
Cash on hand	103.24	99.27
	545.11	**617.80**

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 earns interest at the respective short term deposit rates.

(Amount in INR millions)

11. Bank Balances other than those included in cash and cash equivalents

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Unpaid dividend accounts	-	-	13.73	12.87
Deposits with original maturity for more than 3 months but upto 12 months*	-	-	5,353.07	4,589.70
Deposits with original maturity for more than 12 months (refer note 5c)	0.64	14.20	-	-
Less: Amount disclosed under other non-current assets	(0.64)	(14.20)	-	-
	-	**-**	**5,366.80**	**4,602.57**

*Includes deposit pledged with banks of INR 8.16 millions (31 March 2017 INR Nil millions).

12. Equity share capital

	As at 31 March 2018	As at 31 March 2017
Authorised share capital		
Equity share capital		
140,000,000 (31 March 2017: 140,000,000) equity shares of INR 5 each)	700.00	700.00
Issued share capital*		
Equity share capital		
128,570,000 (31 March 2017: 128,570,000) equity shares of INR 5 each	642.85	642.85
Subscribed and fully paid up share capital		
Equity share capital		
128,527,540 (31 March 2017: 128,527,540) equity shares of INR 5 each	642.64	642.64
TOTAL	**642.64**	**642.64**

***Shares held in abeyance**

42,460 (31 March 2017: 42,460) equity shares of INR 5 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.

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	128,527,540	642.64	128,527,540	642.64
Issued during the year	-	-	-	-
Outstanding at the end of the year	**128,527,540**	**642.64**	**128,527,540**	**642.64**

B. Rights, preferance and restrictions 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

	As at 31 March 2018	As at 31 March 2017
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 (31 March 2017: 68,065,514) equity shares of INR 5/- each	340.33	340.33
	340.33	340.33

(Amount in INR millions)

D. Details of shareholders holdings more than 5% shares in Company

Name of shareholder	As at 31 March 2018 Number of shares held	As at 31 March 2018 % of holding in class	As at 31 March 2017 Number of shares held	As at 31 March 2017 % of holding in class
Equity shares of INR 5 each fully paid				
Bata (BN) B.V., Amsterdam, The Netherlands, the holding Company	68,065,514	52.96%	68,065,514	52.96%

13. Other equity

	As at 31 March 2018	As at 31 March 2017
Reserve and Surplus		
a) Security Premium*		
Opening balance	501.36	501.36
Add/(less) : Movement during the year	-	-
Closing balance	**501.36**	**501.36**
b) 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**
c) Retained earnings		
Balance as per last financial statements	10,600.39	9,566.40
Add: Net profit/ (Net loss) after tax transferred from statement of profit & loss	2,205.13	1,589.51
Add: Other comprehensive income, net of tax	(160.03)	(14.10)
Less: Appropriations		
Final dividend for 31 March 2017: INR 3.50 per share(31 March 2016: INR 3.50 per share)	(449.85)	(449.85)
Dividend Distribution Tax on final dividend	(91.57)	(91.57)
Closing balance	**12,104.07**	**10,600.39**
d) Capital reserve***		
Balance at the opening and at the end of the year	**0.00**	**0.00**
Total (a+b+c+d)	**14,104.27**	**12,600.59**

*Security premium is used to record the premium received on issue of shares. It is to be utilised in accordance with the provisions of the Companies Act, 2013.

** In previous years, the Company appropriated a portion of profits to general reserve as per the provisions of the Act. The said reserve is available for payment of dividend to the shareholders as per provisions of the Companies Act, 2013.

***Rounded off to INR Nil.

14. Trade payables

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Trade payables to micro, small and medium enterprises	-	-	37.96	39.90
Trade payables to related parties	-	-	66.34	22.34
Trade payables to others*	1,037.42	1,039.71	4,693.55	4,022.23
TOTAL	**1,037.42**	**1,039.71**	**4,797.85**	**4,084.47**

*Includes asset retirement obligation INR 11.78 million (31 March 2017 INR 10.73 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

(Amount in INR millions)

15. Other Financial Liabilities

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Payable for capital goods	-	-	27.30	92.75
Deposit from agents and franchisees	-	-	312.83	296.22
Unpaid dividend	-	-	13.73	12.87
Total other financial liabilities	**-**	**-**	**353.86**	**401.84**

16. Other Liabilities

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Advance from customers*	-	-	0.29	0.75
Statutory dues payable	-	-	96.51	214.47
Unearned revenue	-	-	76.90	89.83
Total	**-**	**-**	**173.70**	**305.05**

*Includes 0.24 million (31 March 2017 INR 0.24 million) payable to related party (refer note 37)

17. Provisions

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
a) Current tax liabilities				
Provision for income tax (net)	-	-	179.24	113.62
	-	**-**	**179.24**	**113.62**
b) Provisions				
Provision for employee benefits				
Provision for gratuity (refer note 32)	-	-	32.70	2.86
Provision for compensated absences	21.90	-	14.34	16.68
Others				
Provision for warranties*	-	-	21.68	12.45
Provision for Litigation**	-	-	34.47	11.47
	21.90	**-**	**103.19**	**43.46**

***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.

	As at 31 March 2018	As at 31 March 2017
Opening balance	12.45	9.99
Arising during the year	104.44	104.56
Utilized during the year	(95.21)	(102.10)
Closing balance	**21.68**	**12.45**

****Provision for Litigation**

	As at 31 March 2018	As at 31 March 2017
Opening balance	11.47	11.67
Arising during the year	23.00	-
Utilized during the year	-	(0.20)
Closing balance	**34.47**	**11.47**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

(Amount in INR millions)

18. Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products (including excise duty)**		
Sale of goods*	26,398.02	25,027.64
Total sale of products	**26,398.02**	**25,027.64**
Other operating revenue		
Others (including export incentives, scrap sales etc.)	14.14	15.72
Total	**26,412.16**	**25,043.36**

*Sale of goods include excise duty collected from customers of INR 70.47 million (31 March 2017 : INR 300.80 million).

**In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 2017, VAT/ Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. Accordingly, financial statements for the year ended 31 March 2018 and in particular, sales and ratios in percentage of sales, will not be comparable with the figures of the previous year.

19. Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Finance Income		
- Unwinding of financial instruments at amortised cost	70.12	65.67
- Deposits with bank	369.58	328.64
- Others	53.26	44.41
	492.96	438.72
Liabilities no longer required written back	-	3.85
Foreign exchange fluctuation (net)	6.18	1.12
Insurance claim received	4.13	1.09
Miscellaneous income	-	15.42
	503.27	**460.20**

20. Cost of raw material and components consumed

	For the year ended 31 March 2018	For the year ended 31 March 2017
a. Raw material and components consumed		
Inventory at the beginning of the year	249.25	187.16
Add: Purchases	2,685.02	2,976.27
	2,934.27	**3,163.43**
Less: inventory at the end of the year	(239.04)	(249.25)
Cost of raw material and components consumed	**2,695.23**	**2,914.18**
b. Purchase of stock-in-trade		
Purchases	9,854.70	8,948.92
Purchase of stock-in-trade	**9,854.70**	**8,948.92**

21. Changes in Inventories of finished goods, work in progress and stock-in-trade

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the end of the year		
Finished goods*	7,294.67	6,748.71
Work-in-progress	107.88	127.89
	7,402.55	6,876.60
Inventories at the beginning of the year		
Finished goods*	6,748.71	6,361.60
Work-in-progress	127.89	292.28
	6,876.60	6,653.88
(Increase)/decrease in inventories before excise duty	**(525.95)**	**(222.72)**
Increase/(decrease) of excise duty on change in inventories	**-**	**(59.81)**
	(525.95)	**(282.53)**

* Finished goods includes stock in trade, as both are stock together.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

(Amount in INR millions)

22. Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	2,699.39	2,480.61
Contribution to provident and other funds	131.67	135.57
Gratuity expense (refer note 31)	25.11	22.01
Staff welfare expenses	99.93	93.69
	2,956.10	**2,731.88**

23. Finance costs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense		
- Unwinding of financial instruments at amortised cost	14.06	23.69
- Others	27.92	16.65
	41.98	**40.34**

24. Depreciation and amortization expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipment	600.72	646.30
Amortisation of intangible assets	3.80	4.06
	604.52	**650.36**

25. Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Consumption of stores and spares	32.81	34.64
Power and fuel	559.59	537.15
Rent (refer note 32)	3,622.43	3,563.93
Bank charges	106.21	109.53
Insurance	67.97	69.48
Repairs and maintenance		
Plant and machinery	52.84	33.64
Buildings	76.36	61.13
Others	47.66	38.49
CSR expenses (Refer note 36)	71.14	60.02
Sales commission	570.44	665.31
Royalty	379.19	391.32
Legal and professional fees	156.92	182.71
Payment to auditor (Refer details below)	7.52	9.60
Freight	522.73	546.84
Rates and taxes	141.45	203.71
Advertising and sales promotion	401.46	241.96
Technical collaboration fee	255.04	269.32
Allowance for doubtful debt, loans, advances	31.42	-
Loss on sale of property, plant and equipment (net)	16.70	62.65
Miscellaneous expenses	728.10	562.85
	7,847.98	**7,644.28**
Payment to auditors		
As auditor:		
Audit fee	3.23	5.84
Tax audit fee	0.50	0.58
Limited review	1.65	1.38
In other capacity:		
Certification & others	0.25	0.46
Reimbursement of expenses*	1.89	1.34
	7.52	**9.60**

*Includes payment made to erstwhile auditor for reimbursement of expenses INR 1.34 million (31 March 2017 INR Nil).

(Amount in INR millions)

26. Exceptional Items

	For the year ended 31 March 2018	For the year ended 31 March 2017
Voluntary retirement scheme*	-	216.69
	-	**216.69**

*During the year ended 31 March 2017, the Company had announced a Voluntary Retirement Scheme (VRS) for the workmen of its Faridabad Unit.

27. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI in equity is shown below:

During the year ended 31 March 2018

	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	(160.03)	(160.03)
	(160.03)	(160.03)

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)

28. Distribution made and proposed

	As at 31 March 2018	As at 31 March 2017
Cash dividends on equity shares declared and paid:		
Final 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 final dividend	91.57	91.57
	541.42	**541.42**
Proposed dividends on equity shares:		
Final cash dividend for the year ended on 31 March 2018: INR 4 per share (31 March 2017: INR 3.50 per share)	514.11	449.85
Dividend distribution tax on proposed dividend*	105.68	91.48
	619.79	**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 year end.

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 EPS and diluted EPS computations:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit attributable to equity holders	2,205.13	1,589.51
	2,205.13	**1,589.51**

	No. of shares	No. of shares
Weighted average number of equity shares in calculating basic EPS and diluted EPS	128,527,540	128,527,540

Earnings per equity share in INR		
Computed on the basis of profit for the year		
Basic (INR)	**17.16**	12.37
Diluted (INR)	**17.16**	12.37

(Amount in INR millions)

30. Note 22 includes R&D expenses of INR 46.99 million (31 March 2017 INR 42.81 million) and Note 25 includes R&D expenses of INR 10.75 million (31 March 2017 INR 15.16 million).

31. 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 Company's 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 and 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:

	As at 31 March 2018	As at 31 March 2017
Fair value of plan assets	664.62	453.52
Defined benefit obligation	697.32	456.36
Net defined benefit (liability)	**(32.70)**	**(2.86)**

Amount recognised in Statement of Profit and Loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	33.43	24.47
Net interest expense	8.32	(2.46)
Amount recognised in Statement of Profit and Loss	**41.75**	**22.01**

Amount recognised in Other Comprehensive Income:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial changes arising from changes in financial assumptions	187.73	28.69
Return on plan assets (greater/less than the discount rate)	23.14	(24.96)
Experience adjustments	33.86	17.83
Amount recognised in Other Comprehensive Income	**244.73**	**21.56**

Changes in the present value of the defined benefit obligation are as follows:

	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation at the beginning of the year	456.37	442.68
Current service cost	33.43	24.47
Interest expense	30.81	31.85
Benefits paid	(44.89)	(89.14)
Actuarial (gain)/ loss on obligations - OCI	221.59	46.52
Defined benefit obligation at the end of the year	**697.32**	**456.38**

Changes in the fair value of plan assets are, as follows:

	As at 31 March 2018	As at 31 March 2017
Fair value of plan assets at the beginning of the year	453.52	463.39
Contribution by employer	240.00	20.00
Benefits paid	(44.89)	(89.14)
Interest Income on plan assets	39.13	34.31
Return on plan assets greater/(lesser) than discount rate - OCI	(23.14)	24.96
Fair value of plan assets at the end of the year	**664.62**	**453.52**

(Amount in INR millions)

The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity	As at 31 March 2018	As at 31 March 2017
Investment Details	**Funded**	**Funded**
	100%	100%
- Insurer	68.01	50.23
- Government securities and bonds	0.00	3.36
- Bank Balances	3.33	1.88
- Special deposit scheme	28.66	44.53

The principal assumptions used in determining gratuity liability for the Parent Company's plans are shown below:

	As at 31 March 2018	As at 31 March 2017
	%	%
Discount rate	7.4	7.1
Salary increase		
- Management	7.0	5.0
- Non management	7.0	2.0
Employee turnover		
Non Management		
20-24	7.0	0.5
25-29 and 55-60	7.0	0.3
30-34 and 50-54	7.0	0.2
35-49	7.0	0.1
Management		
20-25	7.0	5.0
26-35	7.0	3.0
36 and above	7.0	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 2018 is as shown below:

Gratuity Plan	Sensitivity level		Impact on DBO	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Assumptions				
Discount rate	1.00%	1.00%	(36.56)	(31.69)
	-1.00%	-1.00%	40.58	35.97
Future salary increases	1.00%	1.00%	39.82	35.93
	-1.00%	-1.00%	(36.66)	(32.38)

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 table below shows the expected undiscounted cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:-

	As at 31 March 2018	As at 31 March 2017
Within the next 12 months (next annual reporting period)	75.07	23.16
Between 2 and 5 years	382.08	179.41
Between 5 and 10 years	503.34	315.94
Total expected payments	**960.49**	**518.51**

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (31 March 2017: 10 years).

Expected employer contribution for the period ending 31 March 2019 is INR 74.03 million.

(Amount in INR millions)

b) Contribution to defined contribution plans:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Pension fund	0.09	0.09

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 2018.

	As at 31 March 2018	As at 31 March 2017
Discount Rate	7.58%	7.10%
Expected Return on Exempt Fund	8.32%	8.33%
Rate of Return on EPFO managed PF	8.55%	8.65%
Mortality Rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate

	For the year ended 31 March 2018	For the year ended 31 March 2017
Contribution to provident and other funds*	128.42	126.64

*Included under employee benefit expense in the head contribution to provident and other funds.

The detail of fund and plan asset position as at 31 March 2018 is given below:

	As at 31 March 2018	As at 31 March 2017
Plan assets at fair value	4,327.75	4,121.89
Present value of the defined benefit obligation	3,677.08	3,491.92
Asset recognized in the balance sheet	NIL	NIL

Information relating to reconciliation from opening balance to closing balance for plan assets and present value of defined benefit obligation, classes of plan assets help, sensitivity analysis for actuarial assumptions, other than disclosed above, including the methods and assumptions used in preparing the analysis, expected contribution for the next year and maturity profile of the defined benefit obligation as required by INDAS - 19 'Employee benefits' is not available with the Company.

32. Contingent liabilities and commitments

A. Contingent liabilities

a) Claims against group not acknowledged as debts includes:

Nature	As at 31 March 2018	As at 31 March 2017
Excise, customs and service tax cases	145.65	148.40
Sales tax cases	21.80	21.80
Others*	277.58	273.85
Income tax cases	15.51	132.92
Total	**460.54**	**576.97**

*Others include individually small cases pertaining to rent, labour etc.

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.

(Amount in INR millions)

B. Commitments

Estimated amount of contracts remaining to be executed for capital expenditure and not provided for amounted to INR 312.79 million (Previous year: INR 109.48 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 payable are charged as 'Rent' in Note 25.

Future minimum rentals payable under non-cancellable operating leases as at 31 March 2018 are as follows:

Lease Rentals	As at 31 March 2018	As at 31 March 2017
Within one year	52.29	66.33
After one year but not more than five years	10.72	5.56
More than five years	-	-

33. Financial instruments and fair values classification

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	
	Notes	Level of fair value	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Financial assets						
Amortised cost						
Loans						
- Loans & Advances to related parties	(b)		7.68	7.81	7.68	7.81
- Investments in bonds	(b)	3	5.00	5.00	4.90	4.90
- Security deposits	(b)		937.58	896.39	937.58	896.39
Financial asset not measured at fair value						
Other Financial assets						
- Interest accrued on deposits	(a)		217.01	192.60	-	-
- Insurance claim receivable			0.92	0.51	-	-
- Other receivables			114.25	69.08	-	-
Trade Receivable	(a)		893.50	694.08	-	-
Cash & Cash equivalents	(a)		545.11	617.80	-	-
Other bank balances	(a)		5,367.44	4,616.77	-	-
Total			**8,088.49**	**7,100.04**	**950.16**	**909.10**
Financial liabilities						
Amortised cost						
Trade Payables	(a)		1,037.42	1,039.71	-	-
Financial liabilities not measured at fair value						
Trade payables	(a)		4,797.85	4,084.47	-	-
Other financial liabilities	(a)					
- Payable for capital goods			27.30	92.75	-	-
- Deposit from agents and franchisees			312.83	296.22	-	-
- Unpaid dividend			13.73	12.87	-	-
Total			**6,189.14**	**5,526.03**	**-**	**-**

a) The management has not disclosed the fair values for financial instruments because their carrying values approximate their fair value largely due to the short-term maturities of these instruments.

b) Fair valuation of non-current financial instruments has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value as the carrying value is based on effective interest rates.

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:

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2018 and 31 March 2017.

(Amount in INR millions)

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.

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 2018: 0.5% - 1%	31 March 2018: 10% increase (decrease) in the credit spread would result in increase (decrease) in fair value by INR 4 thousand.
		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.

34. 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 maximize 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 Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The Group is having nil borrowings as on 31 March 2018 (31 March 2017 INR Nil).

35. 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	
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Trade payables	USD	5223192.22@65.64	1345949.96@66.87	342.83	90.00
	EURO	8,159@80.35	-	0.66	-
Advance for Import purchases	USD	72619.2@65.64	214881.72@67.07	5.04	14.41
Advance from Customer	USD	-	12,233 @ 64.73	-	0.79
Trade receivables	USD	255421.04@65.64	611042.62 @ 64.84	16.77	39.62
	EURO	7,535@80.35	7,535@69.42	0.61	0.52
	CHF	36,644@68.69	40,488@64.89	2.52	2.63

36. Details of corporate social responsibility expenditure

As per Section 135 of Companies Act,2013, a Company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR Committee has been formed by the Company as per act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the act, in pursuant of the CSR policy.

	For the year ended 31 March 2018	For the year ended 31 March 2017
Gross amount required to be spent by the group during the year:-	55.80	58.38
(i) Construction/ Acquisition of asset	-	-
(ii) For purpose other than (i) above*	71.14	60.02
	71.14	**60.02**

*Included in CSR expenditure in Note 25

(Amount in INR millions)

37. Related party disclosures

Names of related parties and related party relationship

I. Related parties where control exists

a. Ultimate holding company	Compass Limited
b. Immediate Holding company	BATA (BN) B.V. The Netherlands
c. Other Related Parties*	Bata India Limited Gratuity Fund Bata India Limited Pension Fund

*Refer notes 31 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 – Chief Finance Officer Sandeep Kataria - Chief Executive Officer (w.e.f. 14.11.2017) Uday Khanna (Independent Director) Ravindra Dhariwal (Independent Director) Akshay Chudasama (Independent Director) Anjali Bansal (Independent Director)
b. Enterprises in which director is interested	Shradul Amarchand Mangaldas & Co. Delhivery Private Limited (w.e.f. 10.11.2017)
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. The Zimbabwe Bata Shoe Co. Bata Shoe Co. of Ceylon Ltd. China Footwear Services Bata Industrials Europe-Netherland Bata Shoe Co. (Bangladesh) Ltd. International Footwear Investment B.V. Futura Footwear Ltd. Bata Brands S.A. Empresas Commercial S. A. Manufactura Boliviana S. A.

III. Additional related parties as per the Companies Act 2013 with whom transactions have taken place during the year:

Company Secretary	Mr. Arunnito Ganguly (w.e.f. 15.12.2017) Mr. Maloy Kumar Gupta (upto 31.10.2017)

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(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		For the year ended 31 March 2018	For the year ended 31 March 2017
i. Sale of goods	Empresas Commercial S.A.		2.26	4.38
	Bata Shoe Co. (Bangladesh) Ltd.		32.45	26.46
	Bata Shoe Co. of Ceylon Ltd.		14.71	30.78
	The Zimbabwe Bata Shoe Co.		0.39	0.08
		Total	**49.80**	**61.70**
ii Reimbursement of Expenses to	Bata Malaysia SDN. BHD		0.52	0.74
	Bata Brands S.A.		3.54	0.30
	Bata Shoe (Singapore) Pte Ltd.		2.22	1.07
	Bata Industrials Europe-Netherland		0.06	-
	Futura Footwear Ltd.		-	0.15
		Total	**6.34**	**2.26**
iii. Reimbursement of Expenses from	International Footwear Investment B.V.		8.89	8.57
	Global Footwear Services Pte Ltd.		-	5.31
	Bata Brands S.A.		10.78	9.75
	China Footwear Services		1.33	4.65
	Manufactura Boliviana S.A.		-	3.19
	Bata Shoe Co. of Ceylon Ltd.		0.14	-
		Total	**21.14**	**31.47**
iv. Technical collaboration fees	Global Footwear Services Pte Ltd.		246.15	233.48
		Total	**246.15**	**233.48**
v. Royalty	Bata Brands S.A.		20.34	36.73
		Total	**20.34**	**36.73**
vi. Legal and professional fees	Shardul Amarchand Mangaldas & Co.		0.39	0.35
		Total	**0.39**	**0.35**
vii. Freight charges	Delhivery Private Limited		0.94	-
		Total	**0.94**	-
viii. Dividend Paid	BATA (BN) B.V. The Netherlands, Amsterdam		238.23	238.23
		Total	**238.23**	238.23

ix. Remuneration to Directors and other key managerial personnel *

Name of the Director/ Other Key Managerial Personnel		For the year ended 31 March 2018	For the year ended 31 March 2017
Rajeev Gopalakrishnan		44.71	37.32
Ram Kumar Gupta		19.11	16.40
Sandeep Kataria (w.e.f. 14.11.2017)		10.41	-
Maloy Kumar Gupta (till 31.10.2017)		3.31	3.71
Arunito Ganguly (w.e.f. 15.12.2017)		0.71	-
Uday Khanna (Independent Director) **		3.50	3.20
Ravindra Dhariwal (Independent Director) **		2.57	2.32
Akshay Chudasama (Independent Director) **		2.12	1.90
Anjali Bansal (Independent Director) **		1.92	1.85
	Total	**88.36**	**66.70**

* As the liabilities for provident fund, gratuity and compensated absences 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".

(Amount in INR millions)

V. Balances outstanding as at the end of the year:

Nature of the Balance	Related Party		As at 31 March 2018	As at 31 March 2017
i. Trade receivables	Bata Shoe Co. (Bangladesh) Ltd		8.26	6.40
	Bata Shoe Co. of Ceylon Ltd.		4.05	14.23
		Total	**12.31**	**20.63**
ii Trade payables - Reimbursement of Expenses to	Bata Malaysia SDN. BHD		0.05	0.05
	Bata Brands S.A.		0.66	-
		Total	**0.71**	**0.05**
iii. Other Financial assets	Bata Shoe Co. of Ceylon Ltd.		0.14	-
	International Footwear Investment B.V.		4.83	4.18
	Bata Brands SA		2.71	2.63
	China Footwear Services		-	1.00
		Total	**7.68**	**7.81**
iv. Other liability - Advance from customers	Empresas Comerciales S.A		0.24	0.24
		Total	**0.24**	**0.24**
v. Trade payables - Technical collaboration Fees	Global Footwear Services Pte Ltd.		61.58	17.77
		Total	**61.58**	**17.77**
vi. Trade payables - Royalty	Bata Brands S.A.		3.76	4.52
		Total	**3.76**	**4.52**
vii. Trade payables - Legal and professional fees	Shardul Amarchand Mangaldas & Co.		0.11	-
		Total	**0.11**	**-**
viil. Trade payables - Freight	Delhivery Private Limited		0.18	-
		Total	**0.18**	**-**

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 As at 31 March 2018	%ge of Equity Interest As at 31 March 2017
Bata Properties Limited	Letting of Properties	India	100%	100%
Coastal Commercial & Exim Limited	Letting of Properties	India	100%	100%
Way Finders Brands Limited	Trading of Apparels/footwear under Brand of CAT	India	100%	100%

38. Segment Reporting

Segment information is presented in respect of the company’s key operating segments. The operating segments are based on the company’s management and internal reporting structure.

Operating Segments

The Group's Managing Director has been identified as the Chief Operating Decision Maker ('CODM'), since Managing Director are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget and other key decisions.

Managing director reviews the operating results at the group level to make decisions about the group's performance. Accordingly, management has identified the business as single operating segment i.e. Footwear & Accessories. Accordingly, there is only one Reportable Segment for the Group which is “Footwear and Accessories”, hence no specific disclosures have been made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (Contd.)

(Amount in INR millions)

a) Revenue & Trade receivables as per Geographical Markets

Particulars	Revenue		Trade Receivables	
	For the year ended 31 March 2018	For the year ended 31 March 2017	As at 31 March 2018	As at 31 March 2018
India	26,286.95	24,879.90	871.38	653.28
Outside India	125.21	163.46	22.12	40.80
Total	26,412.16	25,043.36	893.50	694.08

b) The non-current assets (excluding deferred tax) of the Group are located in the country of domicile i.e. India. Hence no specific disclosures have been made.

c) There are no major customers having revenue greater than 10% of the total revenue.

39. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2018	As at 31 March 2017
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	**37.96**	39.90
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	**215.82**	247.89
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	-	-

40. Mutation of names in respect of the shop premises in favour of subsidiaries - Bata properties Limited and Coastal Commercial & Exim Limited is pending.

(Amount in INR millions)

41. 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 risk: 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.

A) 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) primarily with respect to USD and Euro.

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 unhedged foreign currency risk as at 31 March 2018 and 31 March 2017 has been disclosed in note 35.

For the year ended 31 March 2018, 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 (16.07) million/ 16.07 million respectively and Pre tax equity by (16.07) million/ 16.07 million respectively.

For the year ended 31 March 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.

B) 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.

a) Trade receivables

Customer and vendor 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 9. 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.

(b) Loans and other financial assets

With regards to all the financials assets with contractual cash flows other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable have strong capacity to meet the obligations and where the risk of default is negligible. The maximum exposure to credit risk at the reporting date in each class of financial assets is disclosed in note 5,10 and 11.

C) 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, 2018, the Group had a working capital of INR 9941.14 Million including cash and cash equivalents of INR 545.11 Million . As of 31 March 2017, the Group had a working capital of INR 8,670.65 Million including cash and cash equivalents of INR 617.80 Million

(Amount in INR millions)

D) Commodity price risk

The Group is exposed to the risk of price fluctuation of raw material as well as finished goods. The Group manages its commodity price risk by maintaining adequate inventory of raw materials and finished goods considering future price movement. To counter raw material risk, the Group works with variety of leather, PVC and rubber with the objective to moderate raw material cost, enhance application flexibility and increased product functionality and also invests in product development and innovation. To counter finished goods risk, the Group deals with wide range of vendors and manages these risks through inventory management and proactive vendor development practices.

Inventory sensitivity analysis (raw material, work in progress and finished goods)

A reasonably possible change of 5% in prices of inventory at the reporting date, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity, net of tax	
	5% increase	5% decrease	5% increase	5% decrease
31 March 2018				
Inventory (raw material, work in progress, stock in trade and finished goods)	(236.19)	236.19	(154.45)	154.45
31 March 2017				
Inventory (raw material, work in progress, stock in trade and finished goods)	(221.32)	221.32	(144.72)	144.72

42. 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			
		As at 31 March 2018		As at 31 March 2017		As at 31 March 2018		As at 31 March 2017	
		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	99.93%	14,737.10	99.69%	13,202.76	101.39%	2,235.78	99.87%	1,587.46
Subsidiaries									
1	Bata Properties Limited	0.35%	51.25	0.37%	49.49	0.08%	1.76	0.10%	1.55
2	Coastal Commercial & Exim Limited	0.01%	1.52	0.01%	1.31	0.01%	0.21	0.02%	0.38
3	Way Finders Brands Limited	-0.29%	(42.96)	-0.08%	(10.33)	-1.48%	(32.63)	0.01%	0.13
Total			**14,746.91**		**13,243.23**		**2,205.13**		**1,589.51**

43. The comparative consolidated financial statement of the group for the year ended 31 March 2017 have been audited by another firm of Chartered Accountant.

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration number: 101248W/W-100022
Chartered Accountants

Tarun Gupta
Partner
Membership no.: 507892

Place : Gurugram
Date : May 22, 2018

For and on behalf of the Board of Directors of Bata India Limited

UDAY KHANNA
Chairman
DIN: 00079129

RAJEEV GOPALAKRISHNAN
Managing Director
DIN: 03438046

SANDEEP KATARIA
Whole-time Director & CEO
DIN: 05183714

RAM KUMAR GUPTA
Director Finance
DIN: 01125065

ARUNITO GANGULY
Company Secretary
Membership No.: FCS 9285

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, West Bengal
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 Fifth Annual General Meeting of the Company, to be held on Friday, the 20th day of July, 2018 at 10:00 a.m. at 'Kalamandir', 48, Shakespeare Sarani, Kolkata- 700017, West Bengal 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, 2018 (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, 2018. The Board recommends a Dividend of Rs. 4/- per Equity Share of Rs. 5/- each, fully paid-up.
Resolution 3 (Ordinary Resolution)	To appoint a Director in place of Mr. Christopher MacDonald Kirk (DIN: 07425236), who retires by rotation and being eligible, offers himself for re-appointment.
Resolution 4 (Ordinary Resolution)	To appoint Mr. Sandeep Kataria (DIN: 05183714) as a Director of the Company, liable to retire by rotation
Resolution 5 (Special Resolution)	To appoint Mr. Sandeep Kataria (DIN: 05183714) as the Whole-time Director and Chief Executive Officer of the Company and fix his remuneration.

Signed this _____ day of ________________ 2018.

Affix Revenue Stamp

Signature of Shareholder:

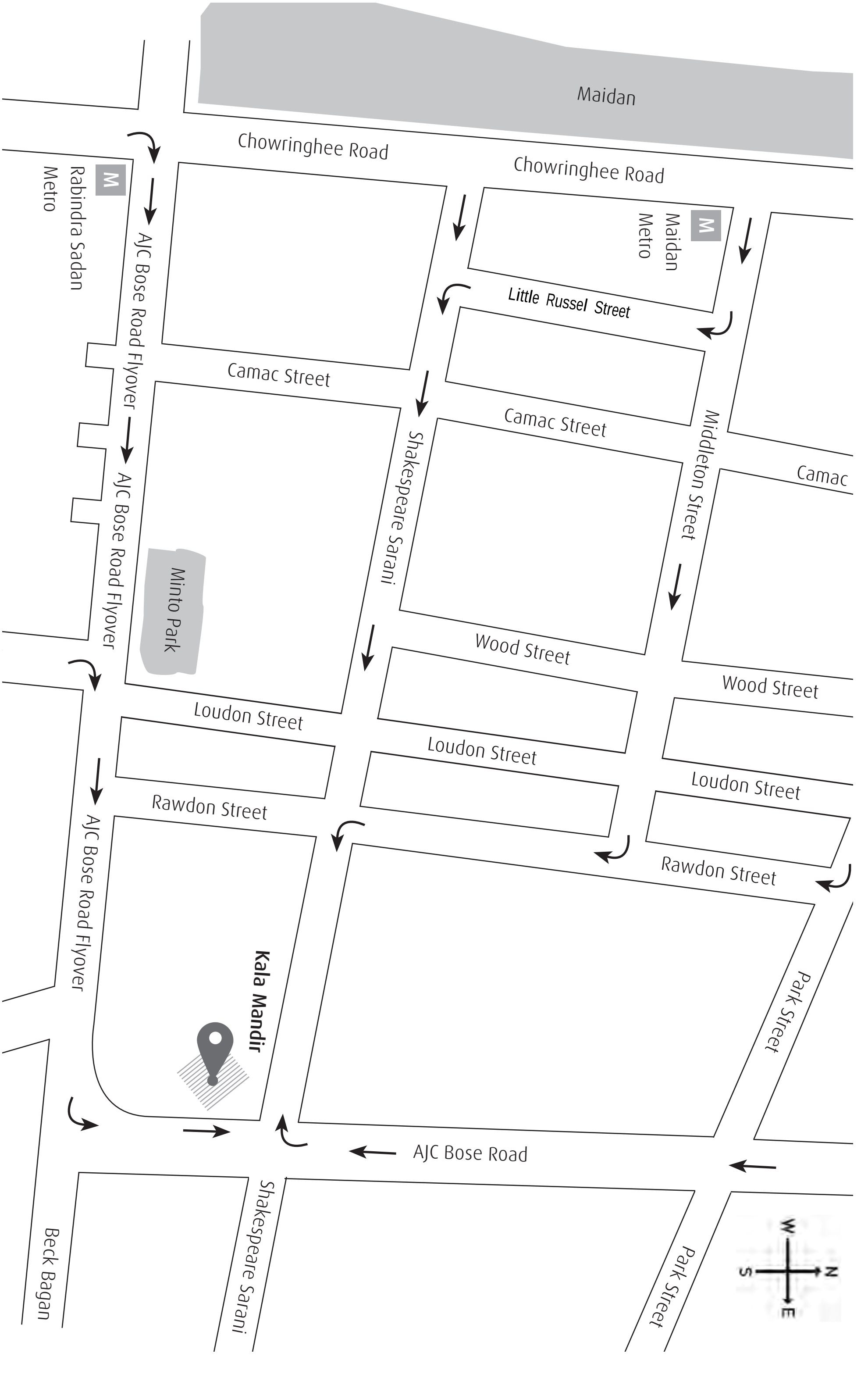
Signature of Proxy holder(s):

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 Share Transfer Agent, i.e., M/s. R & D Infotech Pvt. Ltd., 7A, Beltala Road, 1st Floor, Kolkata- 700026, West Bengal, 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, West Bengal



NOTES

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BATA INDIA LIMITED

(CIN: L19201WB1931PLC007261)

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Registered Office: 27B, Camac Street, 1st Floor, Kolkata – 700016, West Bengal
Telephone: (033) 23014400 | E-mail: corporate.relations@bata.com | Website: www.bata.in