

## 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 <sup>#</sup>	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](http://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 85<sup>th</sup> 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](http://www.bata.in) and is available at the link [https://bata.in/0/pdf/BataIndiaLimited\\_Detailsof%20FamiliarizationProgramme\\_2017-18.pdf](https://bata.in/0/pdf/BataIndiaLimited_Detailsof%20FamiliarizationProgramme_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](http://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 84<sup>th</sup> 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 84<sup>th</sup> 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:

- Board of Directors as a whole.
- Committees of the Board of Directors.
- 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](http://www.bata.in) and is available at the link [https://bata.in/0/pdf/Remuneration-Policy\\_2015.pdf](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 84<sup>th</sup> 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](http://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
<b>Total</b>		<b>2</b>	<b>12</b>	<b>14</b>	<b>13</b>	<b>1</b>

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 84 <sup>th</sup> 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](http://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](http://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](http://www.bseindia.com) and [www.nseindia.com](http://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](http://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 85<sup>th</sup> 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)**

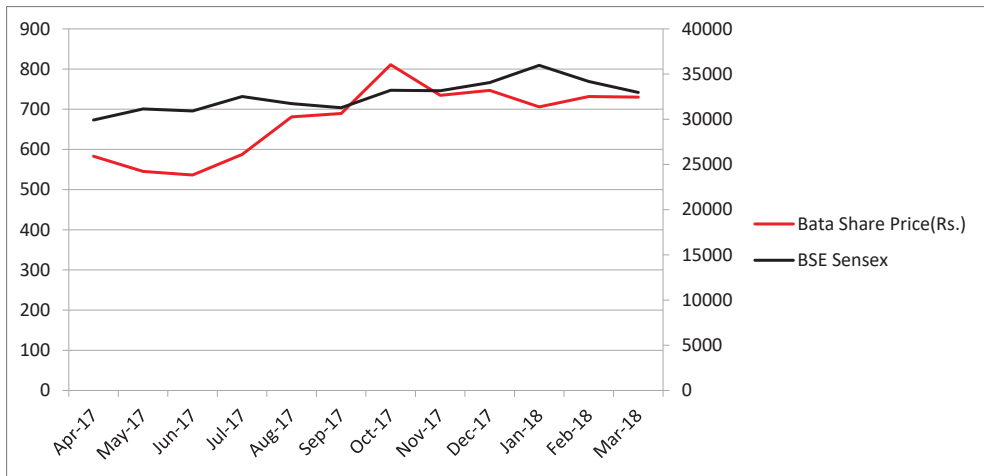
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400051  
[NSE Symbol: BATAINDIA]

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

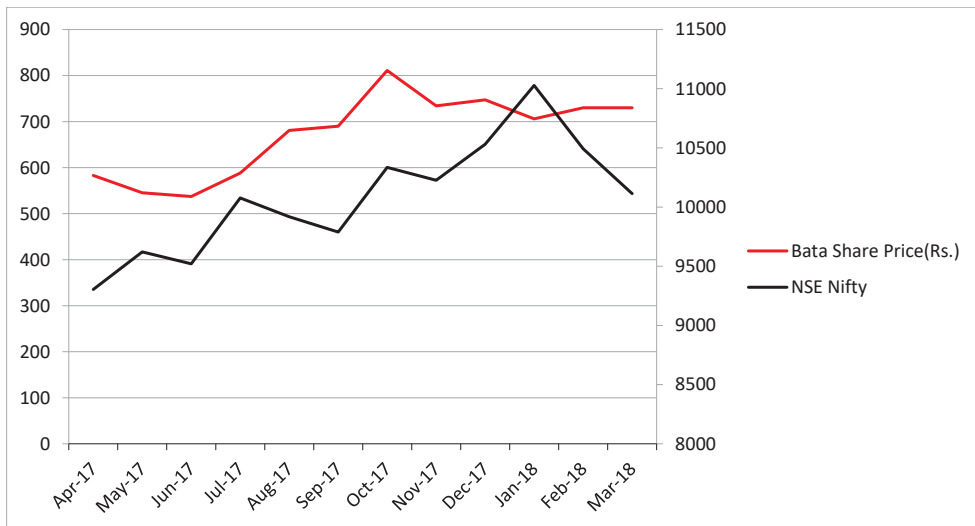
**(f) Stock Market Performance**

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, 1<sup>st</sup> 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, 1<sup>st</sup> 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
<b>Total</b>	<b>114023</b>	<b>128527540</b>

**(l) Shareholding Pattern as on March 31, 2018**

Sl. No.	Category	No. of Shareholders	No. of Shares	% of Paid-up Share Capital
<b>1.</b>	<b>Promoters Shareholding</b>			
(i)	Indian Promoters	-	-	-
(ii)	Foreign Promoters	1	68065514	52.96
	<b>Total Promoters Shareholding (A)</b>	<b>1</b>	<b>68065514</b>	<b>52.96</b>
<b>2.</b>	<b>Public Shareholdings</b>			
(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
	<b>Total Public Shareholding (B)</b>	<b>114022</b>	<b>60462026</b>	<b>47.04</b>
	<b>Total (A)+(B)</b>	<b>114023</b>	<b>128527540</b>	<b>100.00</b>

**(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, 1<sup>st</sup> 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 &amp; 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, 1<sup>st</sup> 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](http://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 of 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.

Place : Gurugram  
Date : May 22, 2018

**Ram Kumar Gupta**  
**Director Finance and CFO**  
DIN: 01125065

**Sandeep Kataria**  
**Whole-time Director and CEO**  
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**

Place : Gurugram  
Date : May 22, 2018

**Uday Khanna**  
**Chairman**  
DIN: 00079129