

Bata

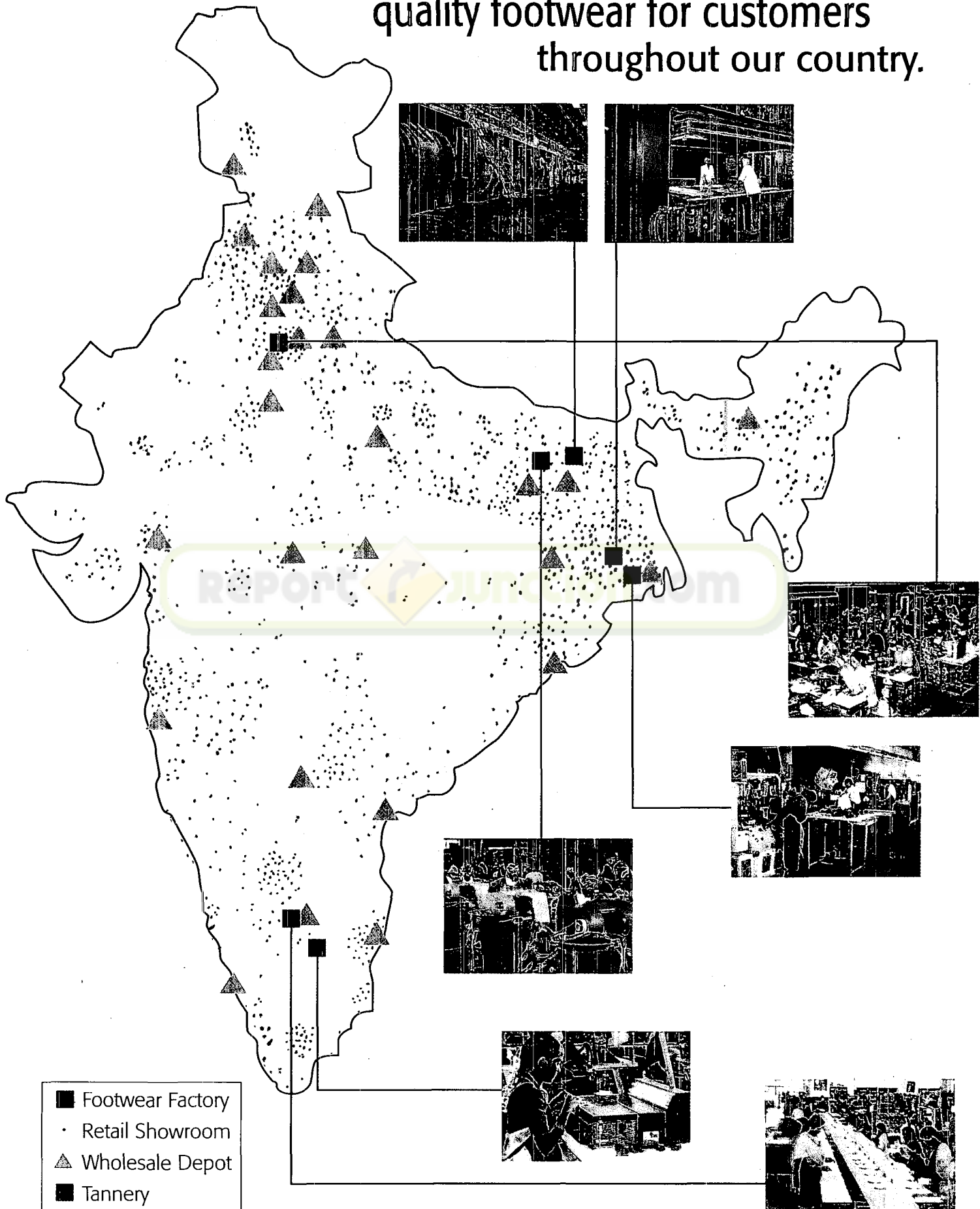
MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	NA		



ANNUAL
REPORT
1997

B A T A I N D I A L I M I T E D

Bata – manufacturing and marketing quality footwear for customers throughout our country.





Board of Directors

A L Mudaliar	<i>Chairman</i>
W K Weston	<i>Managing Director</i>
M G V Middleton	<i>Deputy Managing Director</i>
P K Khaitan	
N Kumar	
V Narayanan	
A K Thakur	<i>Nominee of U.T.I. w.e.f. 11.12.96</i>
M Oldroyd	

Company Secretary

A B Anand

Executive Committee

W K Weston
M G V Middleton
G C Bahuguna
V Balakrishnan
M J Z Mowla
P K Nag
R C Rajpal
S Sen
R Senoner

Auditors

S R Batliboi & Co.
Chartered Accountants

Bankers

State Bank of India
Citibank N A
Deutsche Bank

Solicitors

Khaitan & Co.

Registrar

A Banerjee

Share Transfer Agents

MCS LIMITED
Sri Venkatesh Mangalam - B
24/26 Hemanta Basu Sarani
Ground Floor
Calcutta 700001
Phone: 210-2805/06/07
Fax: 248-7465

Registered Office

6A, S N Banerjee Road
Calcutta 700 013



BATA INDIA LIMITED

Registered Office : 6A, S.N. Banerjee Road, Calcutta 700 013.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixty Fifth Annual General Meeting of the Members of Bata India Limited will be held on Tuesday, 23rd June, 1998 at 10:30 a.m. at Kalamandir, 48 Shakespeare Sarani, Calcutta 700 017 to transact the following business :

1. To receive and adopt the Profit and Loss Account for the year ended December 31, 1997, the Balance Sheet as on that date and Directors' and Auditors' Reports thereon.
2. To elect Directors in place of those who retire by rotation. Mr A L Mudaliar and Mr M Oldroyd retire by rotation and being eligible, offer themselves for re-election.
3. To appoint Auditors and to fix their remuneration, and to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution :

"THAT Messrs S R Batliboi & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration of Rs.6,50,000/- (Rupees Six Lacs and Fifty Thousand only) per annum payable quarterly plus out of pocket expenses."

SPECIAL BUSINESS

To consider, and if thought fit, to pass with or without modification, the following resolutions :

4. **(As Ordinary Resolution)**
"THAT Mr I C Agarwal be and is hereby appointed a Director of the Company pursuant to Section 257(1) of the Companies Act, 1956 whose period of office shall be liable to determination by retirement of Directors by rotation, if appointed."
5. **(As Ordinary Resolution)**
"THAT Mr M K Bubna be and is hereby appointed a Director of the Company pursuant to Section 257(1) of the Companies Act, 1956 whose period of office shall be liable to determination by retirement of Directors by rotation, if appointed."
6. **(As Special Resolution)**
"THAT the Company hereby accords its approval pursuant to Section 163 of the Companies Act, 1956 to keep the Register of Members and other records and documents in the office of MCS Limited, Sri Venkatesh Mangalam-B, 24/26, Hemanta Basu Sarani, Calcutta 700 001, a SEBI registered Share Transfer Agent appointed in accordance with SEBI (Registrar to an Issue and Share Transfer Agent) Rules 1993."

By Order of the Board

Calcutta, 27th March, 1998.

A B Anand
Company Secretary

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself and such Proxies need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.



2. Members are requested to notify immediately any change in their address to the Company.
3. In all correspondence with the Company and MCS Limited, members are requested to quote their account / folio numbers.
4. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven days prior to the meeting so that the required information can be made available at the meeting.
5. The Share Transfer Books and Register of Members of the Company will remain closed from 2nd June, 1998 to 23rd June, 1998 (both days inclusive).
6. In order to avoid fraudulent encashment of dividend warrants members are required to intimate their Bank Account Numbers, Name of the Bank and Branch of the Bank to which their dividend warrants will be credited to Messrs MCS Limited, Sri Venkatesh Mangalam-B, 24/26, Hemanta Basu Sarani, Calcutta 700 001 immediately. This will help the Share Transfer Agents to update their records.
7. Shareholders are advised that they may avail the facility of depositing their transfer documents and correspondence with offices of MCS Limited, located at the centres mentioned below. However, courier charges and postage at the standard rates will have to be borne by the shareholder and paid to MCS Limited for these documents.

These centres are located at :

1. 101, Shatdal Complex, 1st Floor, Ashram Road, Navrangpura, Ahmedabad - 390 009.
Phone / Fax : (079) 442878.
 2. Neelam Apartment, 88 Sampatrao Colony, Behind Federation Building, Alkapuri, Baroda 390 005.
Phone: (0265) 339397; Fax : (0265) 341639
 3. Sri Venkatesh Mangalam - B, 24/26 Hemanta Basu Sarani, Calcutta 700001.
Phone: (033) 210 2805/06/07; Fax : (033) 248 7465.
 4. Sri Venkatesh Bhavan, 35 Armenian Street, Chennai 600 001.
Phone: (044) 5240116-0120; Fax : (044) 5223306; Telex: (041) 5241.
 5. Sri Venkatesh Bhavan, 212-A Shahpurjat, New Delhi 110 049.
Phone: (011) 621 3830; Fax: (011) 6473152; Telex : (031) 71448.
 6. Sri Venkatesh Bhavan, Plot No. 27, Road No.11, MIDC, Andheri (East), Mumbai 400 093.
Phone : (022) 8215235; Fax : (022) 8350456; Telex : (011) 79000.
 7. Sri Padmavathi Bhavan, Plot No. 93, Road No.11, MIDC Andheri (East), Mumbai 400 093.
Phone : (022) 8201785; Fax : (022) 8201783.
 8. 403 Dalamal Tower, 4th Floor, Nariman Point, Mumbai 400 021.
Phone: (022) 2041658, 2872738; Fax: (022) 2855188; Telex: (011) 811376.
 9. 116/118 Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune 411 001. Phone/Fax: (0212) 629597.
 10. 7, Suryakiran Ghod Dod Road, Near St. Xaviers High School, Surat 395 001.
Phone/Fax: (0261) 253638.
8. Members who wish to collect their discount coupons valid from July 1, 1998 to April 30, 1999 personally from the Share Department or through their authorised representatives should immediately inform the Company's Share Department not to despatch these coupons.



All letters in this connection should bear the member's Folio No. and number of shares held on the date of the Annual General Meeting and must be signed by the first shareholder in case the shares are held in joint names. Coupons will otherwise be despatched a few weeks after the Annual General Meeting.

9. Members are informed that the equity shares of the Company have been activated for dematerialisation on NSDL with effect from February 9, 1998. The shares are available for dematerialisation under ISIN INEI 76A01010. Participants are requested to send their Share Certificates to MCS Limited at any of the centres mentioned above for dematerialising their Share Certificates.
10. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business of the Meeting is annexed hereto.
11. Pursuant to Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 the dividend declared at the Annual General Meeting of the Company held on 16th May, 1994 for the financial year ended December 31, 1993 and remaining unpaid/unclaimed has been transferred to the General Revenue Account of the Central Government in terms of Section 205A(5) of the Companies Act, 1956. Any claim for payment of such unpaid/unclaimed dividend should be made by an application in Form II of the aforesaid Rules to :

The Registrar of Companies, West Bengal
Nizam Palace II M.S.O. Building
234/4, Acharya Jagdish Chandra Bose Road, Calcutta 700 020.

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956.

Resolution No. 4

The Company has received a notice dated 21.10.97 from Mr I C Agarwal of VIP Terrace, Gola Gatta, 618 Dhakin Dhari Road, Calcutta 700 048, a shareholder of the Company signifying his intention to stand for election to the office of a Director at the next Annual General Meeting of the Company. He has also deposited a sum of Rs.500/- which will be refunded to him if he succeeds in getting himself elected to this office. As required under Section 257(1) this notice is being served on the individual members in the normal process informing all members about the intention of Mr I C Agarwal.

The above notice received by the Company pursuant to Section 257 of the Companies Act, 1956 from Mr I C Agarwal is available for inspection during office hours at the Registered Office of the Company.

Mr I C Agarwal may be deemed to be interested in this resolution and in his appointment.

The Board of Directors would like to inform the Members that a similar notice was also received from Mr Agarwal last year and his deposit was forfeited by the Company, as he failed to get himself elected as a Director of the Company.

None of the Directors of the Company are concerned or interested in this resolution.

Resolution No. 5

The Company has received a notice dated 1.1.98 from Mr M K Bubna of Block-D, 1/1 Bangur Avenue, Calcutta 700 055, a shareholder of the Company signifying his intention to stand for election to the office of a Director at the next Annual General Meeting of the Company. He has also deposited a sum of Rs.500/- which will be refunded to him if he succeeds in getting himself elected to this office. As required under Section 257(1) this notice is being served on the individual members in the normal process informing all members about the intention of Mr M K Bubna.

The above notice received by the Company pursuant to Section 257 of the Companies Act, 1956 from Mr M K Bubna is available for inspection during office hours at the Registered Office of the Company.

Mr M K Bubna may be deemed to be interested in this resolution and in his appointment.

None of the Directors of the Company are concerned or interested in this resolution.

**Resolution No.6**

In order to enhance and give a better quality of service to our shareholders, the Board of Directors appointed MCS Limited, Sri Venkatesh Mangalam - B, 24/26 Hemanta Basu Sarani, Calcutta 700 001, as the Share Transfer Agents of the Company with effect from December 1, 1997. As you would be aware SEBI has decided that Financial Institutions, Foreign Institutional Investors, Mutual Funds and Banks are required to dematerialise their holdings by January 15, 1998 in some specified companies. The appointment of the Share Transfer Agent has also been done to give effect to the directives of SEBI. The Company and the Share Transfer Agent have already signed an Agreement with National Securities Depository Limited (NSDL) to implement the new system for electronically transferring its shares through the depository services provided by NSDL.

Pursuant to Section 163(1) of the Companies Act, 1956, the Company is required to keep its Register of Members, Register of Index and copies of all Annual Returns, etc. at its Registered Office. However, the Act provides that the Company can by passing a Special Resolution keep these documents at any other place within the city, town or village where the Registered Office is situated. This resolution is being passed to take the approval of the Members to keep these records at the office of the Company's Share Transfer Agents. An advance copy of this resolution will be forwarded to the Registrar of Companies, West Bengal for their intimation and record.

Your Board recommends the passing of this resolution.

None of the Directors of the Company are concerned or interested in this resolution.





FINANCIAL HIGHLIGHTS 1988-1997

(in Lacs)	1988	1989	1990
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PROFIT & APPROPRIATIONS

Sales & Other Income	259,36.20	321,85.10	352,77.10
Profit before depreciation & tax	4,81.30	9,38.40	12,27.50
Depréciation	1,95.30	2,16.80	2,47.40
Profit before tax	2,86.00	7,21.60	9,80.10
Taxation	1,45.00	3,61.00	1,85.00
Profit after tax	1,41.00	3,60.60	7,95.10
Dividend	1,05.00	1,57.50	1,05.00
Retained earning	36.00	2,03.10	6,90.10

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ASSETS EMPLOYED

Fixed Assets – Gross	44,16.00	47,21.40	52,21.80
– Net	17,13.30	18,35.10	21,17.50
Investments	1.30	2.30	5,27.30
Net Current Assets	52,33.20	67,67.10	65,25.40
	<u>69,47.80</u>	<u>86,04.50</u>	<u>91,70.20</u>

FINANCED BY

Equity Shares	10,50.00	10,50.00	10,50.00
Reserves	17,53.30	19,56.40	26,46.50
Shareholders' Funds	28,03.30	30,06.40	36,96.50
Loan Funds	41,44.50	55,98.10	54,73.70
	<u>69,47.80</u>	<u>86,04.50</u>	<u>91,70.20</u>

Bata

1991	1992	1993	1994	1995	1996	1997
402,13.17	399,32.25	477,05.07	508,13.86	548,77.66	593,40.73	672,40.64
16,40.88	(5,51.10)	33,58.24	7,98.92	(29,90.25)	14,32.77	27,95.93
2,79.91	3,05.52	3,39.42	7,01.06	12,25.98	10,17.46	10,39.54
13,60.96	(8,56.62)	30,18.82	97.86	(42,16.23)	4,15.31	17,56.39
4,90.00	—	10,25.00	—	—	—	91.92
8,70.96	(8,56.62)	19,93.82	97.86	(42,16.23)	4,15.31	16,64.47
1,83.75	—	3,72.67	—	—	—	—
6,87.30	(8,56.62)	16,21.15	97.86	(42,16.23)	4,15.31	16,64.47
55,19.60	58,38.66	75,47.00	106,25.12	115,00.07	120,42.07	293,08.37
21,89.50	22,09.13	35,89.53	59,83.14	56,67.91	52,46.57	215,75.40
8,88.90	8,88.85	8,88.95	8,88.84	4,87.84	4,87.98	4,87.98
80,35.40	84,71.18	109,18.06	118,98.23	116,64.24	123,26.85	135,36.97
<u>111,13.80</u>	<u>115,69.16</u>	<u>153,96.54</u>	<u>187,70.21</u>	<u>178,19.99</u>	<u>180,61.40</u>	<u>356,00.35</u>
10,50.00	10,50.00	25,71.40	25,71.40	25,71.23	25,71.32	51,42.14
33,33.80	24,77.12	73,76.76	74,74.62	32,58.07	36,73.53	261,61.36
43,83.80	35,27.12	99,48.16	100,46.02	58,29.30	62,44.85	313,23.50
67,30.00	80,42.04	54,48.38	87,24.19	119,90.69	118,16.55	42,76.85
<u>111,13.80</u>	<u>115,69.16</u>	<u>153,96.54</u>	<u>187,70.21</u>	<u>178,19.99</u>	<u>180,61.40</u>	<u>356,00.35</u>



SIGNIFICANT RATIOS 1988-1997

			1988	1989	1990
MEASURES OF INVESTMENT					
Return on Equity	$\frac{\text{Profit after tax}}{\text{Shareholders' Funds}}$	(%)	5.03	12.00	21.51
Earnings per share	$\frac{\text{Profit after tax}}{\text{No. of shares}}$	(Rs.)	1.34	3.43	7.57
Dividend cover	$\frac{\text{Earnings per share}}{\text{Dividend per share}}$	(times)	1.34	2.27	7.57
Dividend		(%)	10.00	15.00	10.00
Book value of an equity share	$\frac{\text{Shareholders' Funds}}{\text{No. of shares}}$	(Rs.)	26.70	28.63	35.20
MEASURES OF PERFORMANCE					
Profitability	a) $\frac{\text{Profit before tax}}{\text{Sales}}$	(%)	1.10	2.24	2.78
	b) $\frac{\text{Profit after tax}}{\text{Sales}}$	(%)	0.54	1.12	2.25
Capital Turnover	$\frac{\text{Sales}}{\text{Total Funds}}$	(times)	3.73	3.74	3.85
Stock Turnover	$\frac{\text{Sales}}{\text{Stocks}}$	(times)	4.06	3.84	3.91
Working Capital Turnover	$\frac{\text{Sales}}{\text{Net Current Assets}}$	(times)	4.96	4.76	5.41
MEASURES OF FINANCIAL STATUS					
Debt-Equity Ratio	$\frac{\text{Loan Funds}}{\text{Shareholders' Funds}}$	(times)	1.48:1	1.86:1	1.48:1
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	(times)	2.23:1	2.53:1	2.15:1
Fixed Assets to Shareholders' Funds	$\frac{\text{Net Fixed Assets}}{\text{Shareholders' Funds}}$	(times)	0.61:1	0.61:1	0.57:1