

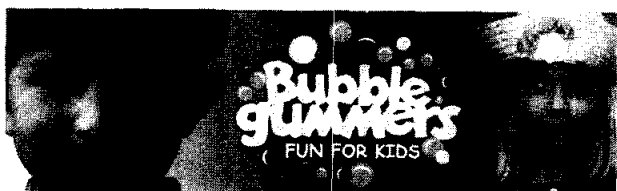
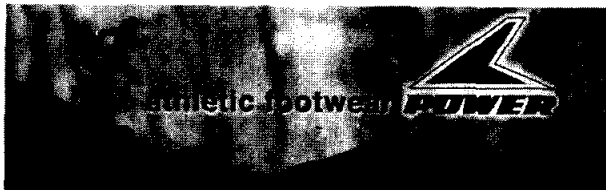


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Bata India Limited  
Annual Report  
2001

**Bata**

**BATA INDIA LIMITED****Board of Directors**

A L Mudaliar	<i>Chairman</i>
F Garcia	<i>Managing Director</i>
P K Nag	<i>Director Finance</i>
GSM Ghaznavi	<i>Director Retail</i>
C Morzaria	
P K Khaitan	
V Narayanan	
A K Thakur	<i>Nominee of U.T.I. w.e.f. 11.12.96</i>
M G V Middleton	

**Audit Committee**

A L Mudaliar	<i>Chairman</i>
V Narayanan	<i>Member</i>
A K Thakur	<i>Member</i>

**Remuneration Committee**

A L Mudaliar	<i>Chairman</i>
P K Khaitan	
V Narayanan	

**Shareholders' Grievance Committee**

P K Khaitan	<i>Chairman</i>
V Narayanan	<i>Director</i>

**Company Secretary**

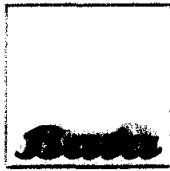
A B Anand

**Executive Committee**

F Garcia  
P K Nag  
GSM Ghaznavi  
V Balakrishnan  
S Sen  
H Ordonez  
R Sadhu  
R N Singh  
K Chatterjee  
M J Z Mowla  
F J Kapadia

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**Auditors**

S R Batliboi & Co.  
Chartered Accountants

**Cost Auditors**

S Gupta & Co.  
Cost Accountants  
433, Marshall House  
33/1, Netaji Subhas Road  
Kolkata 700 001

**Bankers**

State Bank of India  
Citibank N. A.  
Deutsche Bank

**Solicitors**

Khaitan & Co.

**Registrar**

A Banerjee  
E-mail : [sharedept@bataindia.com](mailto:sharedept@bataindia.com)

**Share Transfer Agents**

AMI Computers India Ltd.  
60A & B, Chowringhee Road  
Kolkata 700 020  
Telephone : (033) 280-0900/0812  
Fax : (033) 240-6585  
E-mail : [amicorp@cal.vsnl.net.in](mailto:amicorp@cal.vsnl.net.in)

**Registered Office**

6A, S. N. Banerjee Road  
Kolkata - 700 013  
Telephone : (033) 244-3416-18/0456  
Fax : (033) 244-7418  
E-mail : [batacal@bataindia.com](mailto:batacal@bataindia.com)  
Website : [www.bataindia.com](http://www.bataindia.com)



## BATA INDIA LIMITED

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

### NOTICE FOR CONVENING THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixty Ninth Annual General Meeting of the Members of Bata India Limited will be held on FRIDAY, JUNE 28, 2002 at 10.30 a.m. at KALAMANDIR, 48, Shakespeare Sarani, Kolkata 700 017, to transact the following business :

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended December 31, 2001, the Balance Sheet as on that date and Directors' and Auditors' Report thereon.
2. To declare a dividend.
3. To elect Directors in place of those who retire by rotation. Mr P. K. Khaitan and Mr A. K. Thakur retire by rotation and being eligible, offer themselves for re-election.
4. 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.

"RESOLVED 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 and that the Audit Committee of the Board of Directors be and is hereby authorised to determine the remuneration payable to the Company's Auditors."

### SPECIAL BUSINESS

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

5. (As Ordinary Resolution)

"RESOLVED that Mr Fernando Garcia be and is hereby appointed a Director of the Company pursuant to Section 257(1) of the Companies Act, 1956."

6. (As Ordinary Resolution)

"RESOLVED that Mr Pradip Kumar Nag be and is hereby appointed a Director of the Company pursuant to Section 257(1) of the Companies Act, 1956."

7. (As Ordinary Resolution)

"RESOLVED that Mr GSM Ghaznavi be and is hereby appointed a Director of the Company pursuant to Section 257(1) of the Companies Act, 1956."



**8. (As Ordinary Resolution)**

"RESOLVED that Mr M G V Middleton be and is hereby appointed a Director of the Company pursuant to Section 257(1) of the Companies Act, 1956."

**9. ( As Ordinary Resolution )**

"RESOLVED that subject to the approval of the Central Government and such consents, permissions and approvals as may be required, and pursuant to the provisions of Sections 198, 269, 309, 310 & 311 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as 'the Act'), read with Schedule XIII of the Act, the Company hereby accords its approval for the appointment of and entering into an Agreement with Mr Fernando Garcia as Managing Director or with such other designation as the Board may determine and deem fit for Mr Garcia from time to time for a period of five years with effect from 24.08.2001 or such other date as may be mutually agreed upon on such terms and conditions as to remuneration by way of salary, commission and perquisites, as set out in the Explanatory Statement annexed hereto provided that the total remuneration (including all perquisites) shall fall within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act, provided further that in the event where in any financial year during the currency of tenure of Mr Garcia, the Company has no profits or its profits are inadequate, it may pay a remuneration to Mr Garcia, the total of which shall not exceed the ceiling limit as provided in Section II of Part II of Schedule XIII of the Act or such other amounts as may be specified by the Government from time to time by any amendment to the Act."

"FURTHER RESOLVED that, in the event of any relaxation by the Central Government in the guidelines or ceilings on managerial remuneration, the Board of Directors, be and is hereby authorised to increase the remuneration and/or perquisites of Mr Garcia, if they in their absolute discretion think fit, within such guidelines or ceilings subject to such approvals of the Central Government or any other authority wherever applicable and for which consent of the Company as required under various provisions of the Companies Act, 1956, be and is hereby granted."

**10. (As Ordinary Resolution)**

"RESOLVED that subject to the approval of the Central Government and such consents, permissions and approvals as may be required, and pursuant to the provisions of Section 198, 269, 309, 310 & 311 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as 'the Act'), read with Schedule XIII of the Act, the Company hereby accords its approval for the appointment of and entering into an Agreement with Mr Pradip Kumar Nag as Director - Finance or with such other designation as the Board may determine and deem fit for Mr Nag from time to time for a period of five years with effect from 24.08.2001 or such other date as may be mutually agreed upon on such terms and conditions as to remuneration by way of salary, commission and perquisites, as set out in the Explanatory Statement annexed hereto provided that the total remuneration (including all perquisites) shall fall within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act, provided further that in the event where in any financial year during the currency of tenure of Mr Nag, the Company has no profits or its profits are inadequate, it may pay a remuneration to Mr Nag the total of



which shall not exceed the ceiling limit as provided in Section II of Part II of Schedule XIII of the Act or such other amounts as may be specified by the Government from time to time by any amendment to the Act."

"FURTHER RESOLVED that, in the event of any relaxation by the Central Government in the guidelines or ceilings on managerial remuneration, the Board of Directors, be and is hereby authorised to increase the remuneration and/or perquisites of Mr Nag, if they in their absolute discretion think fit, within such guidelines or ceilings subject to such approvals of the Central Government or any other authority wherever applicable and for which consent of the Company as required under various provisions of the Companies Act, 1956, be and is hereby granted."

#### 11. (As Ordinary Resolution)

"RESOLVED that subject to such consents, permissions and approvals as may be required, and pursuant to the provisions of Section 198, 269, 309, 310 & 311 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as 'the Act'), read with Schedule XIII of the Act, the Company hereby accords its approval for the appointment of and entering into an Agreement with Mr GSM Ghaznavi as Director-Retail or with such other designation as the Board may determine and deem fit for Mr Ghaznavi from time to time for a period of five years with effect from 24.08.2001 or such other date as may be mutually agreed upon on such terms and conditions as to remuneration by way of salary, commission and perquisites, as set out in the Explanatory Statement annexed hereto provided that the total remuneration (including all perquisites) shall fall within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act, provided further that in the event where in any financial year during the currency of tenure of Mr Ghaznavi, the Company has no profits or its profits are inadequate, it may pay a remuneration to Mr Ghaznavi the total of which shall not exceed the ceiling limit as provided in Section II of Part II of Schedule XIII of the Act or such other amounts as may be specified by the Government from time to time by any amendment to the Act."

"FURTHER RESOLVED that, in the event of any relaxation by the Central Government in the guidelines or ceilings on managerial remuneration, the Board of Directors, be and is hereby authorised to increase the remuneration and/or perquisites of Mr Ghaznavi, if they in their absolute discretion think fit, within such guidelines or ceilings subject to such approvals of the Central Government or any other authority wherever applicable and for which consent of the Company as required under various provisions of the Companies Act, 1956, be and is hereby granted."

#### 12. (As Special Resolution)

"RESOLVED that pursuant to the provisions of Section 31, 77A and 77B of the Companies Act, 1956 (the Act) and other applicable provisions of the Act, SEBI Regulations / Stock Exchange Guidelines and such Amendments / Guidelines / Rules / Notifications which may come into force or may be promulgated from time to time, the Board/Company be and is hereby authorised to buy back its own shares / securities."

"FURTHER RESOLVED that Article 5A be inserted / added after Article 5 in the existing Articles of Association of the Company :-



- 5A. Notwithstanding anything contained in the Companies Act, 1956 or in the existing Memorandum & Articles of Association of the Company, the Board/Company shall have the power to purchase its own securities / shares subject to such Guidelines / Rules / Notifications issued from time to time by the Government or the concerned Authorities."

By Order of the Board

**A B ANAND**

COMPANY SECRETARY

Kolkata, March 29, 2002

#### NOTES

1. 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 and forms part of this Notice.
2. 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 proxy 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 commencement of the meeting.
3. The Share Transfer Books and Register of Members of the Company will remain closed from 4th June, 2002 to 28th June, 2002 (both days inclusive).
4. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission to the meeting hall.
5. Members, who hold shares in de-materialised form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
6. 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 working days' prior to the meeting, so that the required information can be made available at the meeting.
7. Members holding shares in physical form are requested to notify immediately any change in their address and Bank particulars to the Company or its Share Transfer Agents and in case their shares are held in dematerialised form, this information should be passed on directly to their respective Depository Participants and not to the Company/STA, without any delay.
8. Any request by demat-holders for change of bank particulars, after despatch of Dividend Warrants should be accompanied by a copy of Client Master List showing the changed bank details.
9. In all correspondence with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID Number.
10. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to the amendment in the Companies Act, 1956. The prescribed Form (Form 2B) can be obtained from the Share Department of the Company. Members desiring to avail this facility, may send their Nomination Form duly filled in, to the Company or its Share Transfer Agents by quoting their respective Folio Numbers.





11. Investors/Shareholders 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 Registrar within a period of 15 days from the date of generation of the DRN for dematerialisation, the DRN will be treated as rejected/cancelled. This step is being taken on the advice of National Securities Depository Limited (NSDL) so that no demat request remains pending beyond a period of 30 days. Upon rejection/cancellation of the DRN, a fresh DRF has to be forwarded alongwith the share certificates by the DPs to the Registrar. This note is only to caution investors/shareholders that they should ensure that their DPs do not delay in sending the DRF and share certificates to the Registrar after generating the DRN.
12. Information u/s. 205A read with the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 as amended is given below :
  - (i) Pursuant to Section 205 of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31.12.1993 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal, 234/4, A.J.C. Bose Road, Kolkata 700 020, by submitting an application in the prescribed Form.
  - (ii) Consequent upon amendment of Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31.12.1998 and onwards are requested to claim the amount forthwith from the Company.
13. Members holding shares in physical form are requested to inform their Bank Account Numbers and Bank branch details to the Company to enable it to include these details in the dividend warrants and thus minimise the chances of *loss of dividend warrants falling in wrong hands*. The above information may be given to the Company's Registered Office or its Share Transfer Agents on or before June 3, 2002.
14. Dividend on Equity Shares as recommended by the Directors for the year ended December 31st, 2001, when declared at the meeting, will be paid :
  - (i) to those members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company and its Registrars before 3rd June, 2002, or
  - (ii) in respect of shares held in electronic form, to those "deemed members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 3rd June, 2002.
15. In view of the changes made by the Finance Bill, 2002 tax will be deducted at source at applicable rates from the dividend paid by the Company exceeding Rs. 1000/- per shareholder. Members, who are individual and resident in India, are requested to submit their Form 15G, on or before June 28, 2002, if they expect that their total income during the current financial year will be less than the minimum taxable amount for non deduction of tax at source.





## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO. 3

##### (A) Re-election of Mr P K Khaitan (62) (Resume)

Mr P K Khaitan, B.Com, L.L.B., Attorney-at-Law (Bell Chambers Gold Medallist) is an eminent legal personality in the country. He is a member of the Bar Council of India, Bar Council of West Bengal, Incorporated Law Society, Kolkata and Indian Council of Arbitration, New Delhi. His areas of specialisation are Commercial and Corporate Laws, Tax Laws, Arbitration, Intellectual Property, Foreign Collaboration, Mergers and Acquisition, Restructuring and De-mergers. Mr Khaitan is on the Board of several well-known Companies in India.

The Board recommends the re-election of Mr P K Khaitan as a Director of the Company.

None of the Directors are concerned or interested in the re-election of Mr Khaitan.

Mr Khaitan may, however, be deemed to be concerned or interested in this resolution to the extent of his re-election to the office of a Director on the Board of this Company.

##### (B) Re-election of Mr A K Thakur (62), Nominee of UTI (Resume)

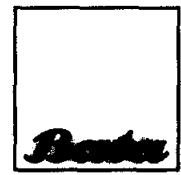
Mr A K Thakur before his retirement from Unit Trust of India (UTI) was the Executive Director of UTI. Mr Thakur is a B.Com., A.C.A. and has a wide experience in areas of Accounts, Audit, Banking, Sales Tax, Income Tax and Secretarial matters. He joined the UTI in May 1978 and rose to the position of Executive Director before his retirement from this Organisation. His experience in UTI ranged from Accounts, Internal Audit, Investment Monitoring, Credit rating, Marketing and Business Development, Investor Servicing, Information Technology and Vigilance. Mr Thakur also represents UTI in several other companies all over India.

The Board recommends the re-election of Mr A K Thakur as a Director of the Company.

None of the Directors are concerned or interested in the re-election of Mr Thakur. Mr Thakur, may, however, be deemed to be concerned or interested in this resolution to the extent of his re-election to the office of a Director on the Board of this Company.

#### ITEM NO. 5

At a meeting of the Board of Directors of the Company held on August 24, 2001 Mr Fernando Garcia (47) was appointed as an Additional Director in terms of the provisions of the Companies Act, 1956 and Article 79 of the Articles of Association of the Company. At this meeting the Board also appointed Mr Garcia as the Joint Managing Director of the Company. Mr Garcia is closely associated with the Shoe Industry, as he possesses a rich background and experience in the said segment. He is considered as one of the top successful Bata Professionals with a proven track record in generating high growth and profits in various Bata Companies.



Mr Garcia brings 19 years of Bata experience to the Company. He joined the Bata Shoe organisation (BSO) in 1983 in the Wholesale Department in Bata Colombia, working his way quickly to the position of Non-Retail Sales Manager. In 1992 he was appointed Branch Manager of Bata Ecuador and in 1996 Company Manager in Sri Lanka. His most recent assignment was Company Manager for Bata Bangladesh where he introduced new programmes in virtually every area of Company operations.

Mr Garcia was re-designated as the Managing Director of the Company at a meeting of the Board of Directors of the Company held on October 31, 2001 consequent upon Mr C Morzaria relinquishing his office as the Managing Director of the Company with effect from that date as Mr Morzaria reassumed responsibilities at Bata Limited, Toronto as Executive Vice-President and a member of the BSO Executive Committee. Mr Morzaria would continue as the Regional Executive, Asia and as a Non-Executive Director on the Board of Bata India Limited.

Mr Garcia's candidature for Directorship of the Company has been proposed by a shareholder pursuant to Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/-. The Board considers that the Company will benefit from the association of Mr Garcia, and recommends the resolution for your approval.

The notice of the shareholder received by the Company, pursuant to Section 257 of the Companies Act, 1956 referred to above is available for inspection during office hours.

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

Mr Garcia may, however, be deemed to be concerned or interested in this resolution and his appointment.

#### ITEM NO. 6

At a meeting of the Board of Directors of the Company held on August 24, 2001 Mr P K Nag (56) was appointed as an Additional Director in terms of the provisions of the Companies Act, 1956 and Article 79 of the Articles of Association of the Company. Mr Nag Graduated in Commerce with Honours from Goenka College of Commerce and Business Administration under Calcutta University and is a Member of All India Management Association. Mr Nag has practical experience in Accounting, Financial Management, Taxation, Costing Principles & Methods and Administrative functions spanning over three decades. He held the position of Senior Vice-President, Finance over 5 years with full accountability for Accounting, Financial and Costing functions of all Production Units, Retail Chains, Wholesale Regions and Corporate office including Treasury Functions, Budgetary Control, Annual Financial Package, Corporate Taxation, Risk Management and Management of Funds like Gratuity Fund, Pension Funds, etc. He worked as Head of Accounts & Finance in the largest manufacturing unit and Marketing Division comprising all distribution channels. Mr Nag has practical experience in Corporate Financing, Project Financing, Debt Instruments, Credit Rating, Exchange Risk Management, etc. He also has adequate exposure to Capital Re-structuring such as Rights Issue, Bonus Issue and Public Issue. He has participated in a number of projects on Corporate "Revival" and "Turn-Around" from time to time. He has also participated in a number of courses and seminars on Advanced Accounting, Financial Management, Costing Principles & Methods, Tax Management, Lease Management and General Management Development in India and abroad, viz. Singapore, Europe and North America. Mr Nag underwent training in Toronto, Chicago, Ottawa and Philadelphia in various areas of Retailing, Financial Accounting and Management Reporting in connection with 'SAP' Project for North American BSO Companies. He was