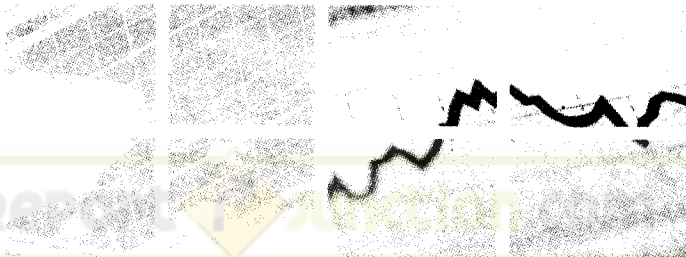
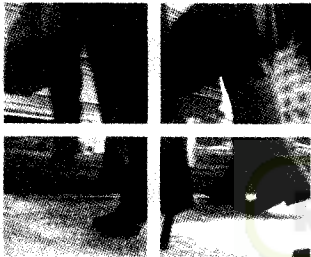


Bata



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

P M Sinha	<i>Chairman</i>
M Villagran	<i>Appointed Managing Director w.e.f. February 11, 2005</i>
S Sinha	<i>Director - Finance</i>
P K Nag	<i>Resigned as Dy. Managing Director w.e.f. February 10, 2006</i>
J Singh	<i>Resigned as Director Marketing & Commercial w.e.f. June 8, 2005</i>
V Narayanan	
A K Thakur	<i>Resigned as Nominee of U.T.I. w.e.f. December 23, 2005</i>
N Kumar	<i>Resigned w.e.f. February 2, 2005</i>
Dr. A Mitra	<i>Resigned w.e.f. April 26, 2006</i>
N Sankar	<i>Appointed w.e.f. February 2, 2005</i>
C Salameh	
R Rizzo	<i>Appointed w.e.f. June 27, 2005</i>
U Khanna	<i>Appointed w.e.f. March 30, 2006</i>

Audit Committee

V Narayanan	<i>Chairman</i>
P M Sinha	<i>Member</i>
N Sankar	<i>Member</i>
C Salameh	<i>Member</i>
U Khanna	<i>Member</i>

Nomination, Governance and Compensation Committee

P M Sinha	<i>Chairman</i>
V Narayanan	<i>Member</i>
N Sankar	<i>Member</i>
C Salameh	<i>Member</i>
U Khanna	<i>Member</i>

Shareholders' Grievance Committee

P M Sinha	<i>Chairman</i>
S Sinha	<i>Member</i>

Vice-President & Company Secretary

A B Anand

Executive Committee

M Villagran
S Sinha
E Tonolli
AHM Ehsanuzzaman
R Gopalakrishnan
R Sengupta

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Auditors

S R Batliboi & Co.
Chartered Accountants
22, Camac Street, Block 'C'
3rd Floor, Kolkata 700 016

Cost Auditors

Mani & Co
Cost Accountants
"Ashoka", 111 Southern Avenue
Kolkata 700 029.

Bankers

State Bank of India
HDFC Bank Ltd.
Centurion Bank of Punjab

Solicitors

Hemant Sahai & Associates

Registrar (In House)

A Banerjee
Telephone : (033) 2227 8716
E-mail : sharedept@bataindia.com

Registrar & Share Transfer Agents

AMI Computers India Ltd.
60A & B, Chowringhee Road
Kolkata 700 020.
Telephone : (033) 2280-0900/0812 & 5550-1576
Fax : (033) 2280-0900
E-mail : amicomputers@vsnl.com

Corporate Office

Bata House
Gurgaon-Mehrauli Road
Sector 17, Gurgaon 122 002

Registered Office

6A, S.N. Banerjee Road
Kolkata 700 013.
Telephone : (033) 2244-3416-18/0456
Fax : (033) 2227-7418
E-mail : batacal@bataindia.com
Website : 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 Seventy-third Annual General Meeting of the Members of Bata India Limited will be held on **Thursday, June 29, 2006 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 & Loss Account of the Company for the year ended December 31, 2005, the Balance Sheet as on that date and Directors' and Auditors' Report thereon.
2. To elect Directors in place of those who retire by rotation. Mr. V Narayanan and Mr. P M Sinha 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.

"RESOLVED that Messrs. S.R. Batliboi & Co., Chartered Accountants, be and are hereby re-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 :

4. **(As Ordinary Resolution)**
"RESOLVED that **Mr. R Rizzo** be and is hereby appointed a Director of the Company pursuant to Section 257(1) of the Companies Act, 1956."
5. **(As Ordinary Resolution)**
"RESOLVED that **Mr. Uday Khanna** be and is hereby appointed a Director of the Company pursuant to Section 257(1) of the Companies Act, 1956."
6. **(As Special Resolution)**
"RESOLVED that subject to the approval of the Central Government, if required, and such other consents, permissions and approvals as may be required, and pursuant to the provisions of Sections 198, 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 to the payment of enhanced remuneration to **Mr. Marcelo Villagran, Managing Director**, as set out in the Explanatory Statement which shall be payable, if approved, to him with effect from January 01, 2006."

"FURTHER RESOLVED that in the event where in any financial year during the tenure of Mr. Villagran, the Company has no profits or its profits are inadequate, it may pay a remuneration to Mr. Villagran the total of which may exceed the ceiling limit as specified in Section II Part II(B) of Schedule XIII of the Act."

"FURTHER RESOLVED that all other terms and conditions of Mr. Villagran's appointment as contained in his Agreement with the Company and in the Notice and Explanatory Statement which has been approved by the shareholders at the 72nd Annual General Meeting of the Company held on June 27, 2005 shall remain in full force."
7. **(As Special Resolution)**
"RESOLVED that subject to the approval of the Central Government, if required, and such other consents, permissions and approvals as may be required, and pursuant to the provisions of Sections 198, 309, 310 and 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 to the payment of enhanced remuneration to **Mr. Shaibal Sinha, Director Finance**, as set out in the Explanatory Statement which shall be payable, if approved, to him with effect from January 01, 2006."

"FURTHER RESOLVED that in the event where in any financial year during the currency of tenure of Mr. Sinha the Company has no profits or its profits are inadequate it may pay a remuneration to Mr. Sinha the total of which may exceed the ceiling limit as specified in Section II Part II(B) of Schedule XIII of the Act."

"FURTHER RESOLVED that all other terms and conditions of Mr. Sinha's appointment as contained in his Agreement with the Company and in the Notice and Explanatory Statement which has been approved by the shareholders at the 72nd Annual General Meeting of the Company held on June 27, 2005 shall remain in full force."

8. (As Special Resolution)

"RESOLVED that the Articles of Association of the Company be and are hereby amended as under :

The following new proviso under Article 54 be added :

"Provided further that, notwithstanding anything contained hereinabove, any amounts standing to the credit of the Securities Premium Account may be utilized for any application in accordance with the provisions of Companies Act, 1956."

9. (As Special Resolution)

"RESOLVED that pursuant to the provisions of Section 78 and 100 and other applicable provisions of the Companies Act, 1956 and Article 54 of the Articles of Association of the Company, and subject to the confirmation of the Hon'ble High Court of Judicature at Kolkata, an amount not exceeding Rs.860.9 million out of the balance standing to the credit of the Securities Premium Account of the Company as at December 31, 2005 be utilized for adjustment of the debit balance of Profit and Loss Account as at December 31, 2005, Miscellaneous Expenditure (to the extent not written off or adjusted) as at December 31, 2005 and accretions thereto during the period January 1, 2006 to December 31, 2006; certain specified debtors; and specified value of inventory."

"FURTHER RESOLVED that for the purpose of giving effect to the above Resolution, and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee or any person which the Board may nominate/constitute to exercise its powers, including the powers by this Resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any question or difficulty that may arise with regard to utilization/adjustment of the Securities Premium Account including passing of such accounting entries and/or making such other adjustments in the books of accounts as are considered necessary to give effect to the above Resolutions or to carry out such modifications/directions as may be ordered by the Hon'ble High Court of Judicature at Kolkata to implement the aforesaid Resolution."

By Order of the Board

Gurgaon,
March 30, 2006.

A B ANAND
Vice-President & Company Secretary

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 June 14, 2006 to June 29, 2006 (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 I.D 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. 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 I.D and Client I.D. Number.
9. 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.
10. 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 DP's 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 21 days. Upon rejection/cancellation of the DRN, a fresh DRF has to be forwarded along with the Share Certificates by the DP's to the Registrar. This note is only to caution investors/shareholders that they should ensure that their DP's do not delay in sending the DRF and share certificates to the Registrar after generating the DRN.
11. 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 up to 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 un-paid 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.



ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956.

ITEM NO. 2

(A) Re-election of Mr. V Narayanan (65) (Resume)

He is the former Chairman and Managing Director of Pond's (India) Limited. He is a product of the Lawrence School at Lovedale and the Loyola College, Madras. Mr. Narayanan began his career in 1959 as a Management Trainee in Hindustan Lever Limited (HLL). In his ten years with HLL he specialised in Sales and Marketing, both in India and in the UK. He joined Chesebrough Pond's Inc in 1968 as its Marketing Director and became Chairman and CEO of Pond's (India) Ltd. in 1978. After his retirement from Pond's, Mr. Narayanan is on the Board of several leading companies.

The Board recommends the re-election of Mr. V Narayanan as a Director of the Company.

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

Mr. Narayanan 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. P M Sinha (64) (Resume)

Mr. Sinha is the former CEO of Pepsi Cola International South Asia and was the Chairman of Pepsico India Holdings and President of Pepsi Foods Limited. He was also on the Management Committee & Director of Hindustan Lever Limited for eleven Years, before he joined Pepsico in 1992. He is currently on the Boards of ICICI Bank, Wipro Limited, Indian Oil Corporation Limited, Lafarge India Pvt. Limited, Azim Premji Foundation Pvt. Ltd. and on the Board of Governors of Management Development Institute, Gurgaon.

The Board recommends the re-election of Mr. P M Sinha as a Director of the Company.

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

Mr. Sinha 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. 4

At a meeting of the Board of Directors of the Company held on June 27, 2005, Mr. Rino Rizzo (59) 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. Rizzo graduated from the Business & Economics College in Padova in 1965. He joined the Bata Shoe Organization in January 1969 in Bata Italy Retail Department. In 1978 he joined the European Office as its Marketing Advisor. In 1982 he was appointed as Managing Director of Bata Switzerland. Since January 2002, as part of a major BSO Management restructuring, Mr. Rizzo assumed the role in Singapore as the President of Bata International Group Limited and his responsibilities cover regions, such as Africa, Asia-Pacific and India. With his vast experience in retail, manufacturing and marketing he has also added China to his portfolio.

Mr. Rizzo possesses an extensive knowledge of the footwear industry and considerable international experience.

Mr. Rizzo'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. Rizzo, 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 are concerned or interested in the resolution.

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

ITEM NO. 5

At a meeting of the Board of Directors of the Company held on March 30, 2006, Mr. Uday Khanna (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. Khanna is a Chartered Accountant and after over 30 years of long experience with Hindustan Lever/Unilever in a variety of financial, commercial and general management roles both nationally and internationally he joined



Lafarge in Paris on June 1, 2003 as Senior Vice President in Group Strategy. He is currently the CEO of Lafarge India Private Limited.

He has been earlier on the Board of Hindusthan Lever as Director – Exports. He has also worked as Vice Chairman of Lever Brothers in Nigeria and General Auditor for Unilever – North America based in the USA. His last position before joining Lafarge was Senior Vice President Finance, Unilever Bestfoods – Asia, based in Singapore.

Mr. Khanna's other Directorship and Membership of Committees are as follows :-

Sl.No.	Name of Company	Nature of Office	Name of Committee
1	Lafarge India Pvt. Ltd.	CEO	Audit Committee
2	Lafarge Holding Pvt. Ltd.	Director	—
3	LI Cement Pvt. Ltd.	Director	—

Mr. Khanna'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. Khanna, 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 are concerned or interested in the resolution.

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

ITEM NO. 6

At a meeting of the Remuneration Committee held on January 27, 2006 the Committee recommended that Mr. Marcelo Villagran, Managing Director of the Company has taken several positive measures in turning around the Company and it was now necessary to increase his remuneration package beyond the present maximum Minimum Remuneration of Rs.48,00,000 per annum or Rs.4,00,000 per month to retain his talent.

While considering the increase in the remuneration of Mr. Marcelo Villagran, the Committee considered his initiatives to restructure and re-engineer the operations of the Company to compete in this profoundly competitive environment, the improved margins on the shoe lines both imported and indigenous, the future challenges he is likely to face and his abilities, background and experience, past performance, past remuneration and the trend in the retail industry as a whole. The Committee also noted that Mr. M Villagran is a Bata veteran with more than 35 years with the Bata organization and that he was running the operations of one of the most successful companies Bata Chile, before he joined Bata India. He has enormous operating and sales experience. He is a Commercial Engineer and a Bachelor of Business Administration. The Committee tried its level best to bring objectivity in determining the remuneration package of Mr. Villagran and at the same time strike a balance between the Company, the shareholders and the immediate need to bring in financial operating discipline in the Company at all levels.

The Committee recommended the following remuneration package for Mr. Villagran as Managing Director of the Company which was approved by the Board of Directors at their meeting held on the same day.

1. **Period of Appointment** : **5 years w.e.f. February 11, 2005.**
2. **Emoluments for** : **3 years w.e.f. January 01, 2006.**

Subject to the overall limits as prescribed in Schedule XIII of the Companies Act, 1956 (5% of net profits in case of one Wholtime Director and 10% of net profits in case of more than one Wholtime Director).

a) **Fixed Salary :**

Rs. 5,00,000 per month. (Existing Fixed Salary Rs.2,50,000 per month)

The Remuneration Committee may review and determine from time to time necessary changes in salary during the tenure of appointment.

b) **Commission :**

No commission will be paid to Mr. Villagran during his tenure in office.

c) **Benefits :**

The following benefits would be provided by the Company, subject to tax at the applicable rates.



i) Accommodation :

- ┐ Fully furnished residential accommodation or house rent allowance @ 60% (sixty percent) of Fixed Salary.
- ┐ Expenses pertaining to gas, electricity, water and other utilities will be borne/reimbursed by the Company.
- ┐ Company shall provide such furniture and furnishings as may be required.

ii) Medical Benefits :

Reimbursement of expenses actually incurred for self and family including hospitalisation, nursing home and surgical charges as per Company rules.

iii) Leave and Leave Travel :

Leave with full pay and allowances as per the rules of the Company.

Leave Travel Allowance

Return business class passage for self and family from Gurgaon to home country or equivalent as agreed by the Company.

iv) Club fees :

Reimbursement of Membership fees for such clubs as may be considered appropriate including admission and life membership fees.

v) Car & Telephone :

Provision of car for use on Company's business and telephone at residence. These will not be considered as benefits. However, personal long distance calls on telephone shall be billed by the Company.

vi) Personal Accident / Medical Insurance :

As per Company's Policy – the annual premium of which shall not exceed Rs.4000/- per annum.

vii) Encashment of Leave :

At the end of tenure of office in accordance with the Company's rules.

viii) Children's Education Allowance :

In case of children studying in or outside India, an allowance limited to a maximum of Rs.5000/- per month per child or actual expenses incurred, whichever is less. Such allowance is admissible upto a maximum of two children.

ix) Holiday passage for children studying outside India – family staying abroad :

Return holiday passage once in a year by economy class or once in two years by business class to children and to the members of the family from the place of their study or stay abroad to India, if they are not residing in India with the Managing Director.

x) Contribution to Provident Fund, Superannuation and Annuity Fund :

The Company's contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company.

xi) Gratuity :

As per Rules of the Company.

3. Minimum Remuneration :

In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Marcelo Villagran, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II(c) of Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof as may for the time being be in force. Mr. Villagran will continue to get his existing remuneration as his Minimum Remuneration.

4. Termination :

The Agreement shall provide that either party giving to the other six months' previous notice in writing.