



STYLE. COMFORT. BATA.

BATA INDIA LIMITED
ANNUAL REPORT 2015-16

Bata.





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STYLE. COMFORT. BATA.



India has fast emerged as a preferred market for fashion and lifestyle products of all kinds. Not without reasons, as the brand conscious Indian consumers are fast refining their fashion consciousness as well. Disposable income, middle class populace, overall consumption, access to organised retail, all continue to head northwards. Add to this the sheer volume of young consumers, who remain high on aspiration, preference, confidence and consumption, and the queuing up of global brands and marketers becomes demystified.

When it comes to meet the evolving taste and preference of Indian youth in footwear and accessories, Bata India stands foremost. We have been undertaking a slew of measures, including the introduction of season's collection, transformational revamp of our major brands, refreshing the shopping experience, expanding our accessories range and extending a 24x7 omni-channel shopping platform. All these to mass enable the style quotient of the ever-expressive Indian youth.

Having symbolised 'Choice and Trust' in Indian footwear markets for well over eight decades, at Bata India, we are headed to fortify our 'Style and Comfort' quotients.



VALUES

SERVE WITH PASSION We are passionate about delighting our customers. Serving their individual needs defines everything we do. It is this passion for what we do that sets us apart from our competitors. We are proud and energized by being part of a family company with deeply held values. We have all invested something of ourselves in the company and act as if the company was our own. We like to win but not at all costs. We take responsibility for how we impact the many and diverse communities in which we operate.

BE BOLD We are pioneers. We value individuals with the courage to change, and to be prepared to fail sometimes. We have a healthy dissatisfaction for the status quo. We encourage creativity. We recognize curiosity and original thought. Innovation is the foundation stone of our company. We embrace the future but take time to learn from the past. We do what we say we will do and do not rest on our laurels. We celebrate success and value everyone's unique contribution towards achieving the goal.

COUNT ON ME We lead by example and follow when called. We value those who take accountability for their successes and failures. We take responsibility for our own performance and the performance of those around us. We encourage and support others to do their best. We place great importance on developing ourselves and those around us and we believe that feedback is the breakfast of champions. We share openly with others and we act with integrity in all that we do.

EXCEED CUSTOMER EXPECTATIONS Whether it is products, processes, or people, we are uncompromising when it comes to quality. We strive to create products that are easy to buy, exciting to wear, and exceptional value. We strive to be the most responsible and efficient in all that we do it order to deliver the best value to our customers. We operate where design, comfort and value meet. Delighting the diverse needs and preferences of our customers is our lifelong mission.

IMPROVING LIVES Making people's lives better has been at the core of the company's philosophy for over 120 years. We do this by displaying respect for our customers, suppliers, employees and the communities we touch. We believe that we can make a difference in the lives of everyone we touch through openness and tolerance to race, religion or cultural differences. We offer an inclusive and supportive work environment to our employees where individuality is valued, where people can 'be themselves', and where everyone is encouraged to grow.

BATA INDIA IN BRIEF

VISION

To make great shoes accessible to everyone!

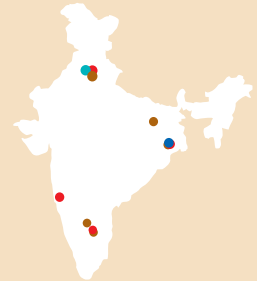
MISSION

- We help people to look and feel good...
...by continuously focusing on product quality, innovation and value
- We become the customers' destination of choice...
...by offering a personalised shopping experience to create long-standing customer relationships
- We attract and retain the best people...
...by showing great leadership, a passion for high standards, our respect for diversity and a commitment to create exceptional opportunities for professional growth
- We remain the most respected footwear company...
...by being socially responsible and ethical in everything we do and giving back to every community in which we operate

BATA INDIA IN NUMBERS

- 5 state-of-the-art manufacturing units [Batanagar (Kolkata), Bataganj (Patna), Faridabad, Bangalore and Hosur]
- Capacity to produce more than **21** million pairs every year
- Annual sales of over **50** million pairs of footwear
- Over **150,000** customers served every day
- Over **2,500** styles of Footwear and Accessories
- **18** world class brands catering to diverse needs of customers
- More than **1,265** retail stores located in over **500** cities across India - **1,121** Bata, **102** Hush Puppies and **42** Footin Stores
- Employs more than **7,700** people
- Imparted over **12,900** man-days of training in FY15-16
- Pan India presence with over **2,650,000** Sq. Ft. of Retail Space

Our Presence



Retail offices	Corporate office	Manufacturing Unit
Bangalore Delhi Kolkata Thane	Gurgaon	Bangalore Bataganj (Patna) Batanagar (Kolkata) Faridabad Hosur
Registered office Kolkata		

BATA SHOE ORGANIZATION

Headquartered in Lausanne, Switzerland, Bata Shoe Organisation is a family-owned global footwear and fashion accessory manufacturer and retailer. It is structured into three business units namely Bata Europe, based in Italy; Bata Emerging Market (Asia, Pacific, Africa and Latin America), based in Singapore and Bata Protective (worldwide B2B operations), based in The Netherlands.

GLOBAL FOOTPRINT

- Presence in more than 70 countries
- Operates over 5,000 Stores
- 26 production facilities in 18 countries
- Serves more than 1,000,000 customers every day
- Employs more than 30,000 people





Mr. Uday Khanna
Chairman and
Independent Director

Mr. Uday Khanna is currently the Non-Executive Chairman of Bata India Ltd. He also serves on the Boards of Castrol India Ltd., Pfizer Ltd., DSP BlackRock Investment Managers Pvt. Ltd., Pidilite Industries Ltd. and NRB Bearings Ltd.

Mr. Khanna was the Managing Director and CEO of Lafarge India from July 1, 2005 to July 2011 and subsequently its Non-Executive Chairman till September 24, 2014. He joined the Lafarge Group in Paris on June 1, 2003 as the Senior Vice President for Group Strategy, after a long stint of almost 30 years with Hindustan Lever/Unilever in a variety of financial, commercial and general management roles, both nationally and internationally.

Mr. Khanna's last position before joining Lafarge was as Senior Vice President Finance, Unilever - Asia, based in Singapore. He has earlier been on the Board of Hindustan Unilever as Director - Exports after having served as Financial Controller and Treasurer of the Company. He has also worked as Vice Chairman of Lever Brothers in Nigeria and General Auditor for Unilever - North America, based in the USA.

Mr. Khanna is a B.Com and a Chartered Accountant (FCA). He was the President of the Indo-French Chamber of Commerce & Industry in 2008 and 2009 and the President of the Bombay Chamber of Commerce & Industry in 2012-2013. He is the recipient of "Ordre National du Merite" from the President of the Republic of France for his role in promoting Indo-French trade relations. Mr. Khanna is also the Joint Managing Trustee and Treasurer of the Indian Cancer Society.

PROFILE OF DIRECTORS

Mr. Rajeev Gopalakrishnan holds a degree in Bachelor of Engineering (Mechanical) from the University of Kerala. He joined Bata Shoe Organization (BSO) in the year 1990 and has since been associated with the organisation. With a rich experience of over 26 years, Mr. Gopalakrishnan has earlier held positions of Director-Wholesale Channels, Sales and Marketing with Bata International-Canada and Vice President of Bata India Limited in Retail Operations and Wholesale Division before joining as the Managing Director, Bata India Ltd. in October 2011. A self-driven professional, Mr. Gopalakrishnan has taken Bata India on a high growth trajectory. His strategic bent of mind and penchant for spotting opportunities like the rapid growth of e-commerce, has helped him strengthen the Company's e-commerce business with a reach of 1400 cities across India in 2015, growing from just 750 in 2013. He has changed the retail landscape of Bata India with most modern store outlook and service. People development in the organization is his passion which has seen many employees getting promoted in their career.

Mr. Gopalakrishnan's contribution to the industry has been acknowledged at several renowned platforms, being conferred with 'Udyog Ratna Award' and 'Certificate of Excellence and Gold Medal' by The Institute of Economic Studies in 2014, becoming the 'Retail Professional of the Year' in CMO Asia Summit at the 2015 Asia Retail Conference and most recently awarded the prestigious EY Entrepreneur of the Year 2015 (Finalist Award).



Mr. Rajeev Gopalakrishnan
Managing Director and
Chief Executive Officer



Mr. Ram Kumar Gupta
Director Finance and
Chief Financial Officer

Mr. Ram Kumar Gupta is a Bachelor in Commerce with Honors [B.Com (Hons.)) and a Chartered Accountant (FCA) with over 30 years of experience in different positions in Bata Shoe Organization (BSO). Mr. Gupta joined Bata India in July-1986 and had an extremely successful and rewarding career. Mr. Gupta was on the Board of Bata Properties Limited and Coastal Commercial & Exim Limited, the wholly owned subsidiaries of Bata India Limited and has also served as a Nominee Director of Bata India Limited on the Board of Riverbank Developers Private Limited, the erstwhile 50:50 Joint Venture Company of Riverbank Holding Private Limited and Bata India Limited. His last assignment in Bata India was as Senior Vice President-Finance from January-2011 till January-2013.

Mr. Gupta was assigned a challenging role as Finance Director- Bata Shoe Company Kenya Ltd. in February 2013, a position which he held till his relocation to India in July-2015. In this overseas assignment, in addition to Bata-Kenya, he was also made responsible for the finance operations of Bata Shoe Company Uganda Limited and Bata Shoe Company Tanzania Limited. The companies in India, Kenya, Tanzania and Uganda have reported record profits and improved profit margins through various cost control techniques and innovative methods during his tenure.

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

Mr. Christopher Kirk is a British Citizen and holds a Degree of Bachelor in Science with Honors from University of Wales, United Kingdom. Mr. Kirk had started his career in April-1981 with SGS Group, the World's largest Testing and Inspection Company and later became the General Manager of the Company's operations in New Zealand and held a number of senior positions in Thailand, Ghana, Singapore and Australia. He was appointed to the Operations Council in 2002, which is the management body of SGS Group and was subsequently appointed as the Chief Operating Officer of South East Asia / Pacific Region and then in 2003 as Executive Vice President, Minerals and Environment Services based in Geneva. Mr. Kirk was also responsible for the cross-sectorial Collateral Management Business.

Mr. Kirk became the Chief Executive Officer (CEO) of the SGS Group in November-2006 and held the position till his retirement in March-2015. The SGS Group has over 80,000 personnel in 150 countries worldwide. As CEO, Mr. Kirk had varied international experience with a focus on Europe, Africa and Asia. He had key leadership experience in both regional and business line roles. He was also part of the senior leadership team tasked with restructuring the Group. As CEO, Mr. Kirk re-organized, re-energized and led changes throughout the entire organization resulting in significantly improved profitability, a flatter structure and faster, cleaner lines of communication. Under his leadership the Company had 24 direct reports on the Operations Council. Improvements in growth and margin, including organic growth of almost 8% p.a. were reported during his tenure of 8.5 years. After retiring as CEO, Mr. Kirk was elected to the Board of Directors of SGS.

Mr. Kirk joined the Board of Compass Limited of Bata Shoe Organization 3 years ago at the request of Thomas G. Bata and accepted the position as Chairman of the Compass Board as of July 2015.



Mr. Christopher Kirk
Non-Executive Director



Mr. Ravi Dhariwal
Independent Director

Mr. Ravi Dhariwal is the Senior Advisor of TPG India and possesses a rich experience of more than 39 years in building consumer business all over the world.

Mr. Dhariwal is an Engineer from IIT-Kanpur and an MBA from IIM-Calcutta. Just prior to joining TPG, Mr. Dhariwal was the CEO of Bennett & Coleman, India's largest media company, with diversified media platforms including Radio Mirchi, Times Television Network, Times Internet, Times OOH and the world's largest selling English Newspaper, The Times of India. Prior to joining Bennett & Coleman, Mr. Dhariwal has also worked with PepsiCo for 12 years. As the first employee of Pepsi in India, he has helped build a successful business for the Company in India. Mr. Dhariwal also led the Beverage Business in India, Africa and South East Asia.

Mr. Dhariwal was also the world-wide President of International News Media Association from 2011-2013.

Ms. Anjali Bansal is Partner and Managing Director with TPG, a leading global private equity fund. She is based in Mumbai. Prior to this she was the founder and Managing Director of Spencer Stuart's India business and co-led the firm's Asia Pacific Board and CEO practice, working in various geographies across the United States, Europe and Asia, advising companies on Board governance and CEO succession planning. Earlier, Ms. Bansal was a strategy consultant with McKinsey & Company, based in New York and Mumbai.

Ms. Bansal serves on the Boards of Voltas - A Tata Enterprise and GlaxoSmithKline (GSK) Pharmaceuticals India and is on the Managing Committee of the Bombay Chamber of Commerce & Industry. She is on the Advisory Board of Columbia University Global Centers, South Asia, the United Way of Mumbai and Enactus. Ms. Bansal has been listed as one of the 'Most Powerful Women' in Indian Business by India's leading publication, *Business Today*.

She has also been named as one of the 'Most Powerful Women' in Business in India by Fortune Magazine. Ms. Bansal received a Master's Degree in International Affairs, with distinction, from Columbia University, where she majored in International Finance and Business, as well as a Bachelor's Degree in Computer Engineering from Gujarat University.



Anjali Bansal
Independent Director



Mr. Akshay Chudasama
Independent Director

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

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

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

Mr. Shaibal Sinha is the Group Operations Finance Controller for Bata International based out of Singapore. Mr. Sinha holds a Degree in Bachelors of Commerce (B.Com) and is a Chartered Accountant (ACA) with more than 29 years of post-qualification experience in different positions in finance across the globe based out of India, Singapore, United Kingdom and Middle East.

Just before joining Bata, Mr. Sinha was working with Reckitt Benckiser (a multinational consumer goods company dealing in Household, Personal Care, Health and Hygiene products). Mr. Sinha worked with them at various levels in finance in India and United Kingdom for eight years. Mr. Sinha joined Bata India Limited in November 2004 as Executive Director - Finance based in Gurgaon, and worked till September 2010.

Mr. Sinha moved to Singapore in 2011 to a Bata group company as the "Chief Financial Officer" of Bata Emerging Market (South-Asia, Asia Pacific, Africa and Latin America). Mr. Sinha then took over as Senior Vice President - Finance and Development of Bata Emerging Markets in March 2014 based out of Singapore. Mr. Sinha is also a member of the Board of Directors of GFS Singapore, China Footwear Services, Bata Indonesia, Bata Malaysia, Bata Thailand, Bata Sri Lanka and Bata Bangladesh.



Mr. Shaibal Sinha
Non-Executive Director



BUSINESS HIGHLIGHTS

- Expanded full range of light and sporty Bubblegummers shoes for children in 200 stores
- Extended Disney Flip Flop to 200 stores
- Continued expanding our E-Commerce with sales of USD 6 million and over 3.70 lacs pairs
- Membership in customer service and loyalty program increased to 6.67 million
- Expansion to reach closer to our consumers with 21 new Bata stores, 14 new Hush Puppies stores and 7 Footin stores
- Stronger reach to the youth and newer audiences through better collections, in store activation and digital campaigns

FY15-16 HIGHLIGHTS

AWARDS AND RECOGNITIONS

- Dun & Bradstreet Corporate Awards - 2015
- The Most Trusted Brand – Brand Trust Report, India Study 2015
- Entrepreneur of the Year 2015 - Conferred by EY to Mr. Rajeev Gopalakrishnan, Group Managing Director, South Asia, Bata Emerging Markets (Finalist Award)
- Best Footwear Brand 2015 – Brand with outstanding e-Retail Performance and re-design/re-launch of the Year by Franchise India

Notable awards from earlier years

- Most Trusted Brand and Best Brand Award - by Economic Times in 2014
- Platinum Award 2014 - at Reader's Digest Trusted Brands by India Today
- Dun & Bradstreet Corporate Awards - 2014
- Udyog Rattan Award conferred to Mr. Rajeev Gopalakrishnan, and Certificate of Excellence and Gold Medal awarded to the Company by The Institute of Economics Studies in 2014
- Master Brand Awards - 2014 by CMO Asia



Reader Digest Trusted Brand



Footwear brand with outstanding eRetail performance



Pitch Top 50 Brands



Dun & Bradstreet Corporate Awards



Top Most Trusted Brands