

IT'S GOT TO BE BATA

ANNUAL REPORT
2022-23



Bata



**Explore 500+
Casual &
Sneaker styles
on Bata.in**



Surprisingly
Bata

IV CORPORATE OVERVIEW



CONTENTS

Theme Intro – It's Got To Be Stylish;
It's Got To Be Bata! II

CORPORATE OVERVIEW

All about Bata India **IV**
Chairman's Message **VI**
Managing Director's Communiqué **VIII**
Board of Directors **XII**
Management Team **XVII**
Bata Brands and Extensions **XVIII**
Consumer Connect **XX**
Talent Showcase –
Sneaker Artists **XXI**
Collections and Campaigns **XXII**
Awards and Accolades **XXVIII**

STATUTORY REPORTS

Corporate Information **1**
Notice Convening the 90th AGM **3**
Board's Report Including Management
Discussion and Analysis Report and
Annexures thereto **13**
Financial Highlights **96**

FINANCIAL STATEMENTS

Auditors' Report on Financial
Statements **100**
Balance Sheet **116**
Statement of Profit and Loss **117**
Statement of Changes in Equity **118**
Statement of Cash Flows **119**
Notes to the Financial Statements **121**
Form AOC - 1 **166**
Consolidated Financial Statements **168**



1 STATUTORY REPORTS

100 FINANCIAL STATEMENTS



Read more at our website
<https://www.bata.in/>



It's Got To Be Stylish; It's Got To Be Bata!

Discover the ultimate fusion of comfort and style as we redefine the fashion landscape with trendy footwear for every occasion that appeals to the Gen-Next - It's Got To Be Stylish; **It's Got To Be Bata!**

Fashion-conscious young leaders of today call for effortless, stylish, trendy, and comfortable footwear, they figure – It's Got To Be Bata.

At Bata India, we are continuously evolving to set new standards while redefining the intersection of fashion and comfort for our vibrant audience of young trendsetters.

We combined the renowned Bata comfort with a fresh and fashionable appeal, catering to every occasion, season, and daily wear with our captivating 'It's Got To Be Bata' campaign featuring Bollywood actor Ms. Disha Patani as our endorser. This was followed by immersive online and in-store experiences like 3D Holographic Units, Lift & Learn Technology, Digital LED screens, and QR codes. In our 'Surprisingly Bata' campaign, our objective was to rebrand and shift the consumer perception of Bata from being the go-to brand for school and work

shoes to a brand embraced by fashion-forward trendsetters too. We revitalized our entire product portfolio, offering a refreshed range that includes sneakers, casuals, semi-casuals, and festive and wedding collections – an exceptional combination of stylish, trendy, and comfortable footwear that sets us apart.

The overwhelmingly positive consumer response underlines our successful efforts in reshaping perceptions and embracing style signifying that we are on the right track in redefining Bata as a brand that delivers fashion-forward footwear with unparalleled comfort, resonating with our diverse range of consumers.

At Bata, we believe that fashion should never come at the expense of comfort, and our continued pursuit of excellence ensures that every step you take is stylish and confident.



COMPANY OVERVIEW

All about Bata India

Starting in 1931, Bata India Limited has evolved from a trailblazer to the largest footwear retailer and manufacturer in the world of Indian footwear. With strategically located 4 state-of-the-art facilities in the country, our retail presence gained strength through 2,050+ stores in multiple cities.



Bata goes beyond the realms of the footwear industry; it represents trust, comfort, and style impressing hearts and soles across all ages. From a humble beginning to gaining global recognition, we have solidified our position in the target market, creating an indelible mark.

Characterized by constant change, we confidently stride into the future and remain dedicated to adapting to the latest trends while staying true to our core values. Our designs transcend time, appealing to individuals of all ages and our campaigns foster a strong connection with vibrant young consumers for a fresher and more fashion-forward Bata.

When you slip into your pair of Bata shoes, you experience unparalleled comfort and confidence that sets you apart from the crowd.

We launched captivating campaigns – 'It's Got To Be Bata' and 'Neo Casuals for Neo Leaders' furthering our connections with customers and taking the brand experience to new heights.

9,413

employees across
functions and location

3.17 Mn sq ft

retail space across India

₹34,515 Mn

FY 2022-23 turnover

28

Cities

4

strategically located
manufacturing units

2,050+

retail stores pan-
India including
franchisees

21 Mn

footwear production
per annum

48.46 Mn

footwear pairs sold
this year



Our Vision

- ♦ To make great shoes accessible to everyone



Our Mission

- ♦ We help people to look and feel good
- ♦ We become the customer's destination of choice
- ♦ We attract and retain the best people
- ♦ We remain the most respected Footwear Company



Our Values

- ♦ Serve with passion
- ♦ Be bold
- ♦ Count on me
- ♦ Improving lives
- ♦ Exceed customer expectations

SPLASH AROUND THIS MONSOON IN STYLE.



QUICK DRY

WASHABLE



NON-SLIP

HIGHLY FLEXIBLE



Surprisingly
Bata

CHAIRMAN'S MESSAGE

Charting the Course for Setting Trends!

My Dear Shareholders,

Hope that this communication finds you and your loved ones in good health and cheer.

We entered the last fiscal year after two years of pandemic-led disruptions. This was a full year with encouraging trends from the beginning. Despite normalization of demand for footwear, after an initial surge, your Company kept continuous focus on refreshing product portfolio with the strategy of casualization and premiumization. This ensured that we maintained growth in revenue and profitability due to targeted higher ASP and expansion in market share of our premium category brands like Hush Puppies, Marie Claire, Red Label, etc.,

In spite of the rise in raw material prices, your Company maintained a profitable growth trajectory over the previous years, with a strong trend setting product portfolio, offered through the largest retail footwear presence in India. The first quarter of the last fiscal year also saw significant momentum across all sales channels and registering highest-ever quarterly sales. The momentum continued to reflect in key metrics for the rest of the year. Your Company also made a leap forward in its retail footprint, crossing the 2,000+ milestone for the 1st time.

It was heartening to see the strong recall for the brand backed by efforts of Bata Team translating into a revenue

growth of over 44% over its previous year and 13% over pre-COVID year. The Operating Profit grew almost 380% over the year 2021-22.

A healthy balance sheet and strong cash flow generation encouraged us to state an industry-leading dividend pay-out ratio in our dividend policy and recommend distribution of the cash profits through a dividend of 270%. This is also in line with our belief in the strength of the organization to navigate any headwinds and continue to emerge stronger.

We are proud of the continuous support from our employees helping Bata to remain agile, resilient and proactive in its approach. We continue to ensure a great fusion of professional rigour and leadership mindset in our diverse talent pool, under the executive leadership of Mr. Gunjan Shah, Managing Director and CEO with Mr. Anil Somani being elevated to the Board as Director Finance and CFO. With an adequate focus on succession planning, we are happy to see a dynamic second line leadership acting as a flywheel to the organization. We are also thankful to Bata Shoe Organization (BSO), our parent entity, for leading our path in the journey of over 125 years and helping build our deep-rooted and resilient set of values and beliefs. We remain steadfast in our commitment to the passion, philosophy and values of BSO that are an essential guide for Bata India as an organization.

India is witnessing an unprecedented colossal demand for branded and fashionable footwear, transcending into a lifestyle purchase as consumers look for wardrobe refreshes and non-occasion wear purchases. As sustainability gains importance, fashion is being re-imagined and re-invented, while comfortable and ergonomic footwear remains pivotal. To meet the changing consumer preferences, we remain focused on the key pillars of market penetration by larger network of franchisees, MBOs and SIS outlets, presence through online platforms and product expansion through casualization and sneakers that are in sync with the fast-paced fashion trends, appealing to a wide spectrum of style-conscious consumers. As a fashion trend setter, your Company is also investing in High Performance Merchandizing technology, to shorten product cycle and faster replenishment of our latest collections in our stores. We have also enhanced customer delight on our website and improved organizational efficiency through technology. Furthermore, we have streamlined our supply chain for higher efficiencies.

Consumer-centric communication besides campaigns such as 'It's Got To Be Bata', 'Unlimited Sneakers at Bata' and 'Neo Casual Collection for Neo Leaders' helped attract the relevant target segments.



It was heartening to see the strong recall for the brand backed by efforts of Bata Team translating into a revenue growth of over 44% over its previous year and 13% over pre-COVID year. The Operating Profit grew almost 380% over the year 2021-22.

2,000+

Your Company crossed a milestone for the first time making a leap forward in retail footprint

The global environment remains considerably vulnerable and challenging with geopolitical relations, commodity inflation and currency fluctuations being the crucial factors to be monitored. The impact of technology and data analytics is also going to be profound. Socially and environmentally responsible business practices remain at core of our operations. We continue to focus on projects to create long-term impacts on the society and environment.

Your Company has grown and evolved as a contemporary fashion brand. We are excited by the opportunity and humbled by the responsibilities we have, to transform your Company by bringing all the digital capabilities together as a *trendsetter*. With the support of our dedicated staff, strong leadership and the unflinching support of all our stakeholders, your Board has initiated a slew of strategic steps for leadership positions in fashion industry, retail presence and technology. Looking ahead, we are committed to creating trust and value for our customers and all stakeholders.

Warm regards,

Ashwani Windlass

MANAGING DIRECTOR'S COMMUNIQUE

Inspiring Confidence and Style: It's Got To Be Bata

Dear Shareholders,

As India Inc. announced return-to-office and educational institutions resumed physical classes, we recorded our highest-ever quarterly sales in the first quarter of FY 2022-23 and a significant momentum across all sales channels. This momentum continued to reflect in key metrics for the remainder of the year. Performance

was broad-based with each of the sales channels contributing to the growth. The quality and consistency of our results reflect our competitive edge and consumer loyalty.

Highlights of the Year

We accomplished several milestones in FY 2022-23. The first quarter saw significant boost across all sales

channels and we registered highest-ever quarterly sales. The momentum continued to reflect in key metrics for the rest of the year. We made a significant leap forward in our retail footprint and crossed the 2,000+ milestone for the first time. Sneaker Studios — a haven for sneaker enthusiasts with single walls adorned with a plethora of sneaker styles that

