

Date: August 18, 2018

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| The Manager<br>Corporate Relationship Department<br>BSE Limited<br>1 <sup>st</sup> Floor, New Trading Wing,<br>Rotunda Building,<br>P J Towers, Dalal Street, Fort,<br><u>Mumbai – 400001</u> | The Manager<br>Listing Department<br>National Stock Exchange of India Limited<br>Exchange Plaza, 5 <sup>th</sup> Floor,<br>Plot No. C-1, Block G,<br>Bandra Kurla Complex, Bandra (E),<br><u>Mumbai - 400051</u> | The Secretary<br>The Calcutta Stock<br>Exchange Limited<br>7, Lyons Range,<br><u>Kolkata – 700001</u> |
| BSE Security Code: 500043   | NSE Symbol: BATAINDIA  | CSE Scrip Code: 10000003  |

Dear Sirs,

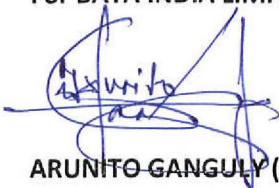
**Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Mr. Sandeep Kataria, Whole-time Director and Chief Executive Officer (CEO) of Bata India Limited was interviewed by 'BTVI' and was aired on Saturday, August 18, 2018 at 7:30 P.M. and the said telecast will be repeated on Sunday, August 19, 2018 at 11:30 A.M.

A transcript of the interview is enclosed for your record. The same will also be uploaded on the website of the Company, viz., [www.bata.in](http://www.bata.in).

Thanking you.

Yours faithfully,  
**For BATA INDIA LIMITED**



**ARUNITO GANGULY (FCS 9285)**  
Assistant Vice President,  
Company Secretary & Compliance Officer

**Encl.: As above**

**BATA INDIA LIMITED**

CIN: L19201WB1931PLC007261

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Transcript of interview of Mr. Sandeep Kataria,  
Whole-time Director and Chief Executive Officer (CEO) of Bata India Limited  
which was aired by 'BTVI' on Saturday, August 18, 2018 at 7:30 P.M.  
and the said telecast will be repeated on Sunday, August 19, 2018 at 11:30 A.M.

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**1. Bata India was incorporated as Bata Shoe Company Pvt Ltd in 1931 and went on to become Bata India Ltd in 1973. The brand is more than 80 years old in India. How has the journey been?**

**Ans:** We have just attended our 85<sup>th</sup> Annual General Meeting in Kolkata. We have seen many years of Bata in India with Mr. Bata coming here for the first time way back in the 30's to set up the factory. It was amongst the first, fully- integrated, self-sufficient townships outside Kolkata at Batanagar and it continues to be our biggest factory in the country. We have, of course, gone through our own set of ups and downs. The good thing is that the brand is still as loved today, as it was all those years back in terms of the innovations that we bring to the market. If you look at the last 7-10 years, our focus has been on improving stores to provide our customers with the best, in terms of design and experience. We have also been consciously upgrading the shoes at these stores, and making them more contemporary than what we have historically had. From the stage we are in right now, with the all-new stores and footwear, can we reach out and bring in customers to our stores so that they can enjoy the offerings we have on display? We would rally like that.

**2. Bata India is a power house of footwear brands in India. What is it that makes you a strong brand and how have you achieved this positioning? (Key triggers of growth: Growth over the last 10 years)**

**Ans.** Let me answer your question in two parts. First, we are a family, and we cater to the whole family. At a Bata store, you will find sub-brands for the whole family. We have footwear ranging from a toddler someone who is stylish. From a design perspective, you will find that we have some traditional designs but now a lot more contemporary and fashionable shoes are hitting the stores. We have a very talented design team of 40 members, who work out of India. Because we have operations in many countries and Italy is one of our larger markets, we get the opportunity to learn and see where the global trend is going, while at the same time looking at what the Indians really need. The local design team then looks at both global trends and Indian trends to designs the show line. So what we do is that twice a year, we refresh all our shoe lines to bring what is ideal for India.

**3. Your market share is 15% currently. Where do we see it in the next 5-10 years?**

**Ans.** The way one evaluates market share in our industry tends to be a little difficult to get your head around. There isn't really any syndicated study. If you look at the stores, the retail stores, we probably have a higher share in that. Our intention, of course, in the market is to grow every year and that too in double digits. So if I could add market share every year, that is to say yes, we should go ahead with the market, and try and grow every year at **1.5%**.



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**4. Historically, Bata has under invested in brand creation compared to its peers. Recently, the trend seems to be changing with Bata working aggressively on its brand positioning. How much is the spend on the same as percentage to sales and do we see it increasing going forward?**

**Ans.** With retailers it is slightly different. Some of the peers you probably have in mind don't have as much retail expanse. So for us, a lot of the brand awareness and brand presence actually gets driven out of the **1,400 stores** we have. A lot of them are in key locations. One of the things that have given me joy in the last one year is to go to a small town and the best way to find a Bata store is to ask anybody where Bata Chowk is, because the Bata store there is very popular. The store is at the key location, central to the town and that plays a very large role when you are developing the brand. What we have done is both things - we have started leveraging our stores very strongly given the location they are in, giving them the front stage. We are lucky to have very nice properties. And second, is using those stores to get consumers, both old and new. We have not done too much of that in the past and we felt a need to reach out to the millennials and bring in a younger set. We needed some of the mass media whether it was television or digital, for the connect.

**5. Bata Club Membership has seen a spectacular growth. What numbers do you think you could clock over the next 5 years?**

**Ans.** The way we run Bata Club is that if you come to our store, we offer the opportunity to you not to leave bare-handed. 85% of the customers actually do end up buying something and what it brings, of course, is loyalty points and the ability to use those loyalty points to buy more shoes. But most importantly this will give the buyer a host of other benefits. For example, even before the end of season sales, you get the preview of the products. On your birthday, you will get a little gift from us. We are looking at how to give our consumers more priority. It gives us a very interesting window to understand their needs and use all that data analytics to further those needs. Over the last six months, we have also started using the same to get feedback from the consumer on what their experience was in the stores, where they think we can improve and also the overall 'Net Promoter Score'. This is a common currency when you talk to the store manager and others in the company to make sure that we are doing better.

**6. Bata has 1,300 stores currently. With regard to number of stores, what is the per year plan and how many more over the next 5 years? Can you give us an insight on the new store formats: small vs large?**

**Ans.** We have opened an average of about 100 stores every year and I see that phase continuing as we go forward. Bata is a pan-India brand. Everybody knows Bata. It is among the top two brands that have instant customer recall. Therefore, my own vision is to reach out to more Indians than we have in the past. One source of growth for us will be to continue moving in that direction. Currently, most of our stores are company owned and company operated, but what we have started looking for now is the franchising model. We will associate the franchise stores with Bata and will now have two engines helping us reach our goal. We are also using a lot of the e-commerce as well as distribution network. Coming back to the second part of your question, on how big or small the stores should be, it actually gets dictated by the potential. We have recently opened one store in South City mall in Kolkata which has more than 7,000 sq. ft., and, we also have stores of 1,300 sq. ft and 1400 sq. ft. This really depends on the demands that work in that location

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**7. Bata India sold around 47 million pairs in FY18 which is equal to FY17 despite 82 new store additions during FY18. What are the key reasons for this stagnant volume?**

**Ans.** I think there are two parts to that again. One is that we do operate a pretty big chunk through our retail stores and we also have distribution which covers institutional and safety. So we see the overall volumes as stagnant. But the real reason behind that is that we have been very focused on upgrading our footwear, allowing the consumers to get more value. We realised way before my time here that it's a great opportunity for us to bring footwear which is more aspirational, more aligned and has a great price point. We will always continue with being the 'Wow' pricing brand but even within that, there is opportunity. There is a demand of getting more value, more benefits, more technology at the price we give.

**8. Is Bata working on a change in the category mix? Do we see the brand-wise sales mix changing, going ahead? What is the Average realisation now and what could it be over the next 3-5 years?**

**Ans.** We see three to four big trends in the Indian market. It works in many ways positively for us. Working women need different footwear as they go out from home therefore their requirements are different. We see that the whole wardrobe is wider so that's a big opportunity for us. We also need to be very comfortable, as you will be on the move the whole day. I think that one thing that we can universally state is to be comfortable and durable and that works well for us. That is one space, and the other space is around casual wear. If you look at the millennial, it's not much of formal wear but a mixed blend of athleisure and casual. That is a big guiding force in the industry and we are ready to take advantage of. Thirdly, we are using our brand power through a big campaign that will help India get more fit and more active. You will see this playing out through our advertising.

**9. We have recently seen Bata India announcing Kriti Sanon as it's brand ambassador and Smriti Mandhana as ambassador for Power shoes. New TVCs have been launched. What is the marketing strategy for Bata India Ltd? What are the budgets for the same?**

**Ans.** I think the marketing strategy, as I said, is making more consumers come to our stores. Something which I did a lot in my first three months here at Bata was to observe and interact with consumers. Each time, we see people come out and say good things about our 'wow' pricing, great products and wide variety. We see people coming back to the store for more and that's the joyful part of Bata Club. It's the new consumers we really need to bring in. Over the last 6-7 years, we have done really good work in terms of changing the décor, designs and interiors of our stores. We are trying to get more footfalls inside our stores as our core target audience is the millennial 25-35 age group. Giving them the surprised Bata experience. Some of them come back and some of them don't but that is what we are concentrating on.



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