

Date: December 14, 2016

The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata – 700001

Fax #: 033-2210 4492 / 2210 4500 / 2210 4468 / 2223

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. Rajeev Gopalakrishnan, Managing Director and Chief Executive Officer of Bata India Limited was interviewed today by 'ET Now', which was aired on December 14, 2016 at 09.35 a.m.

A transcript of the interview is attached herewith. The same will also be made available on the website of the Company, viz., www.bata.in.

We request you to take the same on record.

Thanking you.

Yours faithfully,
For **BATA INDIA LIMITED**



MALOY KUMAR GUPTA
Company Secretary

Encl.: As above

- Copy to:
- (1) BSE Limited
Corporate Relationship Department
1st Floor, New Trading Wing,
Rotunda Building,
P J Towers, Dalal Street, Fort,
Mumbai – 400001
 - (2) The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
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BATA INDIA LIMITED

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Mr. Rajeev Gopalakrishnan's interaction with ET Now

Date : 14th December, 2016

Time : 09:35 AM

Interview Type : Television Interview

Publication : ET Now

Venue : Bata House, Gurgaon

Show and Topic: ET Now's Flagship Show "The Market" - "Post-demonetization recovery, response to new launches and ad campaign strategy"

I know these are not great days if you are in the footwear industry but what is the good news and what is the bad news?

The demonetization, to me as such, is good news for the country. What had happened is that, only for the first one week, we had an impact and we had sales down to probably 20% to 30% . But with a lot of initiatives in terms of the entire team sprung into action, in terms of making sure the mobile wallets are all across the place. In the top 500 stores in no time, we were able to put the mobile wallets. As well as we have immediately started with the consumer promotion and that has really made us come back very strongly and coming very close to the budgets. So I think it was a temporary phase of probably a week or so. But I think for us, we should be coming back strongly in this quarter again.

My understanding of your business is that you are a strong tier-I and tier-II player. So in terms of the consumer psyche, do you think the urban consumer who is a credit card buyer is also feeling the pinch or that non-cash buyer or the credit card buyer is unaffected?

The credit card buyer is not affected at all. This is what we believe and what has helped us. The people are started moving into new ways of cashless transactions and our team has been really helpful at the store to really train the customers to download the different mobile wallets and that is an experience which we found in most of the metros as well as the tier-I cities. Our business did not affect now. I think it is coming back to be very strong in my opinion. But saying so what is really affecting us in the wholesale trade which is the rural towns, which is the tier-IV, tier-III kind of markets where we are definitely finding a difference in terms of our business.

It is difficult to put a timeline but that is what I think the market is just hoping to get handle on. How do you assess how much time it would take for normalcy to return, a timeline to when you can just wake up and say okay we are back in business and for good?

I believe it is a question of one or two quarters maximum and I strongly believe within one-quarter, most of the issues in terms of the cash disbursement as well as the cashless initiatives really springing up into action. I believe it is maximum one-quarter or two not beyond that.

Roughly you are saying that by the first quarter end of FY18, demonetisation would be a thing of the past. We would have moved well beyond it.

Absolutely. This depends on the type of businesses also. We are more an organized footwear business. The organized people will not have much of an impact. Where you will have the impact, where you will take more time is in the unorganized sector. So, the organized player, the mass segment players I do not believe there should be an affect more than one quarter.

Is this the best guess that you are putting about Q1 or do you firmly believe that Q1 FY18 you will be seeing sales resume or trickle back to complete normalcy?

In the retail trade, definitely it will trickle back by Q1 because in the last couple of weeks we are already seeing signs of doing very good business in the retail trade. What will affect is more on the wholesale side as I said. It is an unorganized business model there that needs to be more organized, more of payment needs to be rotated there so that is going to take probably two-quarters but the retail will definitely come back by Q1 that is my strong belief.

The challenge for Bata in the last couple of quarters has been that first the IT implementation went wrong then in terms of brand cannibalization, e-commerce suddenly is offering a lot of these Me2 brands. But somehow in terms of the new brand proposition, is Bata losing that touch?

Let me tell you first of all the IT thing is history now, that is no more affecting our business, we are back into normalcy there. In terms of the various players for sure that is pretty good but at the same time what we have done is we are really focusing back on Bata the brand. We have really introduced a lot of new collection in the Q3 which is more contemporary, which is younger one for the younger generation of the consumers which has really helped us even with demonetization to gather the good sale. You will see the numbers when it comes. So for sure, that is giving us a lot of confidence and with the new range of products focusing on the style, comfort, and a great pricing, this is something globally we are driving on focusing on the Bata the brand. In addition, what we are taking is we are not stopping our expansion, we are really

driving our expansion now because we believe still in India we can open 100 stores year-on-year. So, that is something which will give us an additional pump and which you will see into our results coming in.

In this time of cash crunch and demand scaling back, it would be interesting to understand what happens with the advertising spends and marketing expenses. How do you see that trend panning out or do you believe that this lull can be taken advantage of and you can actually push the pedal when it comes to aggressive advertising which when the demand returns you can benefit from, which way are you going to be looking at promoting the business?

For us, we are looking at the second way what you are saying. We are looking at actually doubling our advertising expenses for FY2017. So, we are taking an opportunity to really build back the brand. We are planning a strong expansion. We do not believe that the demonetization is going to affect the organized sector of the business because for us as I told you it is only one or two weeks got affected, after that it is pretty much back in shape. So, we are going to spend double the budget what we had the previous year and that should help us really come back strongly into the market.

I think you consciously have scaled down your store addition per annum as well, now why has that happened, are you going to be changing that if you believe that demand will confidently come back or will the growth essentially be a factor of same store sales growth which has actually not been dramatically great but for maybe a calendar year 11 or calendar year 12 for you?

See same store growth has to be there, that is the basic fundamental of the business so we will be focusing on the same store growth. At the same time, we are shifting a little bit in terms of our strategy for the next year, you know this year we did not open too many stores and resulting not much of increase in the top line. So, we believe still we have opportunities, we have done the complete mapping of the country, state by state and for sure we believe another 100 stores can come in next year. So, we are going ahead with the aggressive expansion plan and which we believe will give us additional growth in addition to what we are talking about same-store growth. So, I think these are the two focus areas.
