August 17, 2026

The Manager, CRD
BSE Limited
P J Towers, Dalal Street, Fort,
Mumbai - 400001

The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C-1, Block G, BKC, Bandra (E),
Mumbai - 400051

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

BSE Security Code: 500043

NSE Symbol: BATAINDIA

CSE Scrip Code: 10000003

Dear Sir/Madam,

Subject: Post Earnings Call

This is further to our letters dated August 4, 2026, August 12, 2026 and August 13, 2026, on the captioned subject.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Post Earnings Call (Group Call) held on Thursday, August 13, 2026.

The above information shall also be made available on Company's website viz., www.bata.in

This is for your information and records.

Thanking you,

Yours faithfully,
For BATA INDIA LIMITED

Nitin Bagaria

NITIN BAGARIA
AVP – Company Secretary & Compliance Officer

Encl.: As above

“Bata India Limited

1QFY27 Earnings Conference Call”

August 13, 2026

MANAGEMENT: **MR. GUNJAN SHAH – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – BATA INDIA LIMITED**
MR. AMIT AGGARWAL – DIRECTOR FINANCE AND CHIEF FINANCIAL OFFICER – BATA INDIA LIMITED
MR. NITIN BAGARIA – AVP, COMPANY SECRETARY – BATA INDIA LIMITED

MODERATOR: **MR. ARYAN GARODIA – AMBIT CAPITAL PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Bata India Limited 1QFY27 Earnings Conference Call hosted by Ambit Capital Private Limited. As a reminder, all participant lines will be in listen-only mode, and you will have an opportunity to ask questions at the end of today's presentation. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would like to hand the conference over to Mr. Aryan Garodia from Ambit Capital Private Limited. Thank you, and over to you, sir.

Aryan Garodia: Hi. Good evening, everyone. And on behalf of Ambit Capital, I thank the management of Bata India for the opportunity to host their 1Q FY27 earnings conference call. Joining us from the management today, we have Mr. Gunjan Shah, MD and CEO; Mr. Amit Aggarwal, CFO; and Mr. Nitin Bagaria, AVP and Company Secretary.

I would like to hand over the call to Nitin for the opening remarks, post which the forum will be open for the question-and-answer session. Thank you, and over to you, Nitin.

Nitin Bagaria: Thank you, and good evening, everyone. Welcome to the Q1 FY27 earnings conference call of Bata India Limited. We have shared the presentation as a pre-read to the stock exchanges. I hope you had time to go through the same. We have also shared the disclaimer, which is part of the presentation.

I now request Gunjan to take you through the performance summary. Thanks a lot.

Gunjan Shah: Thank you. Thank you, Nitin. Hi, everyone. Welcome to our quarter 1 conference call. We have already uploaded the presentation a while back. And therefore, I hope you all have had a chance to glance through it. So I will limit my comments to the first slide, which is the key highlights.

We recorded obviously INR979 crores, right, of turnover, which was about a 4% growth and backed by volume growth, which was also both volume and value equally split, price growth. The underlying PBT growth, as we have mentioned in the press release, was at about 22% as well, as substantiated by a table in the presentation. We also crossed the landmark of 2,000 EBO stores, the first obviously, brand or a banner in the country to cross 2,000. And we now obviously have desire to move towards 3,000 in the coming future.

The ad spend was up by about 25%. We did see broad-based growth across channels. ZBM expanded to almost now 80% business contributing stores, close to 800. Franchise expanded to 750. We saw healthy growth across all e-commerce channels and our multi-brand distribution outlets.

Inventory progress continued year-on-year now for 2 years running. Stock turns are at industry best at about 2.5 plus. In fact, now edging towards 2.7. And this was -- despite that, our availability is at its highest levels. Our full-price sales were very close to 90%, with a continuous uptick over the last 4 or 5 quarters.

And we have also reimagined this entire product funnel, which has now started flowing into the stores, and we should see more and more impact from it, backed by marketing campaigns. We did invest behind a couple of key campaigns. This was also backed by a very strong upshift in the Google My Business scores of our stores, which is like an external, outside-in NPS, now standing at almost 4.9 for the quarter.

With that, I'll end my comments and hand it back over to open questions. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. We have our first question from the line of Prerna Jhunjhunwala from Elara Securities.

Prerna Jhunjhunwala: Just wanted to understand the cost inflation that you faced in this quarter and how are you mitigating the same?

Gunjan Shah: Okay. So we did mention that even last time, right? There are obviously elevated raw material prices, largely for synthetics being imported, which are crude oil derivatives. We have also taken commensurate price increases to make sure that this is mitigated for both new and existing products. We are reasonably confident that we should be able to neutralise it, but I'll let Amit expand a little more on it. Yes.

Amit Aggarwal: So broadly, the cost push what we have witnessed is in the range of about 5% to 6%. And as Gunjan mentioned that we have taken a similar price increase to ensure our margins are protected. In the existing quarter, the cost push was not witnessed given that we hold inventory greater than, let's say, about 140, 150 days. So the impact of cost push would be more visible from the current quarter.

But as I said, with the cost push, we have also corrected the pricing. So, largely, we expect that even in the subsequent quarter, we should not have margin dilution on account of cost push.

Prerna Jhunjhunwala: I also wanted to understand the competitive intensity in the market, whether unorganised players not being able to handle this kind of cost push or labour unavailability, how have we benefited, if at all we have, from that phenomenon, especially in the lower price product? And has there been any major change in the contribution from those price point products?

Gunjan Shah: Okay. So that's 2 different questions, Prerna, that you have, right? One is that how are the price points behaving? The second one is on competitive intensity. The latter part -- latter question is easier to answer, right?

We did say even last quarter that there are some signs, and I think it was also an impact of some of the initiatives that the company has taken, but also I think the GST rationalisation, etc., about 3 quarters back, which has shown up in terms of the lower price points showing some resurgency.

However, we still see higher growth on the premium side of our products, right? So ASP has gone up, right? So I think while the drag has come down on lower price points, premium and premiumization will remain an agenda for us. The second piece on competitive intensity is the lower price point.

I think it's too early to comment on it. As Amit mentioned, I think this whole piece, just like us, many others have still not got the full brunt of the raw material price increase; therefore, the pressure on basically realised price from consumers, etc. So I think we'll have to wait and watch. We are also watching it closely, and we'll let you know later.

Prerna Jhunjhunwala: Okay. And the last question is about brand-wise performance. Could you please highlight how Hush Puppies, Power, and other brands have grown? And any change in sneakers contribution that you would like to highlight?

Gunjan Shah: Okay. So Hush Puppies obviously led the charge, along with Floatz, which continues to deliver extremely strong sequential and year-on-year growth rates. Surprisingly, even Bata grew well, right? So, against the trends that were there, it was led by the ladies category, which has done extremely well, backed by the campaign we ran with Taapsee Pannu, as well as the whole Everyday Essential range we launched. So I think these are the standout performers.

Sneakers: Power did well, but NorthStar was a drag. Some of it was also done consciously, as we are rationalising our current lines in NorthStar to come back with a much stronger collection that you will see coming through over the next couple of quarters.

Prerna Jhunjhunwala: And how should we see the revenue growth for the year for Bata as a company? Any guidance you can offer to help us understand the growth that can be achieved with the many efforts you've put in, whether it is brand ambassadors, ZBM, or others? So was it like...

Gunjan Shah: Okay. We don't give -- okay. Yes, yes. So Prerna, we don't give forward-looking guidance, right? So I'm not able to give what you're asking for. But we are reasonably optimistic. We -- in the short term, we did see some deferral of revenue last quarter due to the delay in the monsoon. And that we can obviously see coming through in July, etc., and early August.

But we -- I think the -- back of all these initiatives, etc., we do see -- we do remain reasonably optimistic going forward. We'll obviously have to wait and watch the impact of inflation and price increases that I think the whole market will have to undergo. So we'll have to wait and watch on that.

Moderator: Next question is from the line of Avinash Karumanchi from Motilal Oswal Financial Services.

Avinash Karumanchi: So I mean, I was not able to understand in between when you said like because of the RM prices, you have implemented the pricing strategy, right, taken a price hike in the market. Is that understanding correct?

Gunjan Shah: Yes. We have a process of...

Avinash Karumanchi: So how was the response to that? Okay. How was the response to that? It's been 1 or 2 months, right?

Amit Aggarwal: Some of the stocks are yet to hit the markets. As I mentioned, we hold between 140 and 150 days of inventory anyway. So by that time, the new price stock will start hitting the market at a large scale, that would be sometime towards, let's say, September. So still there is time.

Avinash Karumanchi: Okay. Okay. And the second thing is that, I mean, I can see the company implementing a lot of changes, even at the store level; I was able to notice those changes. Things are working out in the right direction for us. So if you say suppose I'm not looking from the guidance perspective, if you want to target a 10% kind of revenue growth for Bata, what are the 3 things that you need to set in place?

Gunjan Shah: Okay. So I mean, Avinash, the answer to that would be the presentation itself, right? I mean, there are 6 things or 5 things that I have put out really clearly, which are -- one is consumer-facing as well as enablement for consumer-facing, right? So how do we make sure that the retail experience goes up, and combined with accessibility, that is expansion, right? How do this whole piece of online as well as offline multi-brand penetration, which is e-commerce business as well as basically the entire multi-brand outlet business.

The biggest piece in this is going to be the product funnel reimagined, which is where I have mentioned now for almost 3 quarters. That work is aggressively on. And I think that piece has now started showing in the stores. Most probably, some of you will notice it as you visit. But you will see a lot more of it coming in, let's say, in the H2 of this year, as well as basically the H1 of next year.

So by March '27, you should see a significant change in the portfolio of products we are offering to consumers, right, with, as I mentioned, a significant amount of authority from Bata on design and comfort, backed by technology.

And last but not least, we will want to make sure that basically this whole work that has happened on ZBM as well as inventory declutter, etc., comes across to consumers in a certain manifested form. So I think a combination of these levers is showing early signs, and we are hopeful for impact going forward.

Avinash Karumanchi: Okay, sir. And coming to this ZBM question only. So if I look at it like full-price sales, I'm looking at data from 2 years past, and they have gone up by 5 percentage points, but gross margins haven't improved in a similar manner. Ideally, when your full-price sales move up even by 1% or 2%, that should actually be reflected in better gross margins. I'm speaking like 1Q FY25 data versus 1Q FY27?

Gunjan Shah: Okay. I don't know the data you are referring to, but at about 89%-90% at full-price sales, we would be at a significant high, and that is also showing up in our markdowns or discounting coming down. What does that impact, Avinash, on gross margin? Is it also the mix, right? Because, as I mentioned, if, let's say, a channel like franchise, etc., grows much faster, that does come at a lower gross margin.

While at an EBITDA level, it is obviously neutralised and it's much more accretive. But at a gross margin level, it is dilutive. So it's not apple-to-apple comparison that you might be looking at.

Amit Aggarwal: Just to add on what Gunjan mentioned for the current quarter, the channel mix dilution is close to 100 basis points. So if assuming the same channel mix would have been there, the gross margin percent would have seen an improvement of 230 basis points versus 130 basis points what you see. But ultimately, like Gunjan Shah mentioned, EBIT per pair what we look at as a benchmark, right? So that is where we are.

Gunjan Shah: Does that answer your question, Avinash?

Avinash Karumanchi: Yes, yes, yes. Then how should I see this gross margin going forward, say, suppose not for the quarter's perspective, but like, say suppose for full year and next year because of the improving inventory and inventory is actually getting decluttered, right?

Gunjan Shah: Yes. No, absolutely.

Avinash Karumanchi: So how should...

Gunjan Shah: So I think -- see, rather than giving a forecast, which we will not, but what I can tell you is the kind of lever and the impact that they might have, right? One is this whole piece about the product being reimagined, and therefore the ASP it will drive. They will be -- we want to basically push towards the premium side of the range, and that should have its own commensurate impact on gross margin.

The second piece that is there is this whole piece of -- if full price sales contribution keeps going up, right, from 89% right now, it was 86%, 87% last quarter. So that keeps going up, that has its commensurate impact on gross margin.

Last but not least, this might get mitigated a little by the channel mix, assuming the franchise channel will keep growing faster, and the e-commerce channel will keep growing faster, while the cost lines are very different from DOS. Therefore, that might have some kind of an attention impact. But I think the first 2 factors will drive gross margins for us going forward.

Avinash Karumanchi: Okay. And one last question, if I may squeeze in. So I was not able to comprehend this. You said that ZBM has included 775 stores, which contribute 80% of retail revenue. So I mean, are you trying to say like out of the 2,000 stores, this 30% of the stores they contribute 80% of the revenue? Should I read it in that way, or how should I read it?

Gunjan Shah: No, no. So out of the 2,000 EBO stores, I mean, ballpark, we've got about 750 franchise stores. We've got about 1,250 which are DOS stores, which are direct operating stores. Out of that 1,250, about 125 are Hush Puppies DOS stores and about 1,025 or whatever the balance number, 1,100 is the Bata COCO stores. In that Bata COCO, 80% of the revenue is covered by these 775 stores. Does that clearly answer the breakup?

Avinash Karumanchi: Yes, yes, yes. This is only for the COCO stores that you are referring to; the ZBM is applicable.

Gunjan Shah: This is a Pareto that is there. And we -- while I think we will make some more progress in the coming quarter, I think we are very close to saturation on that front, right? Obviously, there's a further project which is on Project Elevate, which is ZBM 2.0 that's we worked upon, which I'll share results in the next quarter.

Moderator: We have our next question from the line of Sameer Gupta from IIFL Capital.

Sameer Gupta: I joined a little late, so pardon me if the question is repetitive, and you can just point it out, I'll refer to the transcript. So firstly, our employee costs have been flat for over past 5 quarters. I'm just looking at the absolute amount here. Is this just a function of store rationalisation efforts and VRS in factories? A related question is how much is the COCO store network now? I believe you have not given that number in the presentation, but you did mention 1,250 as a response to earlier question?

Gunjan Shah: Sorry, can you just repeat the second question, Sameer?

Sameer Gupta: How much is the COCO store network, the Bata, the non-franchised retail network? Because we used to give this number separately in presentation, but now you haven't. But I believe you just said 1,250 to Avinash's question?

Gunjan Shah: Yes, yes, yes. So second question, much easier to answer, 1,250 COCO stores, I mean, ballpark. We can obviously share with you offline the accurate trend line. And about 750 franchise stores. So the total is at about 2,000 plus, right?

Sameer Gupta: 2,000.

Gunjan Shah: That's the second. Yes. And your first question on the employee cost. See, it's a combination of, I think, the comments that you made, not so much on stores. Store manpower has actually not changed much.

But the VRS did have an impact on employee cost, and that's one of the objectives in the business case for the VRS. The second piece that is also important and that I think the company has been going through that for the last almost 24 months. You can now see in the last 3, 4 quarters, the trend lines on it, which is basically a significant organisational restructuring that we did in terms of a productivity-driving agenda.

So one was rationalisation backed by implementation of a technology platform that we have implemented for the last 3, 4, 5 years, right? So the merchandising platform, for example, right, the Blue Yonder package was implemented about 2 years ago. Now that finally made us relook at where the manpower is allocated and where it can be reallocated.

The second piece is, let's say, the franchise channel, which has grown so fast that it needed more manpower to keep fueling the engine much faster. So there we got invested. But I think the net-net result of that plus the VRS has been obviously what you're seeing in terms of the employee cost.

Sameer Gupta: Second, I'm just referring to one of your slides, which is reimagining the product creation funnel. So lesser number of kits, lesser number of styles and colorways. While it does reduce complexity, just trying to understand what is the end goal here? Is it just to reduce the time taken from conceptualization to the shelf? Because at the end of the day, lesser variety can also impact store conversions, right?

Gunjan Shah: Yes, yes. No, absolutely. So there is the right balance. And I think we are not too far away. If you look at the chart, which is, I think, just preceding that, right? I will just want you -- no, sorry, not that. Where is the lines? Yes. Yes. The chart, which is on Slide number 9, right, which is reduced clutter at store which actually gives you index number of lines. So we are now at 68% of average lines per store compared to what we were 2 years back, right, as the graph shows. Are you with me on that?

Sameer Gupta: Yes, yes, I'm with you. 68%. Yes.

Gunjan Shah: So we are at 68% of that. Now the question is how bad was x, right? And therefore, how good is 68%. My sense is that this will settle somewhere around 60%. Obviously, for a larger store, it's more, for a smaller store, it's less, etc.

But an average of about 68x will come down to about 60x, and I think that would be the right balance. The other part of this is that what benefit that does is many things, right? One is that reducing the kits and the uppers brings us significant economies of scale. One is, not only in terms of cost, but more importantly, in terms of quality as well as experience delivery, right?

So if number of producing centers, the number of articles and molds that they have as well as the number of materials that they use, if you are able to decomplexify that, right, you will be able to demand and therefore, assure much better quality delivery to consumers.

Simultaneously, the other big benefit is that you are -- once you have lesser clutter in stores, and we have seen that now over obviously, the whole ZBM journey for almost 6 quarters, your stories and communications to consumers come out much better.

So whether it be the EasySlide campaign, now you're able to show the full collection its full splendor because the distraction from all the other lines has come down, or a Floatz campaign or something that we had on the Ballerinas, etc. So I think it's both the back end as well as the consumer front-end benefit.

Sameer Gupta: So I was just trying to understand how do you define clutter. So the other way to measure would be how our store conversions have tracked. And if there is no real impact on store conversion with the strategy, maybe then you are on the right track. But let's say there is because the other outcome is revenue growth, which clearly is telling us that there is some underperformance somewhere?

Gunjan Shah: Yes, yes. So it's a delicate balance, and we keep measuring for it. But as I said, my gut feel lies somewhere around we are very close to the right balance.

Sameer Gupta: Last question, if I may squeeze in. ZBM now 80% of the COCO retail revenue. Would you say here that this initiative in terms of picking the low-hanging fruits, we are almost at the end of the journey here or you think that there are multiple layers or levers, which can drive growth for future years as well?

Gunjan Shah: There are, and I -- while you did acknowledge that you joined late, but I just listed upon it, broadly following the presentation that I've been talking about. So -- and a couple of more which we are still in the works, so will be shared with you as we go along the journey, right? But the fact is that this entire piece on the product funnel is going to be a very large piece that you will see.

We have now started seeing a lot of -- some of it come through. A large part of this is, I think, will be manifested over the next couple of quarters. And you will see in the quarter of, let's say, somewhere around March -- Jan, March '27, a lot of that into the stores, coming packed by a certain authority from Bata from a design perspective as well as from a technology perspective and coming on the premium end of the range.

So we do see already some signs of it already coming through into the stores with some reasonably good success, so early signs of success on it. So that's going to be a very large lever, which will pan out in many ways. As I said, I think this whole piece on digital as well as franchise expansion has got many, many more legs. We right now have potential trade areas just for franchise, which are in excess of almost 600 right now. So there's a huge, how do you say, belly to fill on that front also.

Sameer Gupta: And when you say a large number of these premium products will hit in, let's say, fourth quarter of FY27, would it also imply that our marketing spends would have to go up in sync to leverage the whatever advantage you want to take out of these?

Gunjan Shah: Absolutely. And that's we have already started doing. As you can see over the last 3 quarters, our spends have been double-digit growth over last year. Last quarter was 25% more. And I don't see a reason why the next period that is coming ahead, I wouldn't say only the quarters, but even the next couple of years, you will see elevated marketing spends to back up this -- the product range that is coming.

Sameer Gupta: And I will just take this opportunity to wish you all the best, Gunjan, for the future endeavors.

Moderator: We have our next question from the line of Aryan Garodia from Ambit Capital.

Aryan Garodia: I hope I'm audible. My first...

Moderator: Yes, we can hear you, Aryan.

Aryan Garodia: My first question is with respect to the franchisee store now reaching 750 count. Could you share the competitive store economics, specifically like the SSG and the revenue per square feet between the COCO stores and the franchisee stores?

Gunjan Shah: Okay. I don't have answers immediately on the revenue per square foot, but I'm sure we can share that with you. But the like-for-like growth rates have been good. So the way we measure it actually is the partner attractiveness on this, Aryan, right? So what we look at is basically if the partner sees growth, because the partner sees only like-for-like growth.

We see both like-for-like as well as expansion growth, right? He will not expand with us further. And now we have more and more partners who are expanding with multiple stores with us. Now -- so it does come with like-for-like growth.

We are, I would say, basically in the range of ballpark about close to high single digits like-for-like growth for an extended period of time for the last, let's say, 4 quarters. So I would say that's where that stands. That reflects in revenue per square foot, but I don't have a number handy right now. Does that answer your question?

Aryan Garodia: Yes, sir. And sir, any -- like the store economics, what is the margin the franchisee partner is making something -- some color on that?

Gunjan Shah: Yes. Broadly, a franchise partner gets in the range of about 18% to 24% ROI. Some are smarter and more efficient, so it gets a little better if they get a good deal in terms of the real estate piece. But 18% to 24% is almost like an underlying floor for a successful partner.

Aryan Garodia: Sir, my second question is with respect to gross margin expansion of 130 bps in 1Q FY27. Could you break down how much was driven by your ongoing vendor consolidation program versus the product mix premiumization? Additionally, as like you approach your target of 15 core manufacturing partners, how much additional margin expansion do you expect from supply chain efficiencies going ahead?

Gunjan Shah: I will request Amit to respond to it.

Amit Aggarwal: So broadly, it will be very difficult to put a number given the sensitivity. But as you rightly said, for the current quarter, one of the largest lever of the margin expansion is the quality of inventory what we are holding on. Like Gunjan mentioned in the previous -- previously also, our share of fresh sales, right, that has gone significantly up, so which has resulted in a significant lower markdown which we are running in -- running.

Although gross margin got diluted because of the channel mix, otherwise, we should have seen an uplift of about 230 bps, 240 bps versus the 130 bps what you see right now. In terms of efforts on consolidation, I think right now, we are still away from the road map what we have, right? And it will take some time. But yes, typically, we have witnessed over a longer period of time, we should have got a delta savings from consolidation at an overall level of about 0.2% to 0.3% at a year-on-year basis, right?

Last question in terms of premiumization and all, that is something which we keep doing. So again, the intent is always to expand the margin, right? Does it answer or anything specific further you want to needed.

Aryan Garodia: Like going ahead, as you said, so as of now, there are how many contract manufacturer associated and -- some color on that.

Gunjan Shah: Okay. See, basically -- yes, yes, yes. So let me give you a little more slightly more longer-term perspective. So let's say, about 2.5, 3 years back, we had almost 100 plus, I think, 120 partners, right? Now we are down to below 70, I think close to 60 or so. We should foresee as we had shared that we should have 15 core as well as a satellite set of another 15, so about 30 broadly in the next about 5-year journey -- 3 years to 5 years journey.

Now ideally, over this period of time, this is not the only rationalization. As I've also talked -- responded to another person earlier, we are also rationalizing the kits and the molds and the uppers and the materials getting used. That has its own economies of scale impact. So all this clocked together over this journey period, right, which is spanning across multiple years, should give us about 200 basis points thereabouts.

Aryan Garodia: And sir, last question is more like a bookkeeping question. Like earlier participants have also asked like when the top line has grew by 3, 4-odd percentage, advertisement spend has increased by 25 percentage. So given this pull-through investment to marketing campaign, what is the expected time line for this expenditure to translate into kind -- double-digit kind of a top line growth? And how should we model the advertisement and promotional expense as a percentage of sales going ahead?

Gunjan Shah: As early as possible is our expectation.

Aryan Garodia: Okay. Like how should we model the A&P expense as a percentage of sales?

Amit Aggarwal: Right now, you can look at whatever is the current trend line, which would be about between 3%, 3.5% versus about 2.5% a year back. It's not that we want to immediately shift to 7%, 8%, but you can always like look at from 3.5% -- 3%, 3.5% kind of number.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Nitin Bagaria: Thank you, everyone, for joining. Lovely interacting with you all. Thanks. Thanks, Ambit, guys.

Moderator: Thank you. On behalf of Ambit Capital Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.