



# EQUITY STRATEGISTS™

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## STOCKWATCH

**LOW RISK / HIGH RETURN**

**HOLDING PERIOD – ONE MONTH PLUS**

### **BATA INDIA**

Present Price – Rs.495.05

Projected Price – Rs.525/560

Bata India is the largest retailer and leading manufacturer of footwear in India and is a part of the Bata Shoe Organization. The company manufactures footwear for men, women and children. It commands around 35 percent of market share in India. Around 98 percent revenue comes from domestic operation. It owns 1300 stores spread across 400 cities in India. Currently the company owns brands like Hush Puppies, Dr Scholls, Weinbrenner, North Star, Power, Marie Claire, Bubblegummers, Ambassador, Comfit and Wind India

Bata with its instant brand recall value and strong position in the footwear market will be amongst the retail companies that will show growth in the current economic scenario. Over the past five years, Bata India has completely repositioned its stores by opening large format stores, renovating all its stores and closing down small & unviable stores. The Bata chain of stores is now completely revamped and ready.

Bata has been holding a unique place in the hearts of Indians for more than 75 years. Probably the only footwear brand that offers footwear and accessories for the entire family and is the most trusted name in branded footwear.

Indian domestic leather goods market is estimated to be worth Rs 16,300 crore and is expected to grow at a CAGR of 20%. Domestic footwear market is estimated to be over Rs 15,000 crore in value terms and has grown at the rate of 8.8% over the last couple of years. Indian Footwear Market is projected to reach INR20000 crore by 2015. Men's footwear accounts for almost half of the total market, with women's shoes constituting 40 percent and kids footwear making up for the remainder. The domestic market is substantially price driven, with branded footwear constituting less than 42 percent of the total market size.

We expect the company to report EPS of over Rs.22 in FY11. Buying is advised for medium term investment.

**LONG TERM INVESTORS WITH A HOLDING PERIOD OF 12 MONTHS PLUS CAN EXPECT HIGHER RETURNS.**

**Note: In case of any problem in receiving NEWSLETTER, kindly contact Mr Devesh Chauhan at 9350171231**

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