

Trent

BSE SENSEX 81,445
S&P CNX 24,812

TRENT

Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USDb)	2038.7 / 23.6
52-Week Range (INR)	8346 / 4488
1,6,12 Rel. Per (%)	4/-22/2
12M Avg Val (INR M)	6746

Financials & Valuations (INR b)

INR b	FY25	FY26E	FY27E
Sales	171.3	219.4	265.0
EBITDA	27.5	35.6	43.0
NP	15.3	19.7	24.3
EBITDA Margin (%)	16.0	16.2	16.2
Adj. EPS (INR)	43.2	55.5	68.3
EPS Gr. (%)	47.7	28.5	23.2
BV/Sh. (INR)	164.4	223.7	296.7

Ratios

Net D:E	0.1	0.1	-0.1
RoE (%)	32.2	30.6	28.1
RoCE (%)	22.9	21.7	19.6
Payout (%)	0.0	0.0	0.0

Valuations

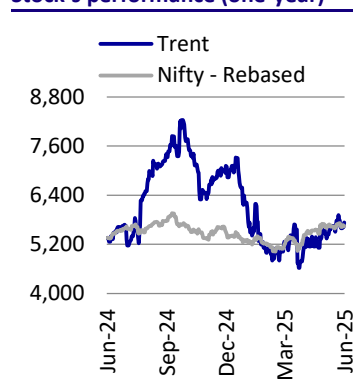
P/E (x)	132.7	103.3	83.9
EV/EBITDA (x)	74.2	57.3	47.2
EV/Sales (x)	12.0	9.4	7.7
Div . Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	37.0	37.0	37.0
DII	17.2	15.3	13.9
FII	19.7	21.7	26.8
Others	26.1	26.0	22.3

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR5,735 **TP: INR6,900 (+20%)** **Buy**

Aspires to grow 25%+ through higher revenue share

Despite robust growth over the past few years (6.5x revenue growth over FY19-25), management indicated that Trent's share in India's fashion and lifestyle retail industry remains in low-single digits. The company believes there is still a long runway for growth and aims to grow at 25%+ annually over the longer term through a multi-brand, cluster-based approach to increase its market share in key micro-markets. Management is cognizant of the impact on return metrics of their cluster focus approach, but believes there is enough headroom to drive operating leverage in the business. The company remains bullish on the growth opportunity in the Star format, but will continue to grow sensibly while focusing on the right economics and improving its differentiation through a rising share of non-third-party brands (73% currently). We continue to like Trent for its superlative execution and long growth runway. Reiterate BUY with an unchanged TP of INR6,900.

Long runway for growth for Trent's portfolio of brands

- The Indian retail industry is likely to reach USD2.2t by 2034 (vs. USD1t in 2025), driven by young aspirational population, rising urbanization and digital proliferation. Within retail, the fashion and lifestyle market is poised to record a higher 10-12% CAGR to reach INR18t by 2028. Despite robust growth (6.5x revenue growth over FY19-25), Trent's share remains in low-single digits.
- Management is focused on increasing its revenue market share in key micro-markets through a portfolio of multiple brands, forays into newer categories and a cluster-based approach (vs. focusing solely on SSSG).
- Trent aspires to grow 25%+ annually over the long term (in line with our revenue CAGR over FY25-27E) through its differentiated proposition to drive repeat purchases from a critical mass of consumers while staying relevant to the evolving consumer needs.
- Further, management indicated that there is enough headroom to drive operating leverage in the business through continued process improvements to offset any impact of the dilution in return metrics from the cluster-based growth approach.

Remains bullish on growth prospects for Star

- Star delivered ~25% revenue growth in FY25, driven by a net addition of 12 stores (+18% YoY) and robust LFL. Management acknowledges the challenges in running a food and grocery retail chain at scale. However, it remains bullish on the large opportunity for its Star business (current footprint of just 78 stores in 10 cities).
- The company aims to grow sensibly with the right economics while focusing on improving its differentiation through a continuous increase in the share of non-third-party brands to 80-85% (vs. 73% currently).

Aditya Bansal - Research Analyst (Aditya.Bansal@MotilalOswal.com)

Research Analyst: Avinash Karumanchi (Avinash.Karumanchi@MotilalOswal.com) | **Siddhesh Chaudhari** (Siddhesh.Chaudhari@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Scaling up the emerging categories

- The share of emerging categories has now inched up to ~20%, driven by robust volume growth in categories such as beauty (65% YoY to 81m units), innerwear (47% YoY to 50m units) and footwear (42% YoY to 27m units, even higher than Metro and Campus).
- The company is looking to ramp up its presence in the beauty segment through Zudio Beauty and has also recently launched its range of lab-grown diamonds under the brand “Pome”.

Valuation and view

- Trent’s growth rate has moderated in the last few quarters, though still robust, amid a weak discretionary demand environment.
- Back-ended strong store additions in Zudio should aid growth in FY26. However, recovery in SSSG across fashion and Star formats would be a key near-term monitorable.
- We continue to like Trent for its robust footprint additions, strong double-digit growth, long runway for growth in Star (presence in just 10 cities) and potential scale-up of new categories (beauty, and lab-grown diamonds).
- Our FY26-27 estimates are unchanged. We build in FY25-27E CAGR of ~25-26% in standalone revenue/EBITDA/PAT, driven by the continuation of robust area additions in Zudio.
- We assign 55x Mar’27E EV/EBITDA to the standalone business (Westside and Zudio; a premium over our Retail Universe, given TRENT’s superlative growth), 2.5x FY27E EV/sales to Star JV, and ~7x EV/EBITDA to Zara JV to arrive at our unchanged **TP of INR6,900**. Adjusting the value of Star and Zara, the stock is trading at 77x FY27E PE for the standalone business (vs. ~90x LT average 1-year forward PE). We **reiterate our BUY rating**.

Exhibit 1: Valuation based on SoTP as of Mar’27E

Particulars (INR b)	Financial metric	Multiple	EBITDA/Sales	Value	Per share
Westside and Zudio	EBITDA	55	43.1	2,370	6,666
Star	Sales	3	27.8	69	195
Zara	EBITDA	7	2.7	18	49
Total Enterprise Value				2457	
Net Debt				4	
Equity Value				2,453	
Shares (m)				356	
Target Price (INR)				6,900	
CMP				5,728	
Upside				20%	

Source: MOFSL, Company

Detailed notes

- **Retail industry trends and outlook:** FY25 was a relatively challenging year for retail in India as discretionary spends were impacted by multiple headwinds, including inflation. However, India's economy remains resilient, as a young population, rising urbanization and digital proliferation should drive consumption, with the retail sector poised to grow to USD2.2t by 2034 (vs. ~USD1t in 2025).
- Fashion and lifestyle market is poised to see a 10-12% CAGR to INR18t by 2028, with channel diversity, including omnichannel retailing gaining traction.
- Within food and grocery retail, the market opportunity for organized trade continues to expand, with premiumization emerging as a key theme, as consumers are willing to pay for convenience, quality and wellness.
- **Portfolio of brands:** Trent's model is centered around creating a portfolio of brands, with a focus on providing a differentiated proposition to stay relevant for the evolving needs of consumers. The company focuses on the direct-to-customer channel in order to drive repeat purchases from a critical mass of consumers rather than occasional purchases. Trent's portfolio of brands offers differentiated customer experience at the front while staying integrated in terms of supply chain, warehousing, tech stack, etc. at the back.
- **Growth strategy:** Management believes, despite robust growth over past few years, Trent's market share in the overall fashion and lifestyle market is in single digits. The company is targeting a higher market share from micro-markets through multiple brands and a cluster-based store expansion, rather than focusing solely on SSSG. Management aspires to grow 25%+ annually over a period of time.
- **Margin profile:** Management is cognizant of the impact of following the cluster-based growth approach on return metrics; however, it believes there is enough headroom to drive operating leverage in the business through continuous process improvements.
- **Factors for store expansion:** The key factors that the company evaluates for store expansion are: 1) location, 2) building scheme and 3) store economics, which is also a factor of density in any micro market. Management indicated that given Trent's sales density, Trent is able to sign leases on relatively more favorable terms.
- **Star:** Management acknowledges the challenges in running a food and grocery retail chain at scale. Trent remains bullish on the opportunity with Star concept, but will grow sensibly with the right economics. The company is currently focused on improving its differentiation through a continuous increase in the share of non-third-party brands to 80-85% (currently at 73%).
- **Online strategy:** The share of online purchases inched up to 6% (vs. 5% YoY) for Westside. Management indicated that they are happy with the performance of the online channel in Westside, given the full-price sale-through. However, they are not looking at online as a channel for Zudio.
- **Emerging categories:** The share of emerging categories has now inched up to ~20%, driven by robust volume growth in categories such as beauty (65% YoY,

149% CAGR over FY21-25), innerwear (47% YoY, 92% CAGR over FY21-25) and footwear (42% YoY, 73% CAGR over FY21-25).

- **International foray:** The company is getting good early response in Zudio's international foray and not just from the Indian diaspora. While the company will remain anchored in India, it could also look to launch Westside in global markets at some point.
- **Pricing:** The company typically refrains from taking price hikes for the same product. However, a change in the product mix is a driver for higher ASPs.

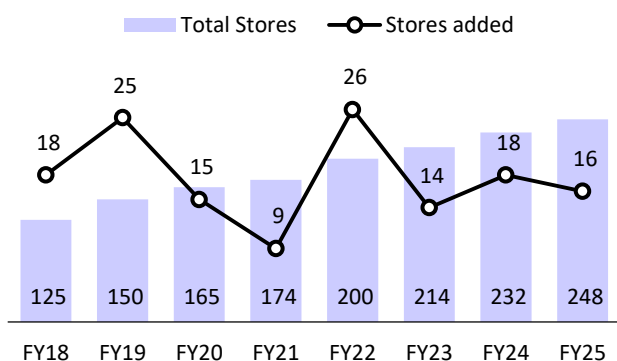
Exhibit 2: Trent key operating and financial metric trends and forecasts

	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Westside stores	165	174	200	214	232	248	265	280
Net adds	15	9	26	14	18	16	17	15
Zudio stores	80	133	233	352	545	765	980	1200
Net adds	40	53	100	119	193	220	215	220
Retail area (m sq ft)	3.3	3.8	5.0	6.4	9.6	13.4	16.4	19.6
Revenue (INR m)	34,860	25,930	44,980	82,420	1,23,751	1,71,346	2,19,394	2,64,968
YoY (%)		-25.6	73.5	83.2	50.1	38.5	28.0	20.8
Rev/sqft		7,302	10,201	14,520	15,526	14,927	14,729	14,694
YoY (%)			39.7	42.3	6.9	-3.9	-1.3	-0.2
Gross margin (%)	46.0	40.8	44.8	42.7	43.8	43.5	43.4	43.3
EBITDA (INR m)	5,440	1,719	5,739	10,737	19,221	27,498	35,603	42,976
EBITDA margin (%)	15.6	6.6	12.8	13.0	15.5	16.0	16.2	16.2
Op. EBIT margin	7.17%	-0.11%	7.79%	6.92%	9.90%	11.10%	-	-
PAT (INR m)	1,060	-1,803	422	3,957	10,387	15,345	19,714	24,278
EPS	3.0	-5.1	1.2	11.1	29.2	43.2	55.5	68.3

Source: MOFSL, Company

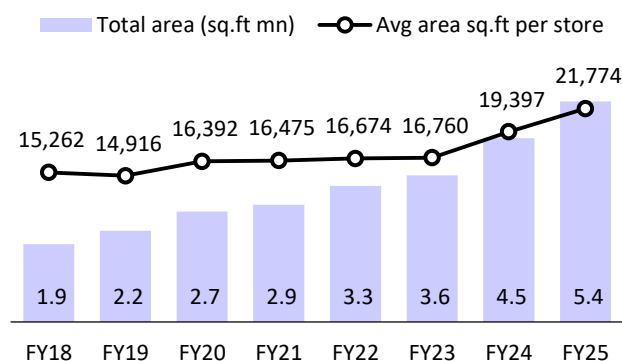
Story in charts

Exhibit 3: Added 16 net stores in Westside during FY25



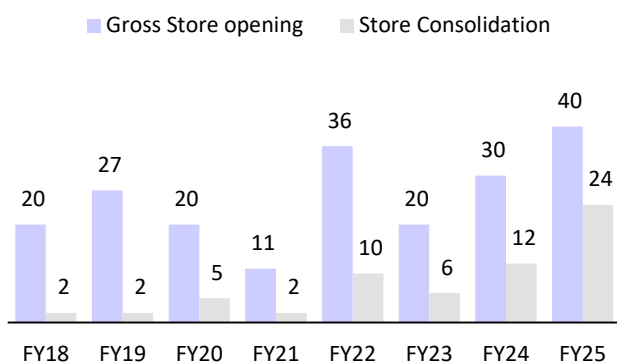
Source: MOFSL, Company

Exhibit 4: Westside retail area growth higher with emphasis on opening larger stores



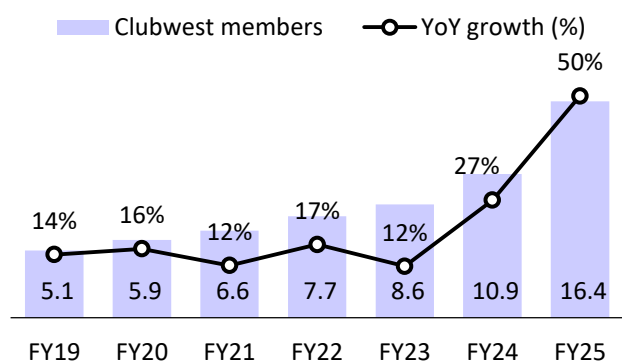
Source: MOFSL, Company

Exhibit 5: Gross store additions healthy, but net additions impacted by higher store consolidation



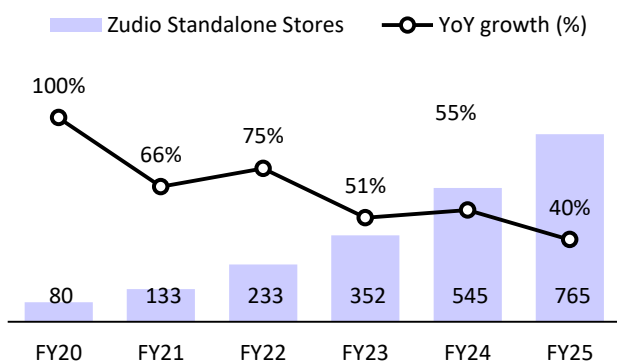
Source: MOFSL, Company

Exhibit 6: ClubWest members now account for 90% of revenue



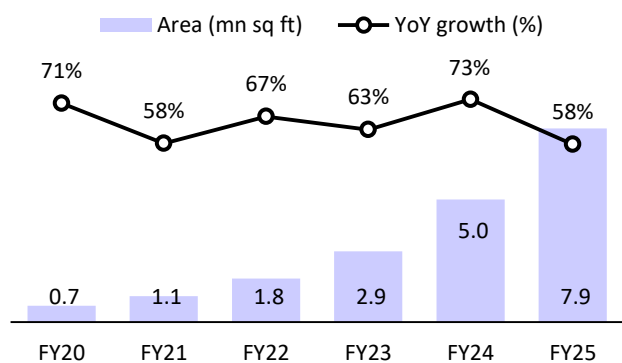
Source: MOFSL, Company

Exhibit 7: Added 220 net stores in Zudio during FY25

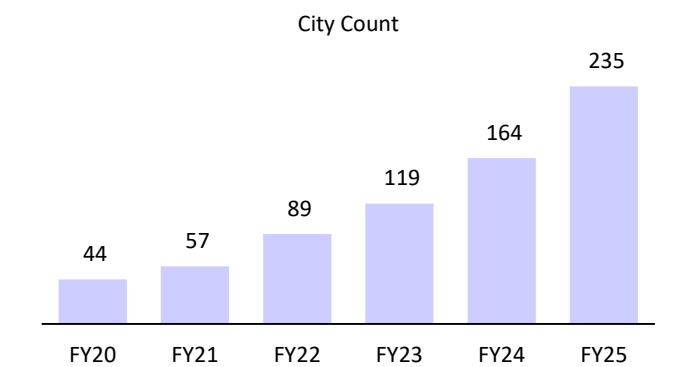


Source: MOFSL, Company

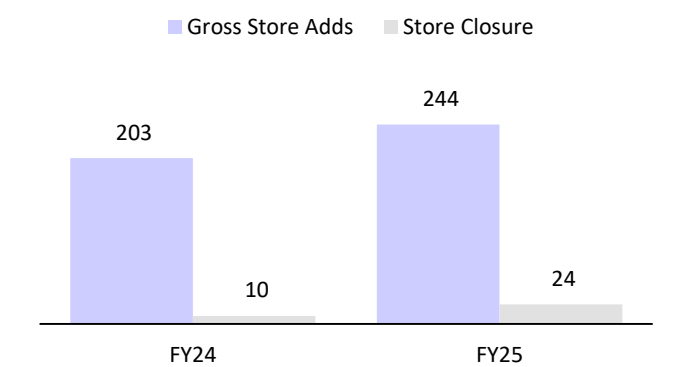
Exhibit 8: Area addition even higher implying opening up of larger stores



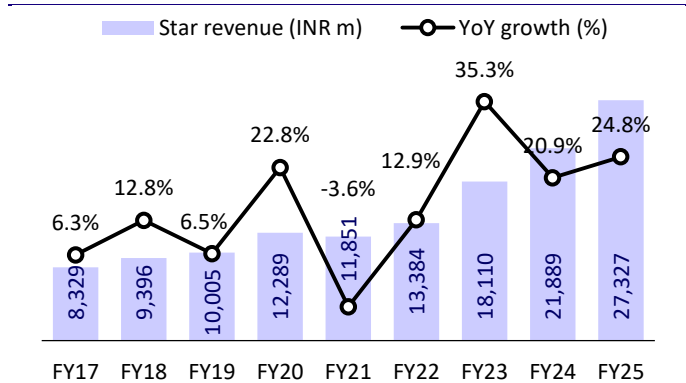
Source: MOFSL, Company

Exhibit 9: Entering newer cities and deepening presence of Zudio in existing cities

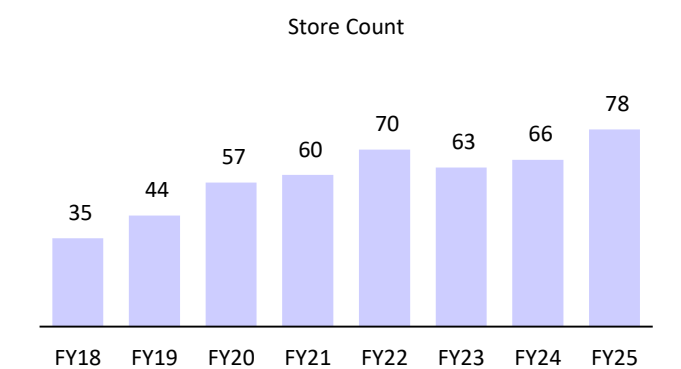
Source: MOFSL, Company

Exhibit 10: Net store adds remained robust in Zudio

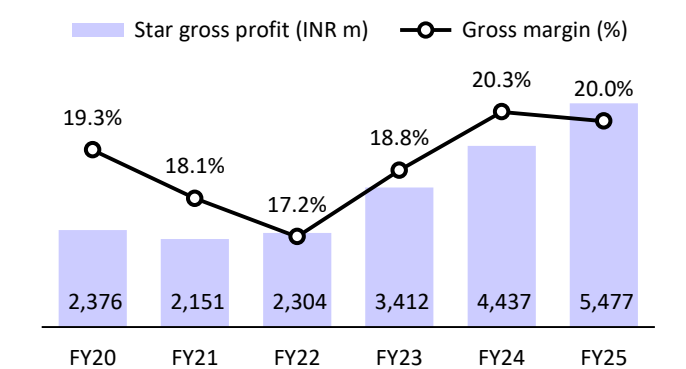
Source: MOFSL, Company

Exhibit 11: Star reported 25% YoY revenue growth

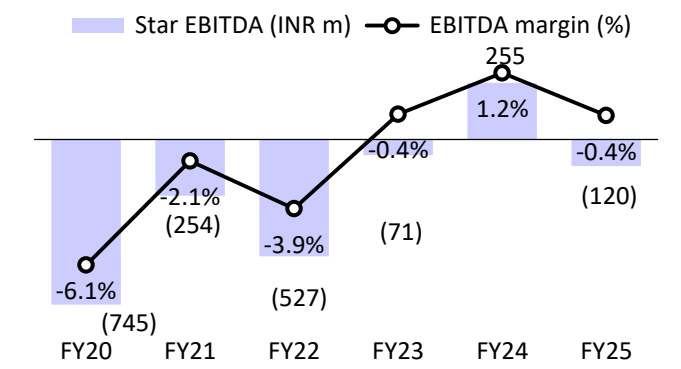
Source: MOFSL, Company

Exhibit 12: Added net 12 Star stores during FY25

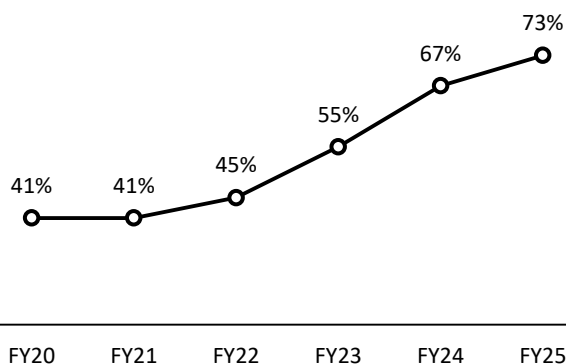
Source: MOFSL, Company

Exhibit 13: Gross margin saw modest decline in FY25...

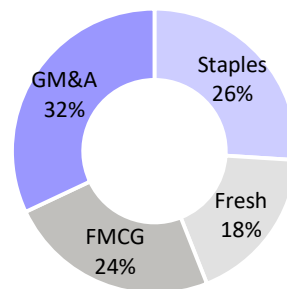
Source: MOFSL, Company

Exhibit 14: ...while it again slipped into operating losses

Source: MOFSL, Company

Exhibit 15: The share of own brand in Star reached 73% in FY25

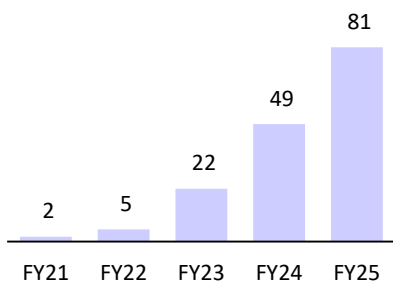
Source: MOFSL, Company

Exhibit 16: Split of revenue for Star across categories in FY25

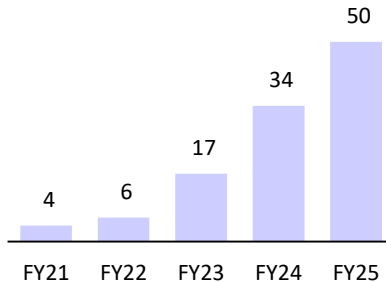
Source: MOFSL, Company

Exhibit 17: Emerging categories now account for ~20% of revenue with sharp increase in volume**Beauty**

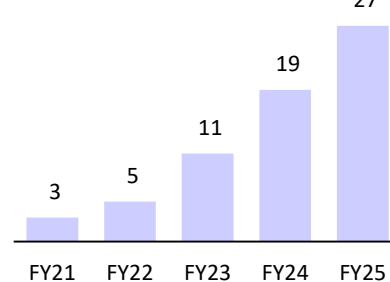
units sold (in m)

**Innerwear**

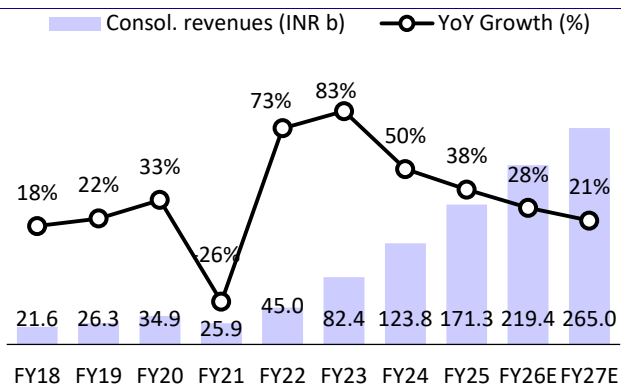
units sold (in m)

**Footwear**

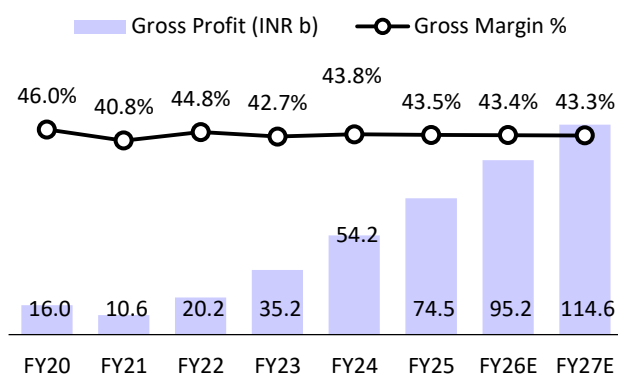
units sold (in m)



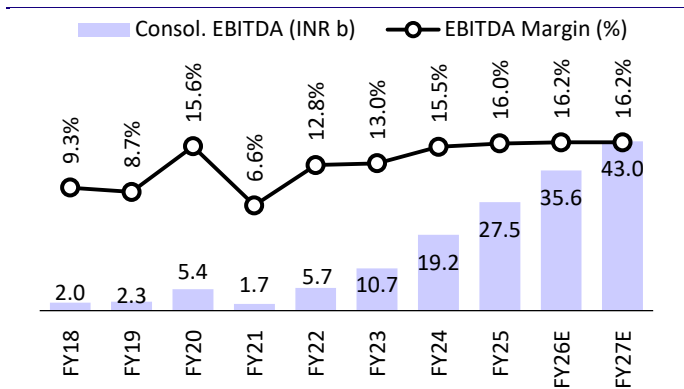
Source: MOFSL, Company

Exhibit 18: Consolidated revenue to clock healthy 24% CAGR over FY25-27E

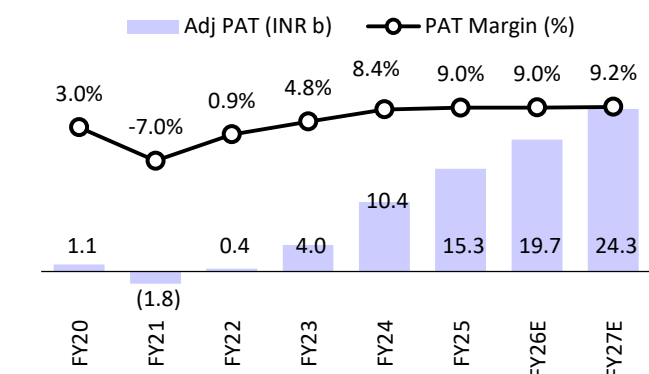
Source: MOFSL, Company

Exhibit 19: Gross Margin is expected to remain flat over FY25-27E

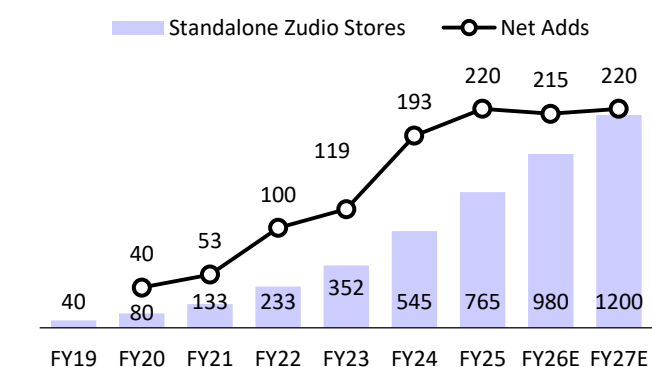
Source: MOFSL, Company

Exhibit 20: Consolidated EBITDA to record healthy 25% CAGR over FY25-27E

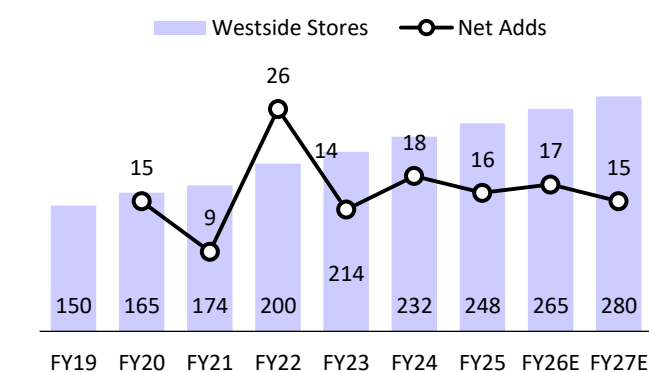
Source: MOFSL, Company

Exhibit 21: Consol Adj. PAT to post 26% CAGR over FY25-27E

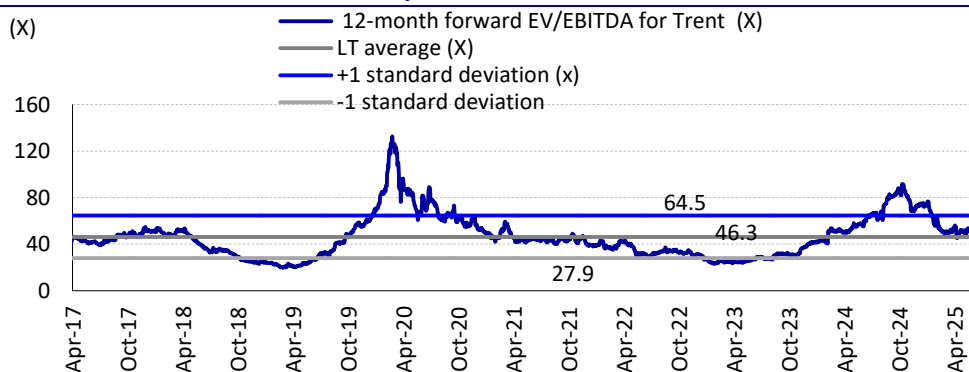
Source: MOFSL, Company

Exhibit 22: Zudio store count to reach 1,200 by FY27E

Source: MOFSL, Company

Exhibit 23: Westside store count to reach 280 by FY27E

Source: MOFSL, Company

Exhibit 24: Trent trades at ~54x one-year forward EV/EBITDA

Financials and valuations – standalone

Standalone - Income Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	31,777	20,475	38,807	77,152	1,19,266	166,681	214,495	259,824
Change (%)	25.5	-35.6	89.5	98.8	54.6	39.8	28.7	21.1
Raw Materials	16,037	10,296	19,009	42,156	65,407	92,616	119,720	145,669
Employees Cost	3,131	2,550	3,379	5,801	9,379	12,009	15,765	19,097
Other Expenses	4,950	5,591	10,084	18,003	25,210	34,517	43,328	51,965
Total Expenditure	26,145	18,437	32,472	65,959	99,996	139,141	178,813	216,731
% of Sales	82.3	90.0	83.7	85.5	83.8	83.5	83.4	83.4
EBITDA	5,632	2,038	6,335	11,193	19,269	27,540	35,682	43,093
Margin (%)	17.7	10.0	16.3	14.5	16.2	16.5	16.6	16.6
Depreciation	2,311	2,359	2,831	4,632	6,385	8,699	10,805	11,605
EBIT	3,321	-321	3,505	6,560	12,884	18,841	24,877	31,488
Int. and Finance Charges	2,383	2,380	2,933	3,572	3,094	1,369	1,734	2,126
Other Income	1,518	2,042	2,790	4,117	3,509	3,294	3,788	4,356
PBT bef. EO Exp.	2,456	-658	3,362	7,105	13,300	20,766	26,931	33,718
EO Items	0	-63	-132	0	5,434	0	0	0
PBT after EO Exp.	2,456	-721	3,230	7,105	18,733	20,766	26,931	33,718
Total Tax	909	-211	734	1,559	4,375	4,918	6,778	8,487
Tax Rate (%)	37.0	29.3	22.7	21.9	23.4	23.7	25.2	25.2
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	1,546	-510	2,496	5,546	14,358	15,848	20,152	25,231
Adjusted PAT	1,546	-465	2,598	5,546	10,292	15,848	20,152	25,231
Change (%)	20.9	-130.1	-658.4	113.5	85.6	54.0	27.2	25.2
Margin (%)	4.9	-2.3	6.7	7.2	8.6	9.5	9.4	9.7

Standalone - Balance Sheet

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	355	355	356	356	356	356	356	356
Total Reserves	24,627	24,803	26,845	30,444	44,116	58,789	78,941	104,172
Net Worth	24,983	25,159	27,200	30,799	44,472	59,144	79,296	104,527
Total Loans	24,468	28,612	45,893	43,186	17,383	22,059	27,490	33,255
Lease Liability	21,471	25,612	40,835	38,206	12,398	17,067	22,498	28,263
Deferred Tax Liabilities	-1,070	-1,080	-1,225	-1,540	-553	-458	-458	-458
Capital Employed	48,382	52,690	71,868	72,445	61,302	80,746	106,330	137,324
Net Fixed Assets	26,175	29,232	45,083	43,659	24,002	36,610	37,959	39,208
Right to use assets	19,041	22,265	37,336	34,346	12,021	16,964	19,017	22,098
Capital WIP	231	340	448	415	1,614	1,179	1,179	1,179
Total Investments	16,068	17,292	17,239	16,483	19,022	21,353	21,356	21,356
Curr. Assets, Loans&Adv.	10,399	9,126	14,126	21,114	29,390	37,389	68,814	102,907
Inventory	5,865	3,946	8,225	13,369	15,648	20,284	29,383	35,592
Account Receivables	133	206	163	314	786	596	1,175	1,424
Cash and Bank Balance	441	669	744	789	2,862	3,229	21,323	46,971
Loans and Advances	3,960	4,306	4,994	6,642	10,094	13,280	16,933	18,920
Curr. Liability & Prov.	4,492	3,301	5,028	9,226	12,726	15,785	22,979	27,326
Account Payables	2,565	2,196	3,142	6,437	7,523	9,299	14,691	17,796
Other Current Liabilities	1,710	938	1,572	2,121	3,480	4,635	6,437	7,678
Provisions	218	167	314	669	1,723	1,851	1,851	1,851
Net Current Assets	5,907	5,826	9,098	11,888	16,664	21,603	45,835	75,582
Appl. of Funds	48,381	52,690	71,868	72,445	61,302	80,746	106,330	137,324

Financials and valuations – standalone

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	4.3	-1.3	7.3	15.6	29.0	44.6	56.7	71.0
Cash EPS	11.6	5.7	16.3	30.6	50.2	73.9	93.2	110.8
BV/Share	75.2	75.7	81.9	92.7	133.8	178.0	238.6	314.5
DPS	1.0	0.0	1.7	2.2	3.2	0.0	0.0	0.0
Payout (%)	23.0	0.0	24.2	14.1	7.9	0.0	0.0	0.0
Valuation (x)								
P/E	1,316.9	-4,376.1	783.7	367.2	197.8	128.5	101.0	80.7
Cash P/E	493.5	1,005.3	350.6	187.0	114.1	77.5	61.5	51.7
P/BV	76.2	75.7	70.0	61.8	42.8	32.2	24.0	18.2
EV/Sales	64.8	100.8	53.6	26.9	17.2	12.3	9.5	7.8
EV/EBITDA	365.8	1,012.8	328.5	185.7	106.4	74.6	57.2	46.9
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
FCF per share	7.4	8.7	-1.4	12.6	27.2	23.9	45.1	65.9
Return Ratios (%)								
RoE	7.4	-1.9	9.9	19.1	27.3	30.6	29.1	27.5
RoCE	8.7	2.4	7.7	11.3	18.5	23.6	22.8	21.9
RoIC	10.0	-0.7	6.2	9.5	21.1	30.7	31.8	36.2
Working Capital Ratios								
Fixed Asset Turnover (x)	3.2	2.1	3.5	5.7	NA	NA	NA	NA
Asset Turnover (x)	0.7	0.4	0.5	1.1	1.9	2.1	2.0	1.9
Inventory (Days)	67	70	77	63	48	44	50	50
Debtor (Days)	2	4	2	1	2	1	2	2
Creditor (Days)	29	39	30	30	23	20	25	25
Leverage Ratio (x)								
Current Ratio	2.3	2.8	2.8	2.3	2.3	2.4	3.0	3.8
Interest Cover Ratio	1.4	-0.1	1.2	1.8	4.2	13.8	14.3	14.8
Net Debt/Equity	0.3	0.4	1.0	0.8	-0.1	0.0	-0.2	-0.3

Standalone - Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	2,454	-658	3,362	7,105	13,300	20,766	26,931	33,718
Depreciation	2,311	2,359	2,831	4,639	6,392	8,706	10,805	11,605
Interest & Finance Charges	2,058	2,084	2,725	3,411	2,913	1,063	1,734	2,126
Direct Taxes Paid	-807	-1	-782	-1,869	-2,942	-4,915	-6,778	-8,487
(Inc)/Dec in WC	-1,112	1,131	-4,020	-2,707	-2,725	-5,579	-6,138	-4,098
CF from Operations	4,905	4,915	4,116	10,579	16,938	20,041	26,554	34,864
Others	-1,220	-782	-2,624	-3,951	-3,455	-3,359	-3,788	-4,356
CF from Operating incl EO	3,685	4,133	1,492	6,628	13,484	16,683	22,766	30,508
(Inc)/Dec in FA	-1,050	-1,031	-1,979	-2,144	-3,819	-8,177	-6,726	-7,090
Free Cash Flow	2,635	3,102	-487	4,485	9,665	8,506	16,041	23,418
(Pur)/Sale of Investments	-5,870	1,195	2,317	57	-926	0	0	0
Others	-650	-557	-397	657	-241	25	3,788	4,356
CF from Investments	-7,570	-393	-59	-1,430	-4,985	-8,152	-2,938	-2,734
Issue of Shares	9,498	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-2,725	0	1,969	-1,202	-2,566	-5,259	0	0
Interest Paid	-2,437	-2,376	-2,350	-3,557	-3,076	-1,335	-1,734	-2,126
Dividend Paid	-520	-355	-426	-394	-783	-1,136	0	0
Others	0	-780	-552	0	0	0	0	0
CF from Fin. Activity	3,816	-3,512	-1,359	-5,153	-6,425	-7,730	-1,734	-2,126
Inc/Dec of Cash	-69	229	74	45	2,074	801	18,094	25,648
Opening Balance	509	441	669	744	789	2,849	3,229	21,323
Closing Balance	441	669	744	789	2,862	3,651	21,323	46,971

Financials and valuations – consolidated

Consolidated - Income Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	34,860	25,930	44,980	82,420	123,751	171,346	219,394	264,968
Change (%)	32.5	-25.6	73.5	83.2	50.1	38.5	28.0	20.8
Raw Materials	18,818	15,340	24,815	47,197	69,589	96,891	124,201	150,350
Employees Cost	3,585	3,019	3,990	6,552	10,366	13,084	16,947	20,397
Other Expenses	5,083	5,852	10,437	17,934	24,575	33,874	42,642	51,245
Total Expenditure	29,420	24,211	39,241	71,684	104,530	143,849	183,791	221,992
% of Sales	84.4	93.4	87.2	87.0	84.5	84.0	83.8	83.8
EBITDA	5,440	1,719	5,739	10,737	19,221	27,498	35,603	42,976
Margin (%)	15.6	6.6	12.8	13.0	15.5	16.0	16.2	16.2
Depreciation	2,472	2,573	3,108	4,937	6,711	8,952	11,113	12,804
EBIT	2,967	-854	2,631	5,800	12,510	18,546	24,490	30,172
Int. and Finance Charges	2,458	2,487	3,047	3,692	3,191	1,386	2,031	2,936
Other Income	1,445	2,016	1,752	2,609	2,893	2,274	2,615	3,007
PBT bef. EO Exp.	1,954	-1,325	1,335	4,717	12,212	19,433	25,073	30,242
EO Items	0	-10	-274	-30	5,761	0	0	0
PBT after EO Exp.	1,954	-1,335	1,061	4,687	17,973	19,433	25,073	30,242
Total Tax	590	-237	766	1,584	4,434	4,953	6,311	7,612
Tax Rate (%)	30.2	17.8	72.2	33.8	24.7	25.5	25.2	25.2
MI/(Profit)/Loss from Assoc.	304	714	-51	-835	-1,236	-865	-952	-1,028
Reported PAT	1,060	-1,811	346	3,937	14,775	15,345	19,714	23,658
Adjusted PAT	1,060	-1,803	422	3,957	10,387	15,345	19,714	23,658
Change (%)	9.2	-270.1	-123.4	837.0	162.5	47.7	28.5	20.0
Margin (%)	3.0	-7.0	0.9	4.8	8.4	9.0	9.0	8.9

Consolidated - Balance Sheet

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	355	355	355	356	356	356	356	356
Total Reserves	23,525	22,775	23,285	25,599	40,322	54,262	73,976	97,634
Net Worth	23,880	23,130	23,640	25,955	40,677	54,617	74,331	97,989
Minority Interest	803	445	459	675	349	1,216	1,216	1,216
Total Loans	25,260	26,686	47,338	44,722	17,583	22,837	35,199	48,699
Lease Liabilities	23,188	26,637	42,280	39,662	12,544	17,380	29,742	43,242
Deferred Tax Liabilities	-1,104	-746	-1,264	-1,561	-544	-435	-435	-435
Capital Employed	48,839	49,515	70,174	69,791	58,065	78,236	110,311	147,469
Gross Block	32,192	37,078	55,887	57,819	34,256	57,661	76,898	97,638
Less: Accum. Deprn.	5,078	6,749	9,397	13,093	10,298	19,250	30,363	43,167
Net Fixed Assets	27,114	30,329	46,491	44,726	23,958	38,411	46,536	54,472
Right to use assets	19,856	23,185	38,642	35,502	12,021	17,268	23,507	29,375
Goodwill on Consolidation	272	272	272	272	272	272	272	272
Capital WIP	231	340	448	1,017	2,238	1,795	1,795	1,795
Total Investments	15,148	15,550	13,541	11,370	14,429	15,071	16,023	17,050
Curr. Assets, Loans&Adv.	11,197	10,000	15,245	21,869	30,176	38,213	71,646	104,828
Inventory	6,078	4,284	8,678	13,612	15,827	20,451	35,847	43,423
Account Receivables	171	208	179	344	817	630	1,202	1,452
Cash and Bank Balance	614	815	864	863	2,976	3,398	15,405	38,392
Loans and Advances	4,334	4,694	5,525	7,051	10,556	13,735	19,192	21,562
Curr. Liability & Prov.	5,123	6,976	5,823	9,464	13,009	15,526	25,961	30,949
Account Payables	2,976	2,746	3,780	6,652	7,739	9,282	18,032	21,778
Other Current Liabilities	1,893	4,026	1,734	2,098	3,482	4,316	6,000	7,242
Provisions	254	204	309	713	1,788	1,929	1,929	1,929
Net Current Assets	6,074	3,024	9,422	12,406	17,167	22,687	45,685	73,880
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	48,839	49,515	70,174	69,791	58,064	78,236	110,311	147,469

Financials and valuations – consolidated

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	3.0	-5.1	1.2	11.1	29.2	43.2	55.5	68.3
Cash EPS	10.6	2.3	10.6	26.8	51.5	73.1	92.8	110.4
BV/Share	71.9	69.6	71.1	78.1	122.4	164.4	223.7	296.7
DPS	1.0	0.0	1.7	2.2	3.2	0.0	0.0	0.0
Payout (%)	33.5	0.0	174.6	19.9	7.7	0.0	0.0	0.0
Valuation (x)								
P/E	1,921.1	-1,129.4	4,815.4	514.6	196.0	132.7	103.3	83.9
Cash P/E	538.9	2,472.0	539.2	214.0	111.3	78.3	61.7	51.9
P/BV	79.7	82.3	80.5	73.3	46.8	34.9	25.6	19.3
EV/Sales	59.1	79.5	46.2	25.2	16.6	12.0	9.4	7.7
EV/EBITDA	376.1	1,190.5	360.1	192.7	105.9	74.2	57.3	47.2
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
FCF per share	6.8	8.0	-4.3	10.4	26.9	22.5	32.1	63.9
Return Ratios (%)								
RoE	5.3	-7.7	1.8	16.0	31.2	32.2	30.6	28.1
RoCE	8.9	1.9	2.0	7.9	18.0	22.9	21.7	19.6
RoIC	9.6	-2.1	1.7	6.9	19.8	28.7	27.1	27.3
Working Capital Ratios								
Fixed Asset Turnover (x)	1.1	0.7	0.8	1.4	3.6	3.0	2.9	2.7
Asset Turnover (x)	0.7	0.5	0.6	1.2	2.1	2.2	2.0	1.8
Inventory (Days)	64	60	70	60	47	44	60	60
Debtor (Days)	2	3	1	2	2	1	2	2
Creditor (Days)	31	39	31	29	23	20	30	30
Leverage Ratio (x)								
Current Ratio	2.2	1.4	2.6	2.3	2.3	2.5	2.8	3.4
Interest Cover Ratio	1.2	-0.3	0.9	1.6	3.9	13.4	12.1	12.1
Net Debt/Equity	0.7	0.9	1.7	1.3	0.0	0.1	0.1	-0.1

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	1,650	-2,038	1,387	5,551	13,448	20,297	25,073	30,242
Depreciation	2,472	2,573	3,108	4,937	6,711	8,952	11,113	12,804
Interest & Finance Charges	2,126	2,197	2,814	3,524	2,988	1,072	2,031	2,936
Direct Taxes Paid	-835	-11	-816	-1,910	-2,989	-4,941	-6,311	-7,612
(Inc)/Dec in WC	-1,033	1,063	-4,293	-2,932	-2,715	-5,677	-10,992	-5,207
CF from Operations	4,381	3,783	2,199	9,170	17,443	19,703	20,914	33,164
Others	-828	-45	-1,615	-3,222	-3,953	-3,094	-2,615	-3,007
CF from Operating incl EO	3,553	3,738	585	5,949	13,490	16,609	18,299	30,157
(Inc)/Dec in FA	-1,142	-910	-2,101	-2,235	-3,937	-8,617	-6,876	-7,240
Free Cash Flow	2,411	2,828	-1,516	3,714	9,552	7,992	11,424	22,917
(Pur)/Sale of Investments	-6,574	1,400	2,084	65	-1,299	-1,586	0	0
Others	-382	-308	562	1,135	154	969	2,615	3,007
CF from Investments	-8,098	181	544	-1,036	-5,082	-9,234	-4,261	-4,233
Issue of Shares	9,349	-3	2,504	463	357	935	0	0
Inc/(Dec) in Debt	-1,773	0	0	0	0	0	0	0
Interest Paid	-2,511	-2,489	-2,463	-3,587	-3,094	-1,339	-2,031	-2,936
Dividend Paid	-398	-355	-427	-393	-783	-1,136	0	0
Others	-50	-872	-694	-1,397	-2,775	-5,397	0	0
CF from Fin. Activity	4,617	-3,719	-1,080	-4,914	-6,295	-6,937	-2,031	-2,936
Inc/Dec of Cash	72	201	49	-1	2,113	438	12,007	22,987
Opening Balance	542	614	815	864	863	2,960	3,398	15,405
Closing Balance	614	815	864	863	2,976	3,398	15,405	38,392

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors. Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company

- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.