

## Delivering consistent industry outperformance with enhanced RoE profile...

**About the stock:** Trent is India's leading retailer with a presence across various consumer categories (600+ stores). Inherent strength of brands (Westside, Zudio, Star, Zara) and accelerated store additions have led Trent to be among the fastest growing companies in our retail coverage universe.

- Westside (65% of revenues) has proven to be one of the most profitable business models as it primarily focuses on selling private label brands (EBITDA margin: 11%, consistent SSSG: 10%+)
- Zudio (35% of sales), the value fashion brand, continues to be the next leg of growth for Trent (revenue CAGR: 80%+ in FY18-23E)

**Q4FY23 Results:** Despite a challenging demand environment, Trent continues to remain insulated with industry best growth rates mainly driven by Zudio format.

- Revenue grew 75% YoY to ₹ 2077.1 crore (I-direct estimate: ₹ 1920.1 crore) on a favourable base. On a three-year CAGR basis, revenue growth was at an impressive 42%, which is the highest among other lifestyle retailers
- Owing to increase in share of Zudio format, Trent recorded one of its lowest gross margins of 40.8% (down 830 bps YoY, Zudio yields lower gross margins but has superior asset turn)
- However, on account of positive operating leverage, EBITDA margin contraction was restricted to 264 bps YoY to 10.2% (I-direct estimate: 12.1%). Despite lower than anticipated margins, absolute EBITDA was at ₹ 212 crore (I-direct estimate: ₹ 232 crore) with three-year CAGR of 32%

**What should investors do?** Trent has been an exceptional performer with the stock price appreciating at ~31% CAGR in the last five years.

- Robust performance during challenging times and industry leading growth will continue to warrant premium valuations for Trent. Hence, we maintain our **BUY** rating on the stock

**Target Price and Valuation:** We value Trent at ₹ 1730 based on SOTP valuation.

### Key triggers for future price performance:

- We pencil in 215 store additions between Westside and Zudio for FY24-25E
- Liquidity position remains strong with cash & investments worth ₹ 600+ crore that will enable it to tide over the current situation better than peers
- Zudio continues to be the growth engine for Trent. We expect revenues to grow at a CAGR of 27% in FY23-25E
- In the long run, the company aims to grow its revenue at CAGR of 25%+

**Alternate Stock Idea:** Besides Trent, we also like Shoppers Stops. BUY with a target price of ₹ 850.



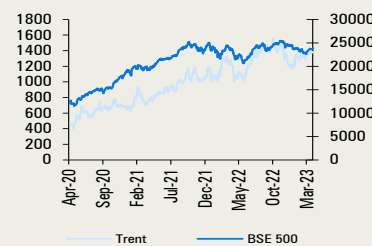
### Particulars

| Particular                      | Amount    |
|---------------------------------|-----------|
| Market Capitalisation (₹ Crore) | 48,343.9  |
| Total Debt (Mar-23) (₹ Crore)   | 498.0     |
| Cash (Mar-23) (₹ Crore)         | 631.3     |
| EV (₹ Crore)                    | 48,210.6  |
| 52 week H/L                     | 1571/ 983 |
| Equity Capital (₹ Crore)        | 35.5      |
| Face Value (₹)                  | 1.0       |

### Shareholding pattern

|          | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 |
|----------|--------|--------|--------|--------|--------|
| Promoter | 37.0   | 37.0   | 37.0   | 37.0   | 37.0   |
| FII      | 28.3   | 26.8   | 25.9   | 24.8   | 24.4   |
| DII      | 13.4   | 14.6   | 15.2   | 16.1   | 16.1   |
| Others   | 21.2   | 21.6   | 21.9   | 22.1   | 22.5   |

### Price Chart



### Recent event & key risks

- Westside reported 23% SSSG. Added 117 stores in Zudio format in FY23. Star Format (50% JV) reported 46% YoY growth in Q4
- Key Risk:** (i) Slower ramp up of store network (ii) Lower than expected margins owing to inability to pass input cost hike

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### Key Financial Summary

| Financials    | FY19    | FY20    | FY21    | FY22    | FY23E   | 3 year CAGR (FY20-23) | FY24E   | FY25E    | 2 year CAGR (FY23-25E) |
|---------------|---------|---------|---------|---------|---------|-----------------------|---------|----------|------------------------|
| Net Sales     | 2,630.2 | 3,486.0 | 2,593.0 | 4,498.0 | 8,242.0 | 33.2%                 | 9,866.5 | 11,565.1 | 18.5%                  |
| EBITDA        | 227.7   | 544.0   | 171.9   | 573.9   | 1,073.7 | 25.4%                 | 1,423.7 | 1,680.4  | 25.1%                  |
| PAT           | 97.0    | 122.8   | (146.2) | 105.8   | 444.7   | 53.6%                 | 620.3   | 762.2    | 30.9%                  |
| EV/Sales (x)  | 17.3    | 13.7    | 18.5    | 10.7    | 5.8     |                       | 4.9     | 4.1      |                        |
| EV/EBITDA (x) | 200.4   | 87.9    | 278.6   | 84.0    | 44.9    |                       | 33.8    | 28.5     |                        |
| RoCE (%)      | 10.1    | 15.9    | 4.3     | 14.1    | 26.5    |                       | 31.3    | 32.4     |                        |
| RoE (%)       | 5.9     | 5.1     | -6.3    | 4.5     | 17.1    |                       | 20.3    | 21.0     |                        |

## Key takeaways of recent quarter

- Despite a challenging demand environment, Trent continues to remain insulated with industry best growth rates. In Q4FY23, revenue grew 75% YoY to ₹ 2077.1 crore (I-direct estimate: ₹ 1920.1 crore) on a favourable base. On a three-year CAGR basis, revenue growth was at an impressive 42%, which is the highest among other lifestyle retailers. On the store addition front, the company has been aggressive on the Zudio format with opening of 26 stores in Q4FY23 taking total store count to 352. For Westside, the company added two new stores taking the total count to 214
- Westside format has been performing well with SSSG of 23% in Q4FY23. However, the real game changer has been acceptance of Zudio as a value fashion format. Back of the envelope calculations suggest, Zudio format to have grown ~2.6x YoY in Q4FY23 with share in revenue increasing significantly from ~30% to 40%+ (share of Zudio format in FY20 was at ~16%). Emerging categories like beauty and personal care, innerwear and home witnessed healthy traction and now contributes ~18% to sales
- Owing to increase in share of Zudio format, the gross margin profile has deteriorated for the company (yields lower gross margins but has superior asset turn). Trent recorded one of its lowest gross margins of 40.8% (down 830 bps YoY, I-direct estimate: 44.9%). The previous quarter also had one-off benefits of reversals relating to inventory provisioning. However, on account of positive operating leverage, EBITDA margin contraction was restricted to 264 bps YoY to 10.2% (I-direct estimate: 12.1%). Despite lower than anticipated margins, absolute EBITDA was at ₹ 212 crore (I-direct estimate: ₹ 232 crore) with three-year CAGR of 32%
- Inflationary stress has been more acute at the lower end of the fashion value chain (ASPs < ₹ 1000) as demand remains weak. However, Zudio (value fashion player) continues to defy all odds with sustained robust growth. It has been the new growth engine for Trent given its scalable business model (one-third size of Westside format) and strong acceptance in Tier II/III cities with sharp price point assortment (ASP < ₹ 500). Zudio stores have multiplied more than 8x in the last four years with overall outlets at 352. **As per our estimates, revenue in Zudio grew 2.6x and crossed annual run-rate of ₹ 2600 crore in FY23E.** The share of the same in standalone revenues has increased from 16% in FY20 to 36% in FY23E. Going forward, we expect the growth trajectory to marginally moderate on a very strong base with Zudio gaining substantial scale. We bake in 175 new store additions for Zudio taking the total count to 527. Expect revenue from the Zudio format to grow at a CAGR of 27% in FY23-25E whereas for Westside format, we build in revenue CAGR of 13%
- At a consolidated level, revenue grew 83% YoY to ₹ 8242 crore with robust CAGR of 36% in FY20-23. Gross margins contracted 210 bps YoY to 42.7% mainly owing to higher share of Zudio format and could also be possibly owing to limited price hikes taken in Zudio format as it continues to price products at sharper price points (<₹ 500) despite significant increase in cotton prices. With declining RM prices, we expect gross margins to improve gradually, going forward. Despite weak gross margins, EBITDA recorded a healthy CAGR of 25% in FY20-23 to ₹ 1074 crore. Furthermore, a sharp increase in profits in share of associates (Zara and Star Bazar) during FY23 (₹ 83 crore vs. ₹ 5 crore in FY22) is a key positive and signals emphasis on cost cutting measures and its journey towards improving profitability of the 'Star' format. Given the strong operating performance, Trent witnessed a sharp jump in RoE profile to 17% in FY23 (~5% in FY20). On the balance sheet front, the company continued to have a healthy liquidity position with cash & investments of ₹ 628 crore as on FY23. On a significantly high base, we build in revenue and EBITDA CAGR of 19% and 25%, respectively, in FY23-25E. Industry leading performance and consistent revenue growth to support premium valuations. We recommend BUY and maintain our target price of ₹ 1730**

| Trent - ESG Disclosure Score* |      |      |      |
|-------------------------------|------|------|------|
| Score                         | FY20 | FY21 | FY22 |
| Environmental                 | 16.0 | 16.0 | 36.5 |
| Social                        | 20.8 | 20.8 | 25.9 |
| Governance                    | 78.6 | 63.6 | 66.1 |
| Overall ESG Score             | 38.5 | 33.5 | 42.9 |

Source: Bloomberg, ICICI Direct Research, \*Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures

Exhibit 1: Variance Analysis

|                        | Q4FY23  | Q4FY23E | Q4FY22  | YoY (%)  | Q3FY23  | QoQ (%)  | Comments  |
|------------------------|---------|---------|---------|----------|---------|----------|---|
| Revenue                | 2,077.2 | 1,920.1 | 1,185.3 | 75.3     | 2,171.5 | -4.3     | Westside reported 23% SSSG. Zudio continues to be the key growth engine. Added 26 new Zudio Stores. Three year revenue CAGR: 42%  |
| Other Operating Income | 0.0     | 0.0     | 0.0     | 0.0      | 0.0     | 0.0      |   |
| Raw Material Expense   | 1,229.8 | 1,058.0 | 603.0   | 103.9    | 1,186.1 | 3.7      |   |
| Gross Profit           | 847.4   | 862.1   | 582.2   | 45.5     | 985.4   | -14.0    |   |
| Gross Profit Margin    | 40.8    | 44.9    | 49.1    | -833 bps | 45.4    | -458 bps | Gross margins for the quarter declined by 833 bps YoY to 40.8% possibly on account of sharp rise in share of Zudio format (yields lower gross margins but has superior A/To). |
| Employee exp           | 156.9   | 161.3   | 100.7   | 55.8     | 160.0   | -1.9     |   |
| Other Exp              | 478.4   | 468.5   | 329.2   | 45.3     | 489.9   | -2.3     |   |
| EBITDA                 | 212.0   | 232.3   | 152.3   | 39.2     | 335.6   | -36.8    | three-year CAGR: 32%  |
| EBITDA Margin (%)      | 10.2    | 12.1    | 12.9    | -264 bps | 15.5    | -525 bps |   |
| Depreciation           | 128.1   | 107.3   | 80.9    | 58.4     | 110.6   | 15.8     |   |
| Other Income           | 129.1   | 80.0    | 102.1   | 26.4     | 73.0    | 76.8     | Other income includes recognition of IND-AS 116 impact of lease modification/ termination   |
| Interest               | 88.3    | 91.1    | 78.7    | 12.2     | 88.5    | -0.2     |   |
| Exceptional Income     | 0.0     | 0.0     | -0.2    |          | 0.0     |          |   |
| PBT                    | 124.8   | 113.9   | 94.7    | 31.7     | 209.5   | -40.4    |   |
| Tax Outgo              | 19.7    | 28.7    | 19.9    | -1.0     | 48.6    | -59.5    |   |
| Minority Interest      |         |         |         |          |         |          |   |
| PAT                    | 105.1   | 85.2    | 74.9    | 40.4     | 161.0   | -34.7    |   |

Source: Company, ICICI Direct Research

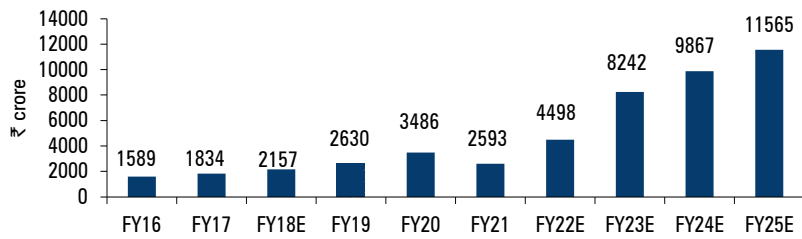
Exhibit 2: Change in estimates

| (₹ Crore)         | FY23E   | FY24E   |         |          | FY25E      |
|-------------------|---------|---------|---------|----------|------------|
|                   | Actual  | Old     | New     | % Change | Introduced |
| Revenue           | 8,242.0 | 9,526.4 | 9,866.5 | 3.6      | 11,565.1   |
| EBITDA            | 1,073.7 | 1,460.4 | 1,423.7 | -2.5     | 1,680.4    |
| EBITDA Margin (%) | 13.0    | 15.3    | 14.4    | -90 bps  | 14.5       |
| PAT               | 444.7   | 676.5   | 620.3   | -8.3     | 762.2      |
| EPS (₹)           | 12.5    | 19.0    | 17.4    | -8.2     | 21.4       |

Source: Company, ICICI Direct Research

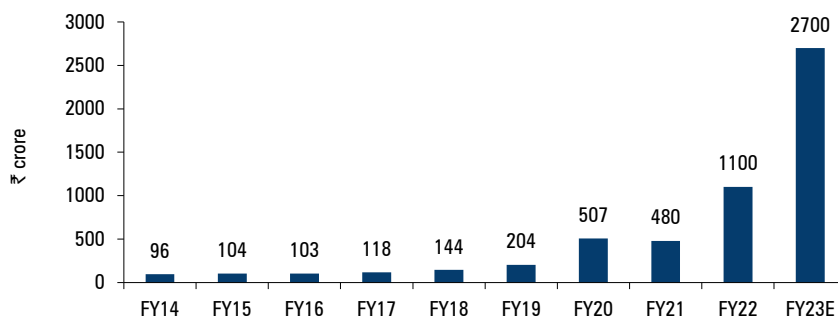
## Financial story in charts

Exhibit 3: Revenue trend



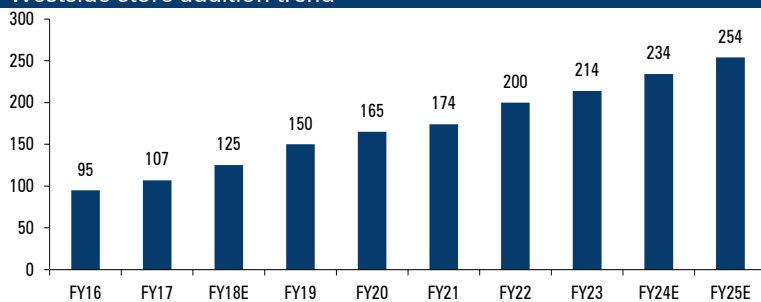
Source: Company, ICICI Direct Research

Exhibit 4: Zudio revenue trend



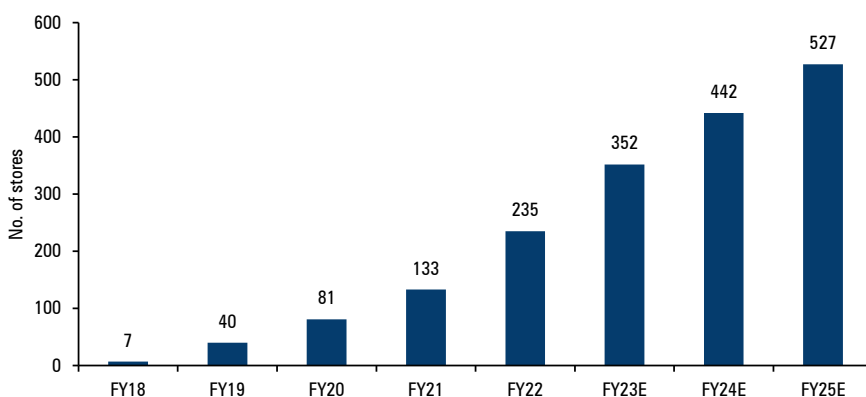
Source: Company, ICICI Direct Research

Exhibit 5: Westside store addition trend



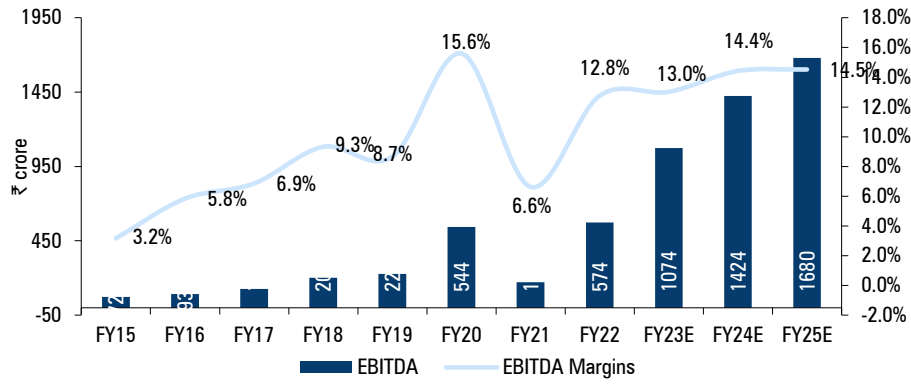
Source: Company, ICICI Direct Research

Exhibit 6: Zudio store addition trend



Source: Company, ICICI Direct Research

Exhibit 7: EBITDA and EBITDA margin trend (post Ind-AS 116)



Source: Company, ICICI Direct Research

Exhibit 8: Valuation

|                             | Financial | FY25E (₹ cr) | Target Multiple  | EV/Mcap | (₹ cr) Cash | Debt | Targeted Mcap (₹ cr) |
|-----------------------------|-----------|--------------|------------------|---------|-------------|------|----------------------|
| Standalone revenues         | Sales     | 10875        | 5.0x EV/Sales    | 53940   | 834         | 400  | 54374                |
| Trent Hypermarket Ltd       | Sales     | 1195         | 1.0x Price/Sales | 1195    |             |      | 1195                 |
| Trent -Inditex (Zara)       | Sales     | 1471         | 4x Price/Sales   | 5884    |             |      | 5884                 |
| Booker & Other Subsidiaries | Sales     | 352          | 0.5x Price/Sales | 176     |             |      | 176                  |
| Target Market Cap. (₹ cr)   |           |              |                  |         |             |      | 61629                |
| Target Price (₹)            |           |              |                  |         |             |      | 1730                 |

Source: Company, ICICI Direct Research

## Financial Summary

| Exhibit 9: Profit and loss statement |                | ₹ crore        |                |                 |  |
|--------------------------------------|----------------|----------------|----------------|-----------------|--|
|                                      | FY22           | FY23E          | FY24E          | FY25E           |  |
| <b>Total operating Income</b>        | <b>4,498.0</b> | <b>8,242.0</b> | <b>9,866.5</b> | <b>11,565.1</b> |  |
| Growth (%)                           | 73.5           | 83.2           | 19.7           | 17.2            |  |
| Cost of Goods Sold                   | 2,481.5        | 4,719.7        | 5,485.8        | 6,395.5         |  |
| <b>Gross Margin (%)</b>              | <b>44.8</b>    | <b>42.7</b>    | <b>44.4</b>    | <b>44.7</b>     |  |
| Employee Expenses                    | 399.0          | 655.2          | 769.6          | 913.6           |  |
| Operating & Other Expenses           | 1,043.7        | 1,793.4        | 2,187.4        | 2,575.5         |  |
| Total Operating Expenditure          | 3,924.2        | 7,168.4        | 8,442.8        | 9,884.7         |  |
| <b>EBITDA</b>                        | <b>573.9</b>   | <b>1,073.7</b> | <b>1,423.7</b> | <b>1,680.4</b>  |  |
| Growth (%)                           | 233.9          | 87.1           | 32.6           | 18.0            |  |
| Depreciation                         | 310.8          | 493.7          | 547.7          | 618.0           |  |
| Interest                             | 304.7          | 369.2          | 398.9          | 442.5           |  |
| Other Income                         | 175.2          | 260.9          | 226.9          | 266.0           |  |
| <b>PBT</b>                           | <b>106.1</b>   | <b>468.7</b>   | <b>704.1</b>   | <b>885.9</b>    |  |
| Share of Profit from JV              | 5.1            | 83.5           | 93.6           | 103.6           |  |
| Total Tax                            | 76.6           | 158.4          | 207.4          | 257.3           |  |
| PAT                                  | 34.6           | 393.7          | 590.3          | 732.2           |  |
| Minority Interest                    | -71.2          | -51.0          | -30.0          | -30.0           |  |
| <b>PAT after MI</b>                  | <b>105.8</b>   | <b>444.7</b>   | <b>620.3</b>   | <b>762.2</b>    |  |
| Extraordinary item                   | 0.0            | 0.0            | 0.0            | 0.0             |  |
| <b>Reported PAT</b>                  | <b>105.8</b>   | <b>444.7</b>   | <b>620.3</b>   | <b>762.2</b>    |  |
| <b>EPS (₹)</b>                       | <b>3.0</b>     | <b>12.5</b>    | <b>17.4</b>    | <b>21.4</b>     |  |

Source: Company, ICICI Direct Research

| Exhibit 10: Cash flow statement     |               | ₹ crore       |                |                 |  |
|-------------------------------------|---------------|---------------|----------------|-----------------|--|
| (Year-end March)                    | FY22          | FY23E         | FY24E          | FY25E           |  |
| Profit after tax                    | 105.8         | 444.7         | 620.3          | 762.2           |  |
| Add: Depreciation                   | 310.8         | 493.7         | 547.7          | 618.0           |  |
| Add: Finance Cost                   | 304.7         | 369.2         | 398.9          | 442.5           |  |
| (Inc)/dec in Current Assets         | -541.8        | -618.3        | -502.2         | -542.5          |  |
| Inc/(dec) in CL and Provisions      | 184.0         | 364.2         | 11.9           | 181.2           |  |
| Others                              | -100.3        | -355.8        | 0.0            | 0.0             |  |
| <b>CF from operating activities</b> | <b>263.3</b>  | <b>697.6</b>  | <b>1,076.5</b> | <b>1,461.3</b>  |  |
| (Inc)/dec in Investments            | 203.8         | 196.7         | 22.3           | 21.9            |  |
| (Inc)/dec in Fixed Assets           | -206.7        | -220.0        | -198.3         | -200.0          |  |
| Others                              | -17.7         | -96.7         | 50.8           | 0.0             |  |
| <b>CF from investing activities</b> | <b>-20.6</b>  | <b>-119.9</b> | <b>-125.1</b>  | <b>-178.1</b>   |  |
| Issue/(Buy back) of Equity          | 0.0           | 0.0           | 0.0            | 0.0             |  |
| Inc/(dec) in loan funds             | 197.5         | 0.6           | -98.0          | 0.0             |  |
| Less: Finance Cost & Others         | -374.2        | -509.0        | -703.8         | -840.0          |  |
| Others                              | -62.8         | -68.5         | -154.6         | -191.0          |  |
| <b>CF from financing activities</b> | <b>-239.5</b> | <b>-576.9</b> | <b>-956.3</b>  | <b>-1,031.0</b> |  |
| Net Cash flow                       | 3.2           | 0.8           | -5.0           | 252.2           |  |
| Opening Cash                        | 81.3          | 84.5          | 85.3           | 80.3            |  |
| <b>Closing Cash</b>                 | <b>84.5</b>   | <b>85.3</b>   | <b>80.3</b>    | <b>332.5</b>    |  |

Source: Company, ICICI Direct Research

| Exhibit 11: Balance Sheet   |                | ₹ crore        |                |                |  |
|-----------------------------|----------------|----------------|----------------|----------------|--|
| (Year-end March)            | FY22           | FY23E          | FY24E          | FY25E          |  |
| <b>Liabilities</b>          |                |                |                |                |  |
| Equity Capital              | 35.5           | 35.5           | 35.5           | 35.5           |  |
| Reserve and Surplus         | 2,328.0        | 2,559.9        | 3,025.2        | 3,596.8        |  |
| Total Shareholders funds    | 2,363.5        | 2,595.5        | 3,060.7        | 3,632.4        |  |
| Total Debt                  | 497.4          | 498.0          | 400.0          | 400.0          |  |
| Other LT Liabilities        | 4,246.0        | 3,983.7        | 3,679.2        | 3,281.3        |  |
| Deferred Tax Liability      | -126.4         | -156.1         | -156.1         | -156.1         |  |
| Minority Interest / Others  | 44.5           | 46.0           | 46.0           | 46.0           |  |
| <b>Total Liabilities</b>    | <b>7,025.0</b> | <b>6,967.0</b> | <b>7,029.8</b> | <b>7,203.6</b> |  |
| <b>Assets</b>               |                |                |                |                |  |
| Gross Block                 | 1,112.1        | 1,384.5        | 1,584.5        | 1,784.5        |  |
| Less: Acc Depreciation      | 387.2          | 513.4          | 665.5          | 843.9          |  |
| Capital WIP                 | 104.7          | 101.7          | 100.0          | 100.0          |  |
| Total Fixed Assets          | 829.7          | 972.9          | 1,019.1        | 1,040.6        |  |
| Investments                 | 1,311.6        | 1,114.8        | 1,092.5        | 1,070.7        |  |
| Other Non-current Assets    | 4,034.72       | 3,766.57       | 3,320.15       | 2,880.61       |  |
| Goodwill                    | 69.7           | 78.4           | 78.4           | 78.4           |  |
| Deferred Tax Asset          | 0.0            | 0.0            | 0.0            | 0.0            |  |
| Inventory                   | 867.8          | 1,361.2        | 1,784.1        | 2,218.0        |  |
| Debtors                     | 17.9           | 34.4           | 27.0           | 31.7           |  |
| Loans and Advances          | 221.5          | 276.5          | 309.7          | 346.8          |  |
| Cash                        | 84.5           | 85.3           | 80.3           | 332.5          |  |
| Other Current Assets        | 160.5          | 213.9          | 267.4          | 334.2          |  |
| Total Current Assets        | 1,352.1        | 1,971.3        | 2,468.5        | 3,263.2        |  |
| Creditors                   | 378.0          | 665.2          | 751.5          | 876.1          |  |
| Other Current Liab. & Prov. | 194.7          | 271.7          | 197.3          | 253.9          |  |
| Total Current Liabilities   | 572.7          | 936.9          | 948.8          | 1,130.0        |  |
| Net Current Assets          | 779.4          | 1,034.3        | 1,519.7        | 2,133.3        |  |
| <b>Application of Funds</b> | <b>7,025.0</b> | <b>6,967.0</b> | <b>7,029.8</b> | <b>7,203.6</b> |  |

Source: Company, ICICI Direct Research

| Exhibit 12: Key ratios                   |       |       |       |       |  |
|--|-------|-------|-------|-------|--|
| (Year-end March)                         | FY22  | FY23E | FY24E | FY25E |  |
| <b>Per share data (₹) (annualised)</b>   |       |       |       |       |  |
| EPS                                      | 3.0   | 12.5  | 17.4  | 21.4  |  |
| Cash EPS                                 | 11.7  | 26.4  | 32.9  | 38.8  |  |
| BV                                       | 66.5  | 73.0  | 86.1  | 102.2 |  |
| DPS                                      | 1.2   | 1.1   | 4.4   | 5.4   |  |
| Cash Per Share                           | 2.4   | 2.4   | 2.3   | 9.4   |  |
| <b>Operating Ratios</b>                  |       |       |       |       |  |
| EBITDA Margin (%)                        | 12.8  | 13.0  | 14.4  | 14.5  |  |
| PBT Margin (%)                           | 2.4   | 5.7   | 7.1   | 7.7   |  |
| PAT Margin (%)                           | 2.4   | 5.4   | 6.3   | 6.6   |  |
| Inventory days                           | 70.4  | 60.3  | 66.0  | 70.0  |  |
| Debtor days                              | 1.4   | 1.5   | 1.0   | 1.0   |  |
| Creditor days                            | 30.7  | 29.5  | 27.8  | 27.7  |  |
| <b>Return Ratios (%)</b>                 |       |       |       |       |  |
| RoE                                      | 4.5   | 17.1  | 20.3  | 21.0  |  |
| RoCE                                     | 14.1  | 26.5  | 31.3  | 32.4  |  |
| RoIC                                     | 19.3  | 32.4  | 40.0  | 42.0  |  |
| <b>Valuation Ratios (x) (annualised)</b> |       |       |       |       |  |
| P/E                                      | 450.1 | 107.1 | 76.8  | 62.5  |  |
| EV / EBITDA                              | 82.8  | 44.2  | 33.3  | 28.1  |  |
| EV / Net Sales                           | 10.6  | 5.8   | 4.8   | 4.1   |  |
| Market Cap / Sales                       | 10.6  | 5.8   | 4.8   | 4.1   |  |
| Price to Book Value                      | 20.2  | 18.4  | 15.6  | 13.1  |  |
| <b>Solvency Ratios</b>                   |       |       |       |       |  |
| Debt/EBITDA                              | 0.9   | 0.5   | 0.3   | 0.2   |  |
| Debt / Equity                            | 0.2   | 0.2   | 0.1   | 0.1   |  |
| Current Ratio                            | 3.1   | 2.6   | 3.2   | 3.3   |  |
| Quick Ratio                              | 1.0   | 0.7   | 0.8   | 0.8   |  |

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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