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Refer to our thematic report published in April 2019



Steady growth ahead

Prefer TRENT, ABFRL, FLFL and FRL

With 4QFY19 earnings season behind, we assess the quarter gone by in this report, discussing our channel checks, margin improvement opportunities and our stock recommendations.

- 4QFY19 earnings performance of our retail coverage universe was a mixed bag. While TRENT, FLFL, and FRL performed well, DMART, VMART, and ABFRL witnessed good revenue growth, but at the cost of margins.
- Though 1QFY20 was off to a slow start, our recent channel checks indicate that the trend has now reversed. May'19 witnessed a bounce-back in growth coupled with upbeat market sentiments and favorable outlook.
- TRENT, ABFRL, FRL, and Shopper's Stop should see healthy margin improvement due to increasing scale, mix of private labels and recovery from loss-making formats. But, margin improvement cycle for DMART, VMART, and FLFL may be largely behind.
- We continue to prefer companies with the value fashion format and the food and grocery (F&G) segment. Amongst these, our top picks are ABFRL, TRENT, FLFL and FRL.

4QFY19 review: Healthy revenue growth led by store additions

Despite 4QFY19 being a seasonally weak quarter, all retail companies in our coverage universe (except SHOP) posted healthy double-digit revenue growth. Amongst F&G players, DMART/FRETAIL reported robust 32%/18% YoY growth, while in the Apparel pack, TRENT/FLFL outperformed peers with strong 27%/29% YoY growth. Across retailers, growth was largely an outcome of the step-up in pace of store adds, even as SSSG remained modest due to impact from the pre-ponement of End of Season Sale (EOSS) in 3QFY19. For Apparel players, the pace of store addition was supplemented by increasing traction for the value fashion format.

- **Apparel players:** For TRENT, our workings indicate steady 12% SSSG for Westside, largely driven by footprint addition of 22%/150% YoY in Westside/Zudio with store count at 152/55. In FLFL, Brand Factory's healthy store addition coupled with 13% SSSG (led by strong traction) acted as a key growth catalyst. For VMART/ Pantaloons, muted 4%/-4% SSSG was more than offset by 25%/12% footprint adds. Shopper's Stop witnessed 7% revenue decline on modest 4% SSSG and no new store adds, that was further impacted by higher taxes.
- **F&G players:** FRL/DMART showed healthy revenue growth in 4QFY19 on robust SSSG (11% for FRL) and store addition — Big Bazaar (6), FBB (5) and small format store adds for FRL (56) and DMART (12). The strong SSSG was driven by sharp price undercutting in the recent past by F&G retailers. This is also evident in FRL/DMART's gross margins — reset by -20bp/-50bp YoY.

Margins remain under check

Besides revenue growth, focus was increasingly on margins given the rising intense competition from offline and online players. Except for ABFRL and SHOP, retailers across our coverage universe reported a drop in gross margins. DMART/VMART reported 50bp/100bp YoY gross margin contraction, primarily due to price competitiveness. TRENT/FLFL reported 290bp/60bp contraction, impacted by

Aliasgar Shakir – Research analyst (Aliasgar.Shakir@motilaloswal.com); +91 22 6129 1565

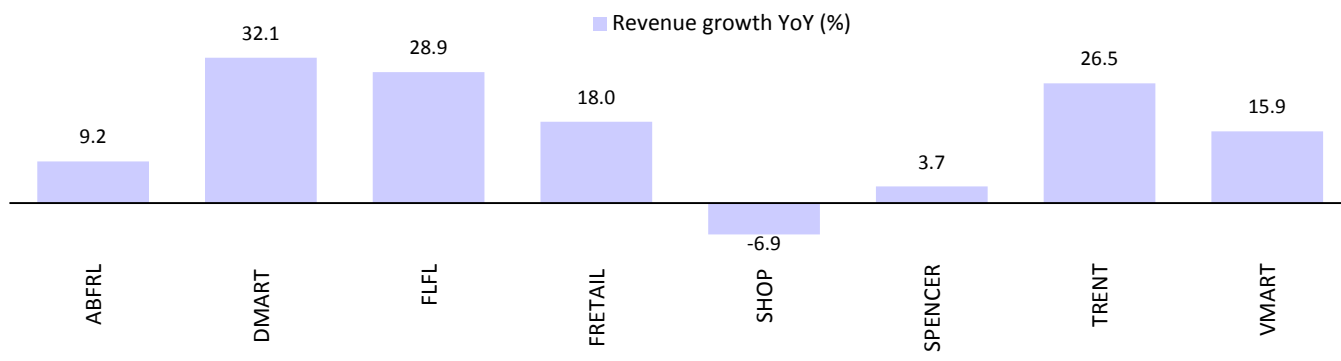
Hafeez Patel – Research analyst (Hafeez.Patel@motilaloswal.com); +91 22 6129 1568

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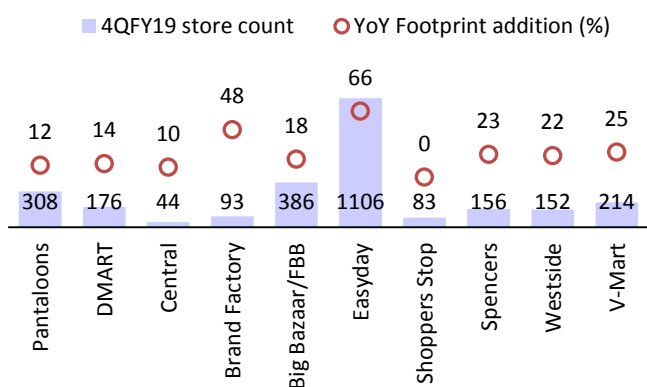
increasing mix of the value fashion segment. Higher SGA expenses accentuated the impact on ABFRL/VMART's EBITDA margins (-280bp/260bp YoY). However, for the remaining players, the impact was offset by operating leverage benefits. EBITDA margin for TRENT/FLFL/DMART was largely flat YoY, while it expanded 100bp YoY (on flat GM) for FRETAIL.

Exhibit 1: Revenue growth across retailers



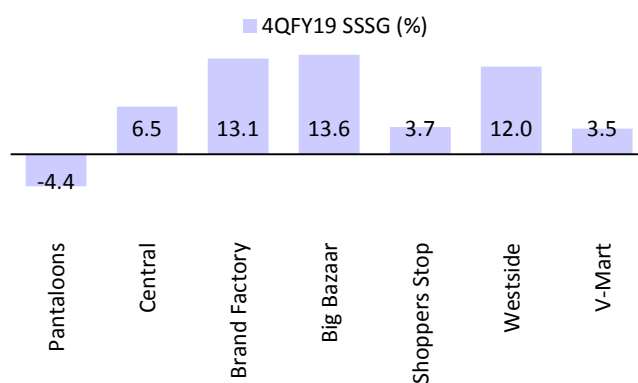
Source: MOFSL, Company

Exhibit 2: Format-wise footprint additions (%)



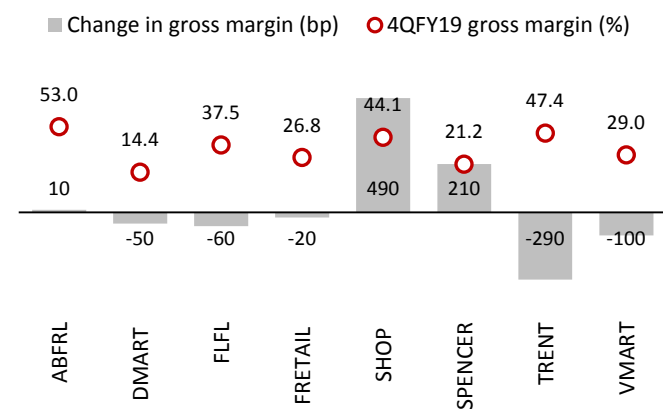
Source: MOFSL, Company

Exhibit 3: Format-wise SSSG (%)



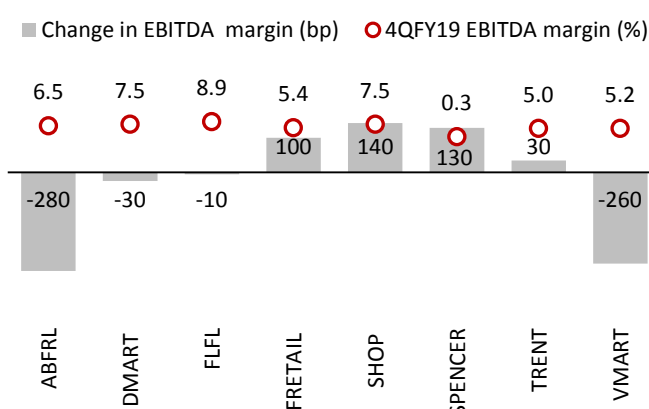
Source: MOFSL, Company

Exhibit 4: Gross margins remained under pressure



Source: MOFSL, Company

Exhibit 5: Accentuating the impact on EBITDA margins



Source: MOFSL, Company

Recent channel checks indicate F&G retailers in fierce price competition

Expect ABFRL's Pantaloons, lifestyle stores to continue healthy growth momentum

- Despite undercutting, there isn't much difference in the price comparison between Big Bazaar and DMART. Also, unlike the general perception that online shopping is cheap, offline product prices broadly match online prices.
- While retailers experienced flat-to-marginal revenue decline YoY in the Feb-Apr 2019 period, the trend saw a reversal with consumer sentiments and revenues rebounding in May'19.
- Pantaloons' internal target is 80-store addition annually, with on-ground focus on private labels remaining high in stores. It also offers high revenue/sq.ft., thus improving store productivity.
- Van Heusen/Allen Solly are focusing on brand extensions through Van Heusen's women wear category expansion, Solly Junior, Solly Women, among others.

F&G witnessing fierce price battles

The F&G segment has witnessed intense price undercutting by players recently. But, our checks on the total food and HPC product basket of DMart, Big Bazaar, Star and select online retailers reveals that the price differential between Big Bazaar and DMart is less than 5%. Also, the general perception that products online are cheaper than offline stands corrected. Broadly, offline product pricing matches online pricing. Therefore, the online medium has limited competitive edge except for the convenience of ordering from home. In our opinion, this is due to the low 15-20% gross margin in the F&G segment, which offers limited room to sustain undercutting (refer exhibit 27).

Apparel retail sales on a rebound

We visited ABFRL's Pantaloons and lifestyle (Exclusive Brand Outlets, EBOs) stores. Key highlights:

Pantaloons — high on-ground focus on private labels

- Revenue was weak in Apr'19, but strongly rebounded in May'19 with 17% MoM growth. The company is gearing for a good EOSS with membership program/marketing initiatives starting from Jun'19.
- Internally, store addition target stands at 80 annually.
- On-ground focus is high to build private label brands (SF, Bare, Byford and Rang Manch contribute ~30% to revenues).
- Menswear brands — Total 16 brands, eight are private brands and four are lifestyle brands. Bare and SF — top contributors.
- Women's wear brands — Total 10 brands, of which four brands are private labels. Rang Manch is the top contributor in private labels.
- Private labels are leading to higher revenue/sq.ft. (65% sales on ~55% saleable area), thus increase in private labels should improve overall throughputs.
- In the last few years, store productivity has increased by expanding the saleable area and reducing the backend area in stores.

- Product price points have not changed materially, but company has improved product quality, brand positioning and increased private label mix.
- Store inventory is at about 45 days with 6-7 weeks of replenishment time and ASP of INR600-700.

Lifestyle portfolio focusing on brand extensions — innerwear, women’s wear witnessing healthy traction

- Company is focused on brand extension and growing its revenue share outside the men’s formal wear category. It is also developing and marketing women apparels (thereby, sales contribution has increased from 20% to 25%).
- Men’s innerwear is receiving good traction and healthy repeat sales.
- Company is looking to expand women's range, consisting of formal, western, casual wear and bags. In the Allen Solly vertical, recent product extension across Solly Junior and Solly Women is driving growth. Van Heusen Inner wear is launched but yet not reached stores across to penetrate across Pan India, with EBO’s being the 1st channel of distribution yet to see launch across stores.
- Planning to launch new low capex stores – plans are afoot to launch new Allen Solly stores at 20% lower capex – achieved by reducing irrelevant design fixtures and enhancing usage, without compromising on décor and interiors.

Margin improvement cycle to play out

TRENT, ABFRL, FRL to see accelerated growth on margin improvement

- In the Apparel category, TRENT, ABFRL and Shopper's Stop are likely to see EBITDA margin improvement, while VMART and FLFL's margin should remain range-bound.
- In the F&G segment, expect FRL to continue its margin improvement cycle while DMART may continue to see gross and EBITDA margin reset further in FY20.

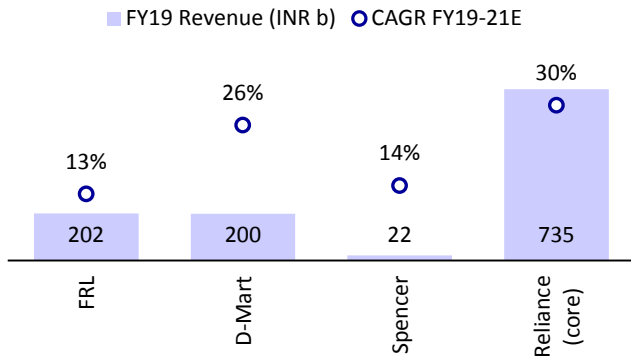
Margin improvement to continue for ABFRL, TRENT, SHOP and FRL

Recovery from loss-making ventures, improving private label mix, and growing business scale should continue margin improvement of ABFRL, TRENT, Shopper's Stop and FRL.

- **ABFRL to see 150bp EBITDA margin improvement over FY19-21E**
Overall EBITDA margin should expand ~150bp to 8.3% by FY21 on the back of (a) break-even in the innerwear and fast-fashion businesses, (b) steady uptick in Pantaloons' private label mix (70-75%), and (c) the company's strategy of franchisee-led store additions, which should provide an impetus to RoCE. Pantaloons should see 150bp EBITDA margin improvement due to improving private label mix and growing scale. Rejig in the fast fashion brand – Forever 21 should breakeven from FY19 losses of INR330m. Further, scale benefits should restrict losses in the innerwear and other business segment to INR200m (FY21) v/s INR850m (FY19), thus supporting EBITDA margins.
- **TRENT to see 90bp EBITDA margin improvement over FY19-21E**
Zudio, TRENT's value fashion segment's gestation period should be behind with a healthy scale of 105 stores, including standalone and Star, by FY21. Zudio's estimated losses of INR200m should decline, thus supporting its EBITDA margin. Further, Star too should see lower losses with rejig in its 'daily' format and improvement in private labels. We expect consol. EBITDA margin to improve ~90bp over FY19-21E.
- **Shopper's Stop to see 100bp EBITDA margin improvement over FY19-21E**
Shopper's Stop has a new management in place, and it endeavors to improve private label mix with product/pricing revamp and increase SSSG through higher bill size initiatives. This is estimated to drive 100bp EBITDA margin improvement over FY19-21E.
- **FRL to see 60bp EBITDA margin improvement over FY19-21E**
FRL has consistently improved its EBITDA margin over the last two years. This trend is likely to continue on (a) increasing gross margins through higher mix of private label and apparel mix, (b) faster break-even of Hypercity, (c) restricted losses in Easyday, and (d) scale benefits. The recent high competitive intensity in the F&G space to hold the flag of lowest-cost retailer has increased the risk of margin pressure. However, FRL's targeted approach through its private labels allows it to garner better margin, thus garnering insulation from any margin contraction.
- **DMART, VMART, FLFL to see flattish margins over FY19-21E**
With no signs of pressure on gross margins abating and to maintain competitive position in the market, retailers such as DMART and VMART should see margins

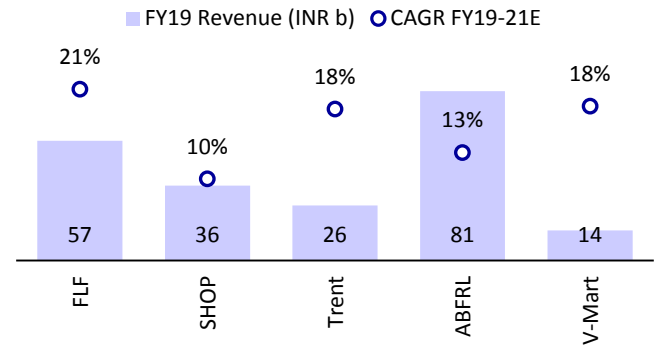
getting reset. DMART is facing pressure on gross margins due to reduced pricing gap between its offerings vis-à-vis Big Bazaar/online players. Similarly, VMART’s margins are also under pressure due to national players entering its turf of tier 2/3 cities. Increasing share of Brand Factory in overall FLFL’s mix augurs well; however, margins would remain range-bound as the inherent nature of the value fashion format will offset operating leverage benefits. We expect EBITDA margins for DMART/VMART/FLFL to largely remain flat over FY19-21.

Exhibit 6: Revenue CAGR for F&G players



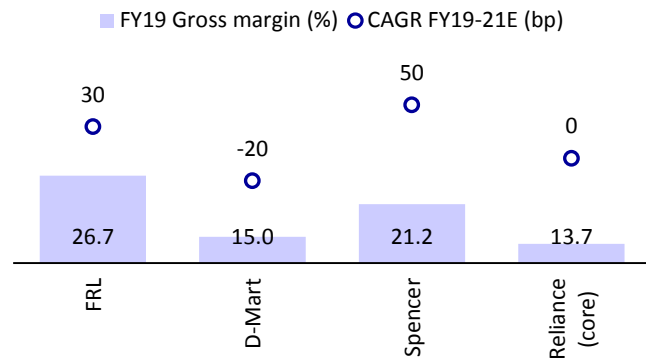
Source: MOFSL, Company

Exhibit 7: Revenue CAGR for Apparel players



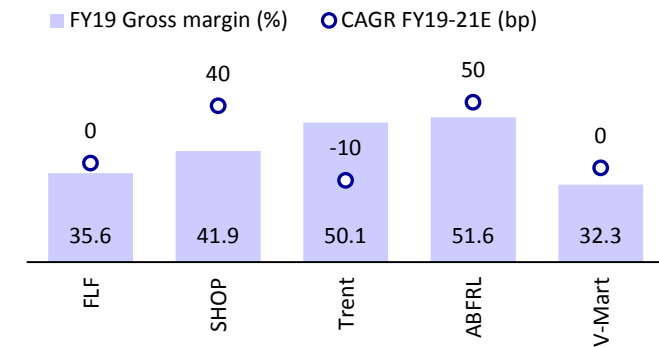
Source: MOFSL, Company

Exhibit 8: Gross margin for F&G players



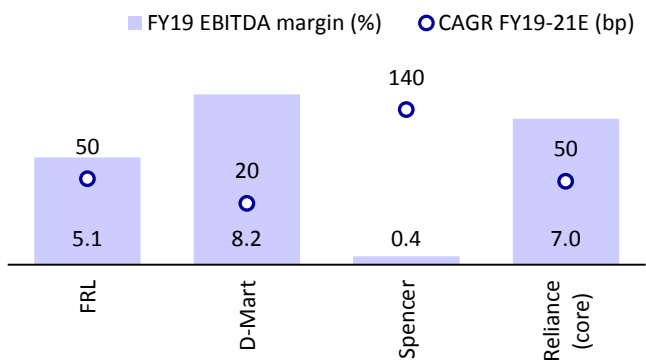
Source: MOFSL, Company

Exhibit 9: Gross margin for Apparel players



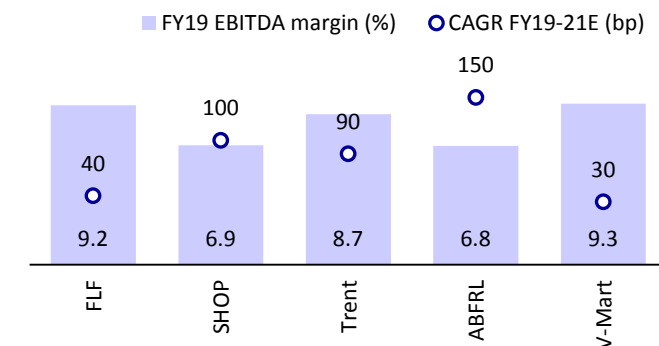
Source: MOFSL, Company

Exhibit 10: EBITDA margin for F&G players



Source: MOFSL, Company

Exhibit 11: EBITDA margin for Apparel players



Source: MOFSL, Company

Continue to prefer value fashion and F&G players

ABFRL, TRENT, FLF and FRL remain top picks

- We continue to prefer value fashion as well as F&G players. Amongst these, ABFRL, TRENT, FLF and FRL remain our top picks.
- Tapering earnings growth in DMART/VMART due to margins getting reset may advocate lower valuation multiples. Further, Shopper's Stop is yet to deliver healthy revenue growth, which may restrict valuations.

Strong earnings growth advocates rich valuations

We prefer companies with potential to offer consistent and strong earnings growth, thus endorsing valuation multiples. While ABFRL and TRENT remain expensively valued, we expect strong 82%/62% adj. PAT growth due to steady revenue growth and improving EBITDA margin. Both these companies have efficient working capital cycle. Subsequently, we maintain a **Buy** rating on ABFRL/TRENT with TP of INR240/INR440. TRENT's ROIC remains a point of worry though, but we believe that Star's reducing losses and Zudio's scale benefits should start improving ROICs.

For ABFRL, we ascribe 23x FY21 EBITDA of INR6.4b for the lifestyle segment given its strong brand value. We expect Pantaloons to drive earnings growth for ABFRL and ascribe 18x FY21 EBITDA of INR3.7b for this segment. We ascribe 1x FY21 sales for the fast-fashion and other businesses. This implies ~10% premium to the target EV/EBITDA multiple for our apparel coverage.

For TRENT, we ascribe (a) Westside and Zara 25x (~20% premium to the target EV/EBITDA multiple of our apparel coverage) FY21E EBITDA, and (b) THPL 1x FY21E sales.

FLFL, FRL showing good traction

FLF has delivered consistently healthy revenue growth coming in from Brand Factory, Central and its own brands. We expect 23% EBITDA CAGR and 30% adj. PAT CAGR over FY19-21. We maintain **Buy** rating with TP of INR585 ascribing 14x (~10% premium to 3-year average) EV/EBITDA, given its strong performance over the last two years.

FRL has consistently improved its EBITDA margin growing 170bp over FY17-19; we expect it to continue with 50bp improvement over FY19-21. The recently announced INR20b promoter warrants issue should be utilized in releasing FRL assets from FEL — a move that will (a) clean FRL's asset ownership structure, (b) turn EPS accretive, and (c) garner 12% RoCE with further improvement potential. We maintain our TP of INR550, ascribing 20x (at 3-year average) FY21E EBITDA of INR15b. FRL trades at ~50% discount to DMART. With growth levers in place and return ratios set to take off, the valuation gap should reduce, in our view.

DMART/VMART valuations off the roof with tapering earnings growth

For DMART, we believe the margin reset cycle is yet not fully over; we expect the next couple of quarters to see margin contraction. Even though FY19-21E PAT CAGR remains healthy at ~30%, it is nearly half of the 56% PAT CAGR seen over FY15-18. The stock has corrected about 10% since our coverage, but yet remains rich at a P/E of 52x on FY21E. We maintain our TP of INR1,125, ascribing 26x EV/EBITDA on FY21E — a 20% premium to the target multiple of our coverage companies given its strong execution capability and healthy earnings profile. However, given the risk of earnings deceleration and rich valuation, maintain **Sell**.

Similarly, VMART has also seen strong 46% EBITDA CAGR over FY16-18, but saw flat EBITDA in FY19. This is partly captured in the ~30% decline witnessed in its stock price since peak of ~INR3,200 in the last three months. Yet, it trades richly at 21x EV/EBITDA and 40x P/E in FY21E. While we model 21% EBITDA growth over FY19-21, valuation is likely to remain under pressure given the probable deceleration in earnings growth. We maintain **Neutral** with TP of INR2,450, ascribing 22x EV/EBITDA — a 15% premium to our coverage target multiple.

Exhibit 12: Financial metrics comparison

Company	Rev. (INR b)			CAGR %	EBITDA (INR b)			CAGR %	EBITDA margin. %			CAGR %	PAT (INR b)			EPS (INR)			CAGR %
	FY19	FY20E	FY21E	FY19-21	FY19	FY20	FY21	FY19-21	FY19	FY20E	FY21E	FY19-21	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19-21
ABFRL	81.2	91.8	103.5	13	5.5	6.9	8.6	25	6.8	7.5	8.3	152	1.9	2.9	4.2	1.6	3.7	5.4	82
DMART	200.0	252.3	318.3	26	16.3	20.7	26.7	28	8.2	8.2	8.4	24	9.0	12.3	15.5	14.5	18.8	24.9	31
FLFL	57.3	69.8	83.2	21	5.3	6.6	8.0	23	9.2	9.4	9.6	39	1.9	2.1	2.8	8.6	10.8	14.5	30
FRETAIL	201.6	230.9	256.6	13	10.4	12.7	14.6	18	5.1	5.5	5.7	53	7.3	7.2	7.6	14.6	14.3	15.2	2
SHOP	35.8	39.4	43.1	10	2.5	2.9	3.4	18	6.9	7.4	7.9	103	0.8	1.1	1.3	7.8	13.2	15.9	43
SPENCER	21.9	24.9	28.7	14	0.1	0.3	0.5	138	0.4	1.0	1.8	136	0.0	0.1	0.2	0.08	0.4	0.7	204
TRENT	26.3	31.2	36.7	18	2.3	2.8	3.5	24	8.7	9.0	9.5	88	1.0	1.9	2.6	2.9	5.8	7.7	62
VMART	14.3	17.0	20.1	18	1.3	1.6	1.9	21	9.3	9.4	9.6	33	0.7	0.9	1.0	39.5	47.3	57.2	20
RELIANCE RETAIL	970.9	1,310.0	1,584.0	28	58.0	82.7	101.6	32	6.0	6.3	6.4	44	33.0	48.8	61.4	6.6	9.8	12.3	36

Source: MOFSL, Company

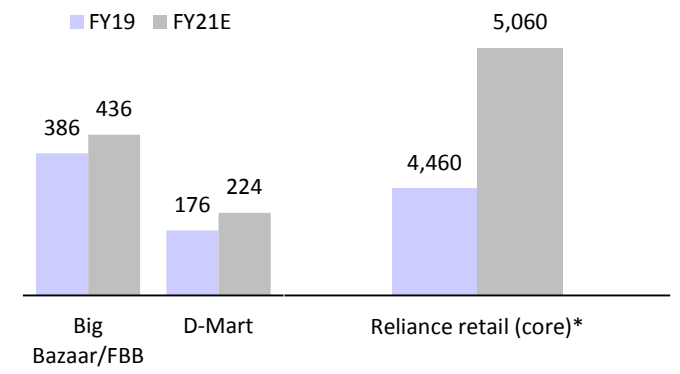
Exhibit 13: Valuation comparison

Company	MCap	CMP	TP	Upside	Reco.	RoE (%)			RoCE (%)			P/E (x)			EV/EBITDA (x)		
	(INR b)	INR	INR	(%)		FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E
ABFRL	170	221	240	9%	Buy	10.1	18.3	21.9	23.8	14.1	17.0	117	52	35	30	23	19
DMART	811	1,293	1,125	-13%	Sell	17.6	19.0	20.6	16.8	18.2	19.8	90	69	52	50	39	30
FLFL	88	445	585	31%	Buy	9.8	10.7	13.0	11.7	10.6	12.5	52	42	31	18	13	11
FRETAIL	240	477	550	15%	Buy	21.1	17.0	15.4	17.7	14.0	13.1	33	34	32	25	21	18
SHOP	42	482	520	8%	Neutral	7.1	11.4	12.1	7.4	11.1	11.9	62	36	30	17	14	12
SPENCER	8	103	175	70%	Buy	0.4	2.1	3.9	1.2	2.5	4.4	1,279	262	138	318	112	56
TRENT	133	402	440	9%	Buy	6.0	11.1	13.0	6.4	7.9	8.8	138	69	52	60	49	39
VMART	42	2,240	2,450	9%	Neutral	18.9	18.9	18.9	18.1	19.2	19.1	58	49	40	31	26	21

Source: MOFSL, Company

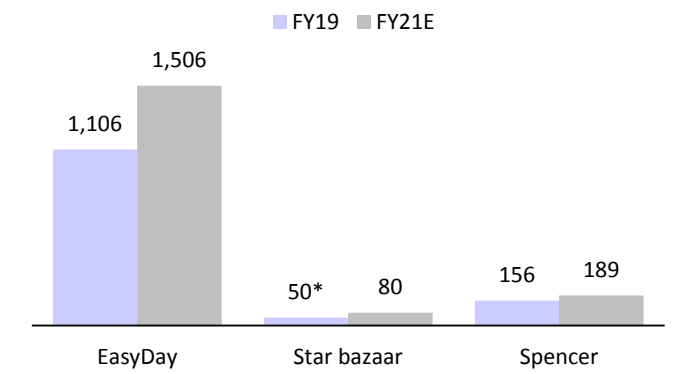
Store network comparison

Exhibit 14: Reliance Retail's store network on a spree



Source: MOFSL, Company

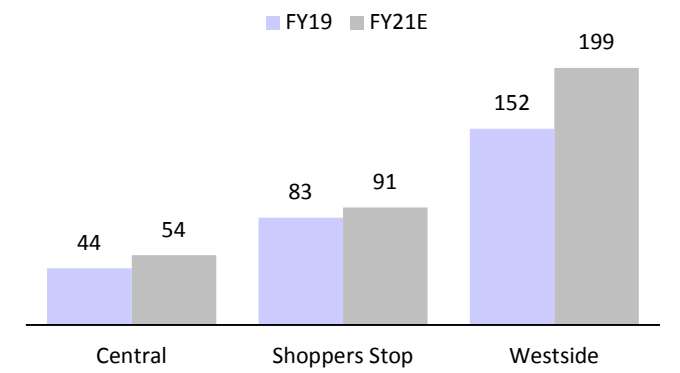
Exhibit 15: Expect Easyday's store count to reach ~1,500 by FY21E



*Estimate

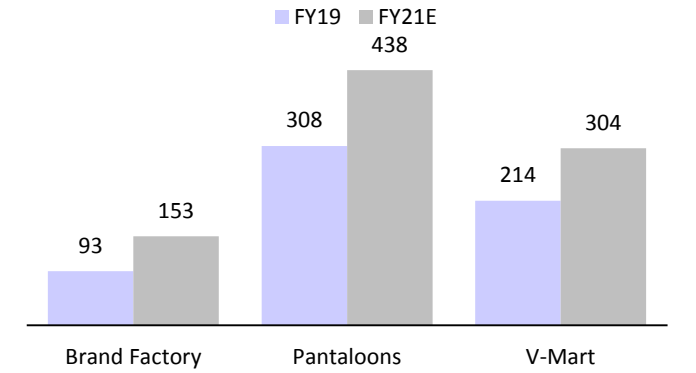
Source: MOFSL, Company

Exhibit 16: Westside to continue healthy store adds



Source: MOFSL, Company

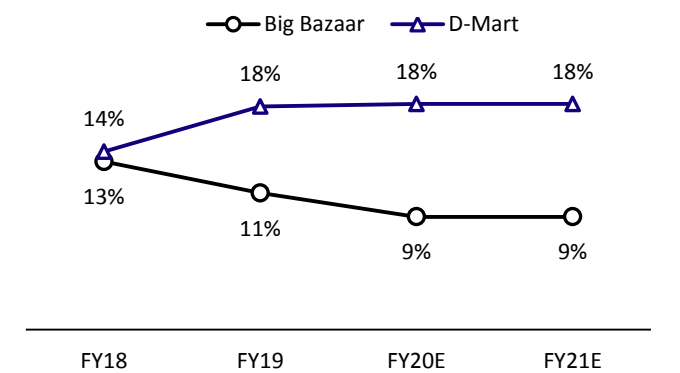
Exhibit 17: All value-fashion formats to step up store network



Source: MOFSL, Company

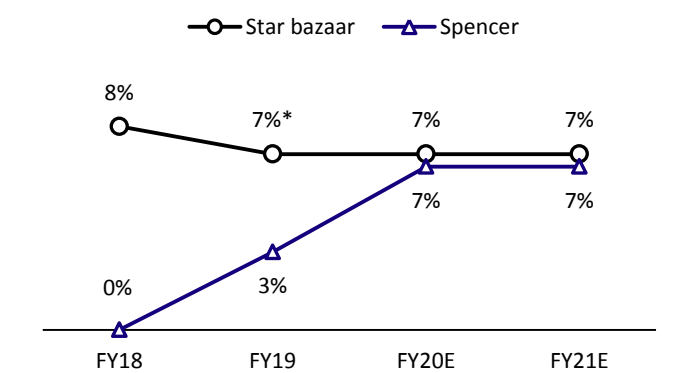
SSSG comparison

Exhibit 18: DMART to outperform Big Bazaar in SSSG front



Source: MOFSL, Company

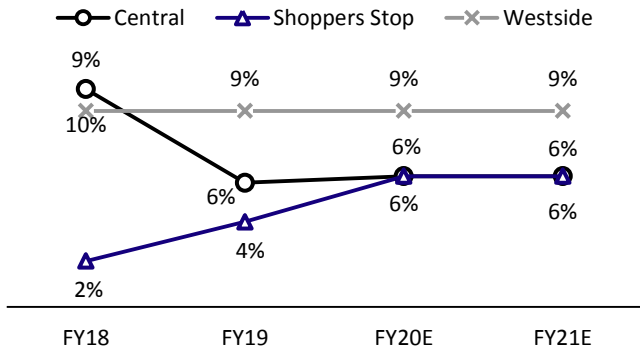
Exhibit 19: Expect Spencer's SSSG to witness an uptick



*Estimate

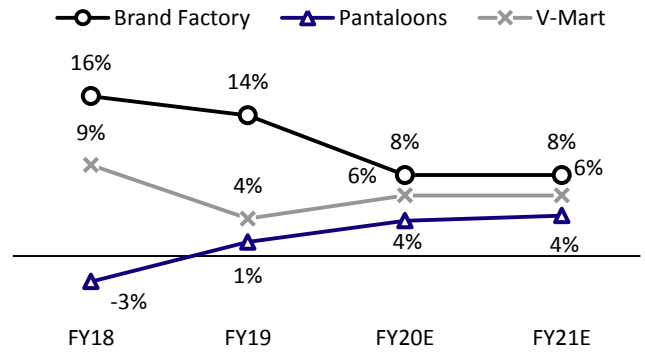
Source: MOFSL, Company

Exhibit 20: Westside to garner healthy 9% SSSG (%)



Source: MOFSL, Company

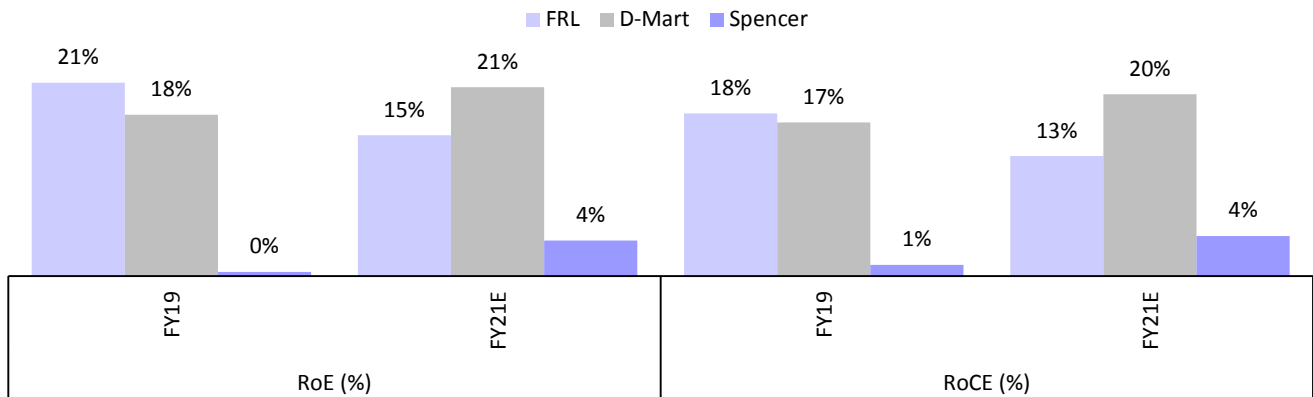
Exhibit 21: Brand Factory to lead the value retail format pack in terms of SSSG



Source: MOFSL, Company

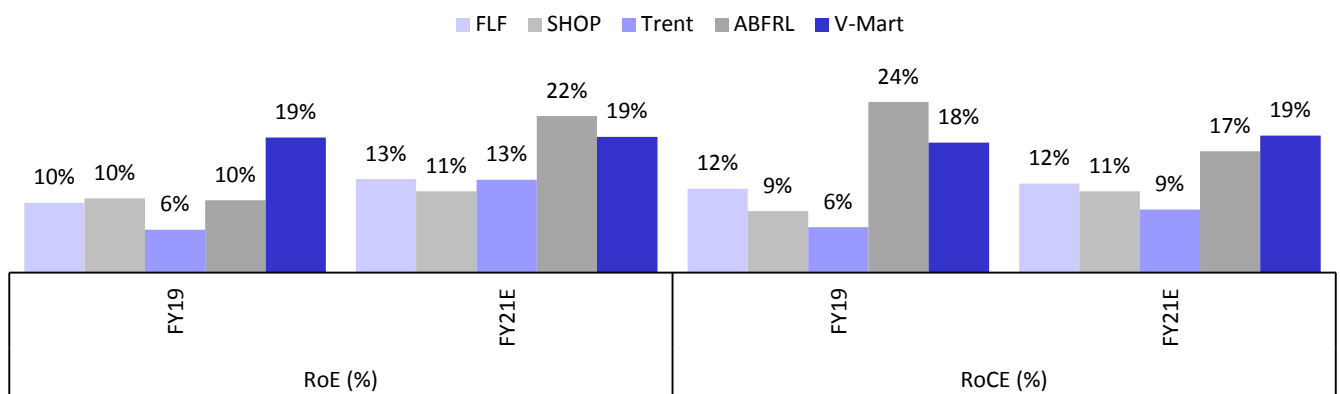
RoE/RoCE comparison

Exhibit 22: Return ratios for F&G players



Source: MOFSL, Company

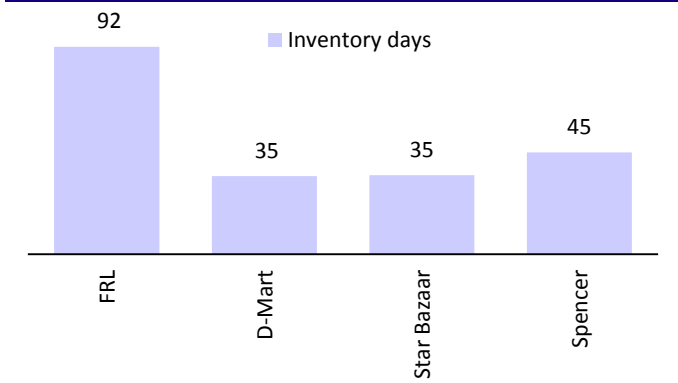
Exhibit 23: Return ratios for apparel players



Source: MOFSL, Company

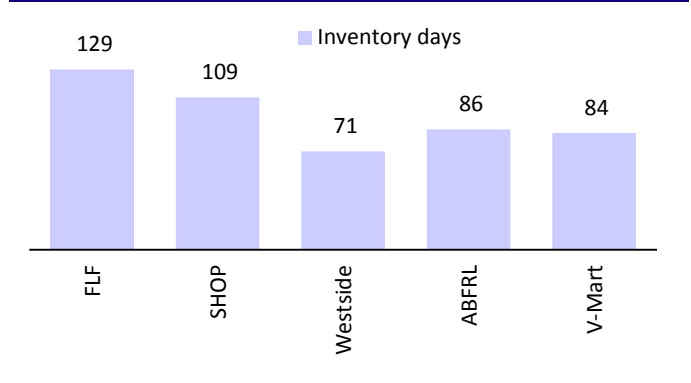
Working capital comparison

Exhibit 24: Inventory days comparison for F&G players (FY19)



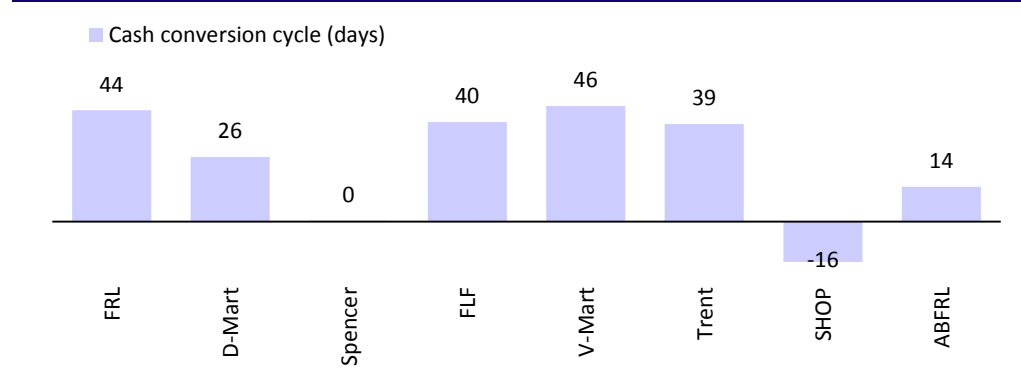
Source: MOFSL, Company

Exhibit 25: Inventory days comparison for apparel players (FY19)



Source: MOFSL, Company

Exhibit 26: Player-wise comparison of cash conversion cycle (FY19)



Source: MOFSL, Company

Exhibit 27: Store Visit: Price comparison for food and HPC products - I

Particulars	Quantity	Offline pricing								Online pricing			
		DMart (Malad)	DMart (Kandivli)	Avg. DMart pricing	Big Bazaar (Malad)	Big Bazaar (Matunga)	Avg. Big Bazaar pricing	Star bazaar (Churchgate)	Avg. Offline pricing	Amazon	BigBasket	Grofers	Avg. Online pricing
		1	2	3	4	5	6	7	8=Avg.(3,6,7)	9	10	11	12=Avg.(9,10,11)
Food products													
Ashirwad Atta	10kg	320	320	320	321	321	321	359	333	330	338	328	332
Dhara Sunflower oil	5l	455	455	455	603	463	533		494	489	490	492	490
Saffola Gold cooking oil	1l	140	138	139	159	144	152	160	150	145	146	146	146
Fortune Rice Bran oil*	5l	610	610	610	670	599	635	515	587	629	720	635	661
Dawaat Super Basmati	5kg	595	595	595	625	625	625		610	689	729		709
Dawaat Rozzana Gold	5kg	371	370	371	348	348	348	405	375	385	412	379	392
India Gate Classic basmati	5kg	799	799	799	875	875	875	899	858	840	840	773	818
Toor dal (private label)	1kg	70	79	75	64	64	64	103	81	85	73	74	77
Masoor dal (private label)	1kg	64	70	67	61	59	60	86	71	70	65	86	74
Mother Dairy ghee pouch	1l	449	441	445	445	443	444		445	459	448		454
Amul Ghee	1l tin	480	470	475	485	485	485		480	459	485		472
Gowardhan ghee	1l	445	439	442	529	525	527	479	483	525	525	462	504
Madhur Sugar	1kg	42	42	42	42	42	42	42	42	40	55	40	45
Nestle A+ tetra pack	1l	70	70	70	60	60	60	70	67	71	73	74	73
Tata Tea gold	1kg	320	320	320	420	420	420	385	375	387	370	344	367
Tropicana 100% fruit juice	1l	130	120	125	99	99	99	74	99	130	126	122	126
Real fruit juice	1l	66	66	66	72	70	71	81	73	100	99	81	93
Maggi noodles	420gm (pack of 6)	58	58	58	58	57	58	61	59	57	63	61	60
Bournvita Jar	1kg	371	371	371	375	378	377	380	376	366	378	321	355
Bournvita 5 star	500g	215	212	214	214	214	214		214	203	226	212	214
Good Day Butter Cookies	150gm	23	23	23	23	22	23	20	22		22		22
Parle - G	800gm pack	54	54	54	54	54	54	55	54	45	59	53	52
Adj. Total		3,930	3,926	3,928	4,207	4,115	4,161	4,154	4,081	4,205	4,342	3,979	4,175
HPC products													
Surf Excel Easy Wash	4kg	379	378	379	408	450	429	398	402	391	408	406	402
Rin Detergent Powder	6kg	399	399	399	412	380	396	330	375	428	450	423	434
Arial Front Load	2kg	560	525	543	470	470	470	450	488	359	399	373	377
Vim Dishwash bar	300g	20	20	20	25	20	23	20	21	18	20	19	19
Nivea Crème soft soap	4*125g	224	224	224	224	224	224	207	218	184	224	213	207
Dove Soap	3*100g	240	240	240	142	172	157	172	190	157	157	172	162
Pears Pure and Gentle soap	3*125	185	215	200	134	164	149	164	171	137	141	164	147
Godrej No. 1	3*150g	70	66	68	90	92	91		80	89	98	98	95
Sunsilk Shampoo Black	340ml	160	160	160	165	165	165	165	163	153	153	155	154
Dove Daily Shine Shampoo	650ml	305	285	295	355	325	340	385	340	309	338	338	328

Pantene Pro V Silky shampoo	650ml	215	215	215	225	225	225	275	238	244	245	300	263
Dabur Amla hair oil	450ml	164	164	164	175	184	180		172	187	187	187	187
Parachute hair oil	500ml	190	180	185	185	181	183	215	194	180	176		178
Bajaj Almond drops hair oil	500ml	185	185	185	250	255	253	255	231		165	155	160
Harpic Plus toilet cleaner	1ltr	139	131	135	140	152	146	148	143	142	151	140	144
Lizol Lavender floor cleaner	975ml	141	139	140	149	164	157	139	145	149	164	154	156
Colgate Dental Cream	300g	121	121	121	121	123	122		122	125	117		121
Colgate Max Fresh	300g	125	125	125	156	126	141	170	145	153	164		159
Colgate Total Advance	2*120g	140	140	140	153	144	149		144	114	115	130	120
Adj. Total		3,157	3,111	3,134	3,034	3,092	3,063	3,068	3,088	2,851	3,026	2,857	2,971
Grand Total		7,087	7,037	7,062	7,241	7,207	7,224	7,222	7,169	7,056	7,368	6,836	7,146

Source: MOSL, Company

Exhibit 28: Store Visit: Price comparison for food and HPC products - II

Particulars	Offline pricing								Online pricing			
	DMart (Malad)	DMart (Kandivli)	Avg. DMart pricing	Big Bazaar (Malad)	Big Bazaar (Matunga)	Avg. Big Bazaar pricing	Star bazaar (Churchgate)	Avg. Offline pricing	Amazon	BigBasket	Grofers	Avg. Online pricing
	1	2	3	4	5	6	7	8=Avg.(3,6,7)	9	10	11	12=Avg.(9,10,11)
Adj. Total for Food products	3,930	3,926	3,928	4,207	4,115	4,161	4,154	4,081	4,205	4,342	3,979	4,175
Adj. Total for HPC products	3,157	3,111	3,134	3,034	3,092	3,063	3,068	3,088	2,851	3,026	2,857	2,971
Grand Total	7,087	7,037	7,062	7,241	7,207	7,224	7,222	7,169	7,056	7,368	6,836	7,146

Source: Company, MOSL

Exhibit 29: Store Visit: Price comparison for food and HPC products - III

Comparison	Calculation	Food products	HPC products	Total
Online v/s Offline	12/8*100	2%	-4%	0%
D-Mart v/s Big Bazaar (Malad)	1/2*100	-7%	4%	-2%
D-Mart v/s Big Bazaar (Avg)	3/6*100	-6%	2%	-2%
(Avg) D-Mart v/s Star Bazaar	3/7*100	-5%	2%	-2%
(Avg) big Bazaar v/s Star Bazaar	6/7*100	0%	0%	0%

Source: MOSL

NOTES

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
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