

Avenue Supermart

Weighted Average Cost of Capital

All figures are in INR unless stated otherwise.

Peer Comps

Name	Country	Total Debt	Total Equity	Tax Rate ¹	Debt/ Equity	Debt/ Capital	Levered Beta ²	Unlevered Beta ³
Avenue Super. Trent	India	630.4	2,47,174.5	30.00%	0.26%	0.25%	1.04	1.04
Vedant Fashions	India	4,839.3	88,493.3	30.00%	5.47%	5.19%	1.18	1.14
Aditya Bir. Fas.	India	365.0	32,355.9	30.00%	1.13%	1.12%	1.19	1.18
	India	10,174.8	20,555.9	30.00%	49.50%	33.11%	1.31	0.97
Average				30.00%	14.09%	9.92%	1.18	1.08
Median				30.00%	3.30%	3.15%	1.19	1.09

Cost of Debt

Pre-tax Cost of Debt	10%
Tax Rate	30.00%
After Tax Cost of Debt	7.00%

Cost of Equity

Risk Free Rate	7.39% (10Y bond return)
Equity Risk Premium	9.42% (Exp market return - RF)
Levered Beta ⁴	1.38
Cost of Equity	20.37%

Capital Structure

		Current	Target
Total Debt	630.4	0.25%	9.92%
Market Capitalization	2,47,174.5	99.75%	90.08%
Total Capitalization	247804.83	100.00%	100.00%
Debt / Equity		0.26%	11.01%

Levered Beta

Comps Median Unlevered Beta	1.09
Target Debt/ Equity	11.01%
Tax Rate	30.00%
Levered Beta	1.38

Weighted Average Cost of Capital

Cost of Equity	20.37%
Equity Weight	90.08%
Cost of Debt	7.00%
Debt Weight	9.92%
WACC	19.05%

1. Tax Rate considered as Marginal Tax Rate for the country

2. Levered Beta is based on 2 years weekly data

3. Unlevered Beta = Levered Beta/(1+(1-Tax Rate) x Debt/Equity)

4. Levered Beta = Unlevered Beta*(1+(1-Tax Rate) x Debt/Equity)

Avenue Supermart BETA Calculation

Trent Weekly Returns

Date	Closing	Weekly Return
08-11-2021	₹ 5,078.55	
15-11-2021	₹ 5,080.90	0.05%
22-11-2021	₹ 4,718.75	-7.13%
29-11-2021	₹ 4,799.05	1.70%
06-12-2021	₹ 4,796.60	-0.05%
13-12-2021	₹ 4,697.80	-2.06%
20-12-2021	₹ 4,628.90	-1.47%
27-12-2021	₹ 4,671.45	0.92%
03-01-2022	₹ 4,731.35	1.28%
10-01-2022	₹ 4,322.70	-8.64%
17-01-2022	₹ 4,299.80	-0.53%
24-01-2022	₹ 4,076.00	-5.20%
31-01-2022	₹ 4,081.90	0.14%
07-02-2022	₹ 4,142.25	1.48%
14-02-2022	₹ 4,073.10	-1.67%
21-02-2022	₹ 4,190.75	2.89%
28-02-2022	₹ 4,110.20	-1.92%
07-03-2022	₹ 4,198.95	2.16%
14-03-2022	₹ 4,192.75	-0.15%
21-03-2022	₹ 4,001.30	-4.57%
28-03-2022	₹ 4,082.20	2.02%
04-04-2022	₹ 4,146.25	1.57%
11-04-2022	₹ 4,090.90	-1.33%
18-04-2022	₹ 4,028.85	-1.52%
25-04-2022	₹ 3,944.25	-2.10%
02-05-2022	₹ 3,666.20	-7.05%
09-05-2022	₹ 3,230.60	-11.88%
16-05-2022	₹ 3,630.40	12.38%
23-05-2022	₹ 3,613.85	-0.46%
30-05-2022	₹ 3,820.10	5.71%
06-06-2022	₹ 3,755.65	-1.69%
13-06-2022	₹ 3,460.55	-7.86%
20-06-2022	₹ 3,412.00	-1.40%
27-06-2022	₹ 3,388.75	-0.68%
04-07-2022	₹ 3,941.70	16.32%
11-07-2022	₹ 3,526.80	-0.38%
18-07-2022	₹ 3,963.40	0.93%
25-07-2022	₹ 4,243.85	7.08%
01-08-2022	₹ 4,232.25	-0.27%
08-08-2022	₹ 4,336.70	2.47%
15-08-2022	₹ 4,382.00	1.04%
22-08-2022	₹ 4,409.65	0.63%
29-08-2022	₹ 4,576.80	3.79%
05-09-2022	₹ 4,386.10	-4.17%
12-09-2022	₹ 4,327.55	-1.33%
19-09-2022	₹ 4,367.00	0.91%
26-09-2022	₹ 4,386.55	0.45%
03-10-2022	₹ 4,471.45	1.94%
10-10-2022	₹ 4,306.15	-3.70%
17-10-2022	₹ 4,215.55	-2.10%
24-10-2022	₹ 4,307.35	2.18%
31-10-2022	₹ 4,167.35	-3.25%
07-11-2022	₹ 4,128.35	-0.94%
14-11-2022	₹ 3,910.60	-5.27%
21-11-2022	₹ 3,904.45	-0.16%
28-11-2022	₹ 4,005.75	2.59%
05-12-2022	₹ 4,002.40	-0.08%
12-12-2022	₹ 3,990.00	-0.31%
19-12-2022	₹ 3,875.60	-2.87%
26-12-2022	₹ 4,068.75	4.98%
02-01-2023	₹ 3,842.50	-5.56%
09-01-2023	₹ 3,863.70	0.55%
16-01-2023	₹ 3,513.75	-9.06%
23-01-2023	₹ 3,562.35	1.38%
30-01-2023	₹ 3,470.35	-2.58%
06-02-2023	₹ 3,498.85	0.82%
13-02-2023	₹ 3,545.00	1.32%
20-02-2023	₹ 3,499.20	-1.29%
27-02-2023	₹ 3,463.25	-1.03%
06-03-2023	₹ 3,391.85	-2.06%
13-03-2023	₹ 3,311.30	-2.37%
20-03-2023	₹ 3,358.40	1.42%
27-03-2023	₹ 3,401.05	1.27%
03-04-2023	₹ 3,496.10	2.79%
10-04-2023	₹ 3,501.05	0.14%
17-04-2023	₹ 3,455.90	-1.29%
24-04-2023	₹ 3,511.95	1.62%
01-05-2023	₹ 3,598.20	2.46%
08-05-2023	₹ 3,677.55	2.21%
15-05-2023	₹ 3,395.25	-7.68%
22-05-2023	₹ 3,501.75	3.14%
29-05-2023	₹ 3,531.60	0.85%
05-06-2023	₹ 3,632.10	2.85%
12-06-2023	₹ 4,085.60	12.49%
19-06-2023	₹ 3,744.05	-8.36%
26-06-2023	₹ 3,884.20	3.88%
03-07-2023	₹ 3,808.95	-2.06%
10-07-2023	₹ 3,838.75	0.78%
17-07-2023	₹ 3,675.70	-4.25%
24-07-2023	₹ 3,713.90	1.04%
31-07-2023	₹ 3,652.10	-1.66%
07-08-2023	₹ 3,550.05	-2.79%
14-08-2023	₹ 3,540.95	-0.26%
21-08-2023	₹ 3,534.60	-0.18%
28-08-2023	₹ 3,761.05	6.41%
04-09-2023	₹ 3,782.40	0.57%
11-09-2023	₹ 3,796.00	0.36%
18-09-2023	₹ 3,689.10	-2.82%
25-09-2023	₹ 3,675.60	-0.37%
02-10-2023	₹ 3,833.95	4.31%
09-10-2023	₹ 3,935.85	2.66%
16-10-2023	₹ 3,749.50	-4.73%
23-10-2023	₹ 3,665.45	-2.24%
30-10-2023	₹ 3,649.70	-0.43%
06-11-2023	₹ 3,798.40	4.07%
10-11-2023	₹ 3,798.40	0.00%

Nifty

Date	Closing	Weekly Return
08-11-2021	₹ 18,102.75	
15-11-2021	₹ 17,764.80	-1.87%
22-11-2021	₹ 17,026.45	-4.16%
29-11-2021	₹ 17,196.70	1.00%
06-12-2021	₹ 17,511.30	1.83%
13-12-2021	₹ 16,985.20	-3.00%
20-12-2021	₹ 17,003.75	0.11%
27-12-2021	₹ 17,354.05	2.06%
03-01-2022	₹ 17,812.70	2.64%
10-01-2022	₹ 18,255.75	2.49%
17-01-2022	₹ 17,617.15	-3.50%
24-01-2022	₹ 17,101.95	-2.92%
31-01-2022	₹ 17,516.30	2.42%
07-02-2022	₹ 17,374.75	-0.81%
14-02-2022	₹ 17,276.30	-0.57%
21-02-2022	₹ 16,658.40	-3.58%
28-02-2022	₹ 16,245.35	-2.48%
07-03-2022	₹ 16,630.45	2.37%
14-03-2022	₹ 17,287.05	3.95%
21-03-2022	₹ 17,153.00	-0.78%
28-03-2022	₹ 17,670.45	3.02%
04-04-2022	₹ 17,784.35	0.64%
11-04-2022	₹ 17,475.65	-1.74%
18-04-2022	₹ 17,171.95	-1.74%
25-04-2022	₹ 17,102.55	-0.40%
02-05-2022	₹ 16,411.25	-4.04%
09-05-2022	₹ 15,782.15	-3.83%
16-05-2022	₹ 16,266.15	3.07%
23-05-2022	₹ 16,352.45	0.53%
30-05-2022	₹ 16,584.30	1.42%
06-06-2022	₹ 16,201.80	-2.31%
13-06-2022	₹ 15,293.50	-5.61%
20-06-2022	₹ 15,699.25	2.65%
27-06-2022	₹ 15,752.05	0.34%
04-07-2022	₹ 16,220.60	2.97%
11-07-2022	₹ 16,049.20	-1.06%
18-07-2022	₹ 16,719.45	4.18%
25-07-2022	₹ 17,158.25	2.62%
01-08-2022	₹ 17,397.50	1.39%
08-08-2022	₹ 17,698.15	1.73%
15-08-2022	₹ 17,758.45	0.34%
22-08-2022	₹ 17,558.90	-1.12%
29-08-2022	₹ 17,539.45	-0.11%
05-09-2022	₹ 17,833.35	1.68%
12-09-2022	₹ 17,530.85	-1.70%
19-09-2022	₹ 17,327.35	-1.16%
26-09-2022	₹ 17,094.35	-1.34%
03-10-2022	₹ 17,314.65	1.29%
10-10-2022	₹ 17,185.70	-0.74%
17-10-2022	₹ 17,576.30	2.27%
24-10-2022	₹ 17,786.80	1.20%
31-10-2022	₹ 18,117.15	1.86%
07-11-2022	₹ 18,349.70	1.28%
14-11-2022	₹ 18,307.65	-0.23%
21-11-2022	₹ 18,512.75	1.12%
28-11-2022	₹ 18,696.10	0.99%
05-12-2022	₹ 18,496.60	-1.07%
12-12-2022	₹ 18,269.00	-1.23%
19-12-2022	₹ 17,806.80	-2.53%
26-12-2022	₹ 18,105.30	1.68%
02-01-2023	₹ 17,859.45	-1.36%
09-01-2023	₹ 17,956.60	0.54%
16-01-2023	₹ 18,027.65	0.40%
23-01-2023	₹ 17,604.35	-2.35%
30-01-2023	₹ 17,854.05	1.42%
06-02-2023	₹ 17,856.50	0.01%
13-02-2023	₹ 17,944.20	0.49%
20-02-2023	₹ 17,465.80	-2.67%
27-02-2023	₹ 17,594.35	0.74%
06-03-2023	₹ 17,412.90	-1.03%
13-03-2023	₹ 17,100.05	-1.80%
20-03-2023	₹ 16,945.05	-0.91%
27-03-2023	₹ 17,359.75	2.45%
03-04-2023	₹ 17,599.15	1.38%
10-04-2023	₹ 17,828.00	1.30%
17-04-2023	₹ 17,624.05	-1.14%
24-04-2023	₹ 18,065.00	2.50%
01-05-2023	₹ 18,069.00	0.02%
08-05-2023	₹ 18,314.80	1.36%
15-05-2023	₹ 18,203.40	-0.61%
22-05-2023	₹ 18,499.35	1.63%
29-05-2023	₹ 18,534.10	0.19%
05-06-2023	₹ 18,563.40	0.16%
12-06-2023	₹ 18,826.00	1.41%
19-06-2023	₹ 18,665.50	-0.85%
26-06-2023	₹ 19,189.05	2.80%
03-07-2023	₹ 19,331.80	0.74%
10-07-2023	₹ 19,564.50	1.20%
17-07-2023	₹ 19,745.00	0.92%
24-07-2023	₹ 19,646.05	-0.50%
31-07-2023	₹ 19,517.00	-0.66%
07-08-2023	₹ 19,428.30	-0.45%
14-08-2023	₹ 19,310.15	-0.61%
21-08-2023	₹ 19,265.80	-0.23%
28-08-2023	₹ 19,435.30	0.88%
04-09-2023	₹ 19,819.95	1.98%
11-09-2023	₹ 20,192.35	1.88%
18-09-2023	₹ 19,674.25	-2.57%
25-09-2023	₹ 19,638.30	-0.18%
02-10-2023	₹ 19,653.50	0.08%
09-10-2023	₹ 19,751.05	0.50%
16-10-2023	₹ 19,542.65	-1.06%
23-10-2023	₹ 19,047.25	-2.53%
30-10-2023	₹ 19,230.60	0.96%
06-11-2023	₹ 19,425.35	1.01%
10-11-2023	₹ 19,425.35	0.00%

Beta Drifting

Levered Raw Beta	1.04
Raw Beta Weight	75.00%
Market Beta	1.00
Market Beta Weight	25.00%
Adjusted Beta	1.03

SUMMARY OUTPUT

Regression Statistics

Multiple R	0.4849383
R Square	0.2351651
Adjusted R	0.2277395
Standard Error	0.0361857
Observation	105

ANOVA

	df	SS	MS	F	Significance F
Regression	1	0.041468	0.041468	31.66959	1.58E-07
Residual	103	0.134868	0.001309		
Total	104	0.176337			

Coefficients and Standard Error

	Intercept	1.04	0.184832	5.627574	1.58E-07	0.673587	1.40673012	0.673587	1.40673
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Nifty Annual Return

Year	Annual
2000	-14.65%
2001	-16.18%
2002	3.25%
2003	71.90%
2004	10.68%
2005	36.34%
2006	39.83%
2007	54.77%
2008	-51.79%
2009	75.76%
2010	17.95%
2011	-24.62%
2012	27.70%
2013	6.76%
2014	31.39%
2015	-4.06%
2016	3.01%
2017	28.65%
2018	3.15%
2019	12.02%
2020	14.90%
2021	24.12%
2022	4.32%

Total Market Return

Average return	15.44%
Dividend yield	1.37%
Total Rm	16.81%