



India's Retail Transformation

February 2026



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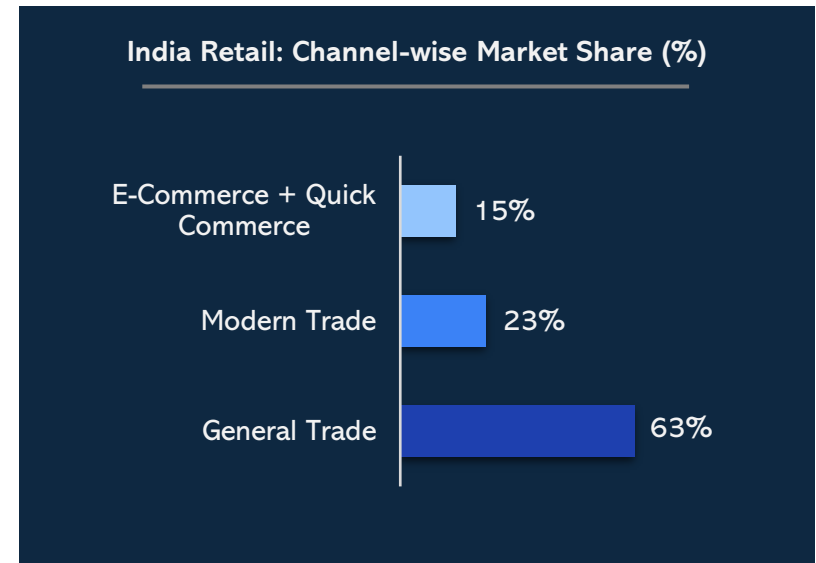
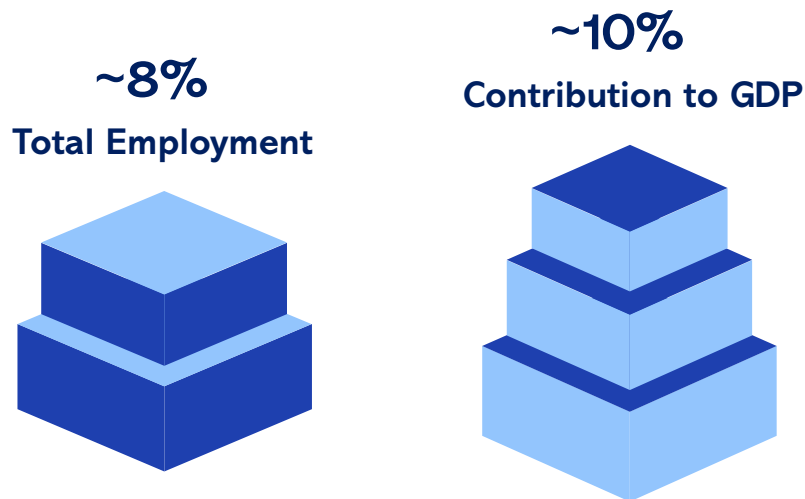
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INDIAN RETAIL

Indian Retail Industry – An Overview

The Indian retail sector entered 2025 with robust momentum, driven by cyclical recovery and structural expansion. As per the Deloitte-FICCI Report, the market, **estimated at USD 1.06 trillion in 2025**, is positioned as **one of the largest retail markets globally**. Over the long term, the sector is projected to expand at a CAGR of approximately 13%, reaching **USD 1.93 trillion by 2030**. This growth is expected to be driven by rising disposable incomes, rapid urbanization, demographic tailwinds, and deeper penetration of modern retail formats across Tier II and Tier III cities.

India's Retail distribution landscape is anchored by general trade, which continues to dominate with deep rural and Tier II/III reach, serving price-sensitive consumers through trust-based kirana networks and sachet-led affordability. Modern trade complements this foundation by strengthening urban and metropolitan presence, focusing on premium assortments and superior in-store experiences. Meanwhile, e-commerce and quick commerce are emerging as high-growth channels, driven by metro penetration and Gen Z adoption, with rapid-delivery formats now accounting for an increasing share of overall FMCG sales.



Source: Deloitte-FICCI Report

Retail Growth Beyond Metros

Tier II & III acceleration

Rising smartphone penetration and 21.70 billion UPI transactions in January 2026 (0.5% up from December 2025) are structurally enabling retail growth in non-metro markets.

Small trader formalization

ONDC's 1.16 lakh+ retail sellers are bringing Tier IV and rural retailers into the organized digital ecosystem.



Expansion of Organized Retail & Real Estate

Organized Retail Growth

- Holds ~12% market share with strong headroom for growth; expected to rise to 17–19% by 2035.
- Growth driver: Branded store expansion, mall development, and preference for standardized retail experiences.

Retail Real Estate Momentum

- 8.9 Mn sq. ft. leased by Q3 2025
- Already surpassed full-year 2024 levels
- 22% quarter-on-quarter increase
- Indications: strong retailer confidence and continued relevance of physical retail in omnichannel models.



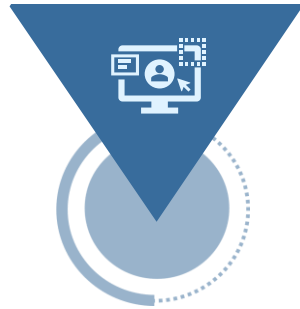
Accelerated Growth of E-Commerce

E-Commerce Surge

- Set to grow from USD 105 billion (2023) to USD 550 billion by 2035, at a ~13.6% CAGR
- Growth drivers: Rising internet penetration, smartphones, digital payments, and last-mile logistics.

Key Trends

- High demand in apparel, beauty & personal care, and accessories
- Omnichannel models improving inventory efficiency, reach, and engagement
- Cost optimization through integrated retail strategies.



Technology Adoption & Productivity Improvements

Technology Adoption

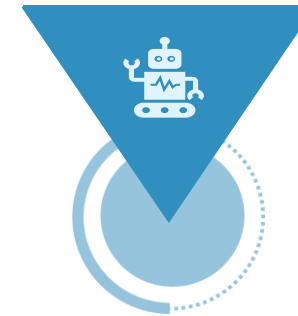
- Retailers adopting CRM, POS, online ordering, and inventory management tools to improve efficiency and customer engagement.
- Digital adoption remains uneven, but momentum is clearly positive.

Productivity Gains

- EY projects ~37% productivity improvement over the next five years
- Key drivers: Automation and analytics, supporting margin expansion and scalable growth for organized retailers.

“Challenges will persist around margin management, supply chain optimisation, and regulatory compliance, but the sector is expected to remain resilient and innovative, with technology and consumer-centricity at its core.”

- Anand Ramanathan, Partner & Consumer Industry Leader, Deloitte India



Impact of Generative AI on Retail

Customer Engagement

- According to 52% of retailers use Gen AI-based recommendation engines for consumer experience and targeted engagement.

Supply-Chain Optimization

48% leverage Gen AI for demand forecasting, route planning, and warehouse optimization.

Manufacturing Excellence

40% apply Gen AI in manufacturing and quality control to improve production efficiency and reduce defects.



Inflation Control

Declined from 6.7% (in FY 2022-23)

1.7% CPI (FY 2025-26, up to Dec '25)

Lowest average inflation in the current CPI series, significantly boosting real purchasing power.

- Driven by steep decline in food prices (vegetables, pulses).
- Core inflation remains sticky due to precious metal prices; excluding these, underlying pressures remain subdued.



Policy Environment and Budget Support

The Union Budget 2026-27 establishes a macroeconomic framework focused on fiscal consolidation and infrastructure to support the retail sector.

- Mega Textile Parks:** To reduce import reliance
- MSME support:** Enhanced financing, SHE-marts & assistive technology marts.
- City Economic Regions (CERs):** to deepen modern retail in Tier II and III cities.
- Compliance:** Lower TDS rates and extended tax return deadlines, securing India's status as a globally competitive manufacturing hub.



Structural Reforms

Government initiatives are streamlining operations and boosting sentiment across the retail spectrum.

- ✓ **GST Slab Standardization**
Reduces complexity, improves transparency, and levels the playing field.
- ✓ **Tax Relief Impact**
Income tax cuts boosted consumer sentiment, driving record Q4 sales.

Key Budget Measures:

INR 40,000 Cr

Expansion of ECMS Outlay
(Up from INR 22,919 Cr)

1% → 3%

Duty-Free Seafood Input Limit of the Free-on-Board (FOB) value of the previous year's export turnover.

Doubled

Leather Export Window
(from 6 months to 1 Year)

5-Year

Income Tax Exemption for Non-Residential Suppliers

India-EU FTA

The India–EU Free Trade Agreement integrates the 4th and 2nd largest global economies, creating access to a USD 24 trillion market serving ~2 billion consumers.

✔ Export Upside & Margin Expansion:

Preferential access to 97% of EU tariff lines (99.5% of trade value) with 90.7% of Indian exports receiving immediate duty elimination materially improves volume growth and pricing competitiveness.

Leather & Footwear

Eliminating tariffs of up to 17% enables Indian MSME exporters to expand beyond USD 2.4 billion in current EU exports and capture greater share of the USD 100 billion import market.

Textiles & Apparel

Zero-duty access across all lines. Boosts competitiveness vs Bangladesh & Vietnam.

✔ Controlled Liberalisation & Cost Efficiency:

- India opens 92.1% of tariff lines to EU imports; less than half liberalised immediately and the balance phased over 5-10 years
- Limits near-term competitive pressure, while improving access to high-technology capital and intermediate goods.
- Self-certification of origin expected to reduce compliance costs and improve operating efficiency across export-oriented sectors.

India-US FTA

As per the India–US Joint Statement issued in early February 2026, a central component of the agreement involves significant market access commitments from the United States in favor of India.

- The United States will implement a reciprocal **tariff rate of 18%** (reduced from previous 50%) on various Indian goods, including textiles, apparel, leather, footwear, & certain machinery.
- However, upon the successful conclusion of the Interim Agreement, the U.S. plans to remove these reciprocal tariffs on a significant range of items, such as generic pharmaceuticals, gems, diamonds, and aircraft parts.
- Additionally, the U.S. will lift national security-related tariffs on certain Indian aircraft and aircraft parts & provide India with a preferential tariff rate quota for automotive parts.

“Our analysts expect an incremental growth boost of 0.2 percentage points of GDP (annualized) with these new tariffs, based on India’s goods exports exposure of roughly 4% of GDP to US final demand.”

- Goldman Sachs’ Outlook for India’s Economy in 2026 amid A New US Trade Deal

New-Age D2C Brands

Direct-to-consumer (D2C) brands **bypass traditional distributors** to build direct relationships with consumers, using social commerce and influencer networks to reduce marketing costs and build loyalty.

Challenge

They compel legacy players to rethink their innovation cycles, pricing, and go-to-market models.

Example:

- **Minimalist:** A premium beauty brand acquired by HUL to tap into the "clean beauty" segment.
- **Beardo:** A male grooming brand acquired by Marico to connect directly with young male consumers.

Retailer-Owned Private Labels

Private labels are emerging as formidable challengers to established FMCG players, particularly in high-frequency categories like packaged foods and staples.

Challenge

These brands are often 25-40% cheaper than national brands while yielding higher margins. They leverage the retailer's own data to iterate on design and offerings quickly.

Example:

- **BigBasket:** Its family of labels (BB Royal, BB Popular, Fresho) accounts for approximately 35% of its total sales.
- **Swiggy Instamart:** Its "Supreme Harvest" line of staples accounts for 18–20% of its sales.

Quick Commerce Platforms

Quick commerce is disrupting traditional "General Trade" (Kirana stores) and standard e-commerce by offering sub-30-minute deliveries through a network of "dark stores".

Challenge

India is the first country to successfully scale this model, which is now expanding beyond groceries into fashion, electronics, and wellness. This creates pressure on traditional retailers to digitize or face declining footfalls.

Example:

- **Blinkit, Zepto, and Swiggy Instamart:** These platforms now account for roughly two-thirds of India's e-grocery sales, valued at approximately USD 6-7 billion annually.

Hyper-Local and Niche Regional Brands

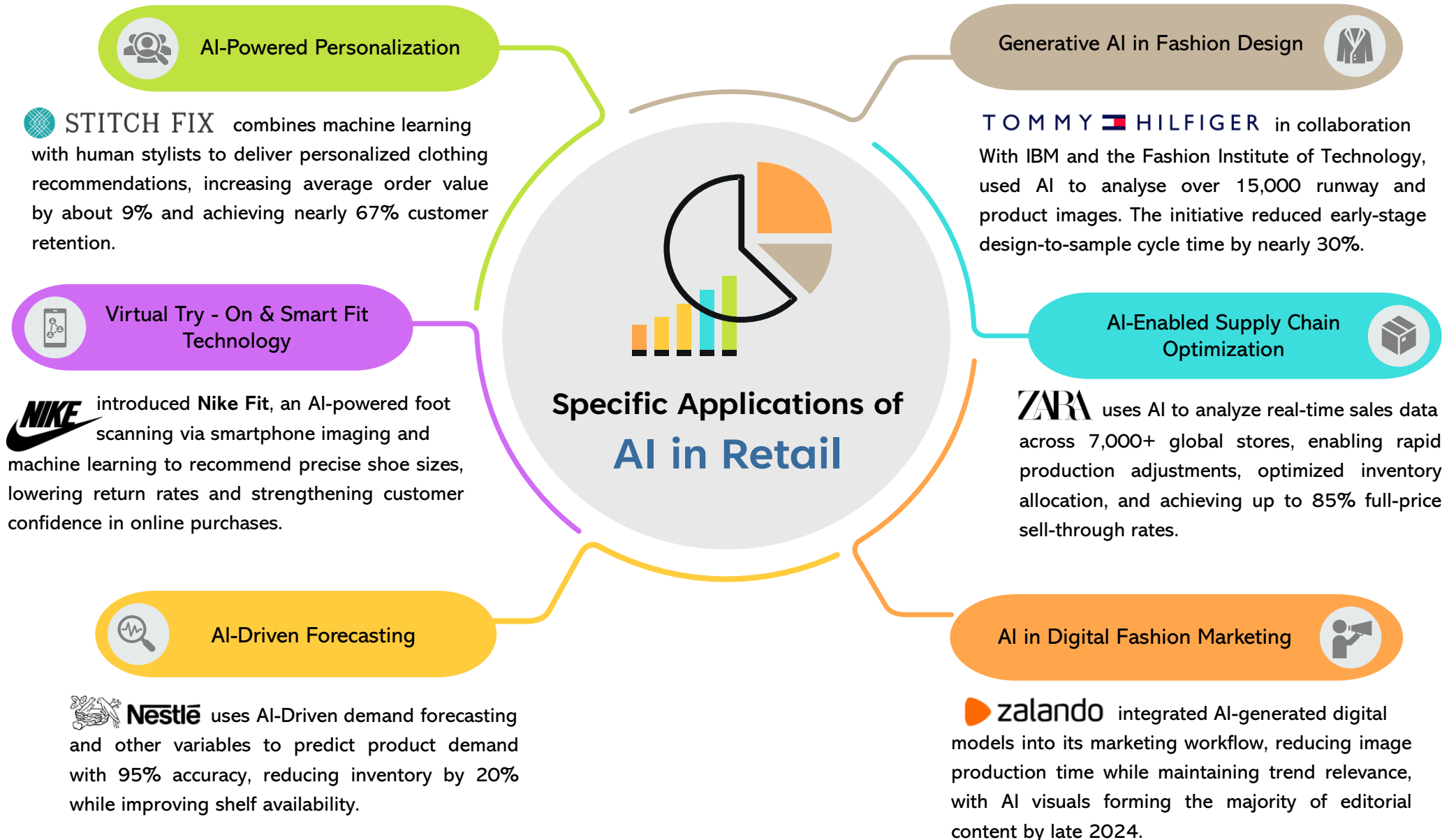
Smaller regional players are challenging national giants by using "cultural proximity" to tailor products to local tastes and languages.

Challenge

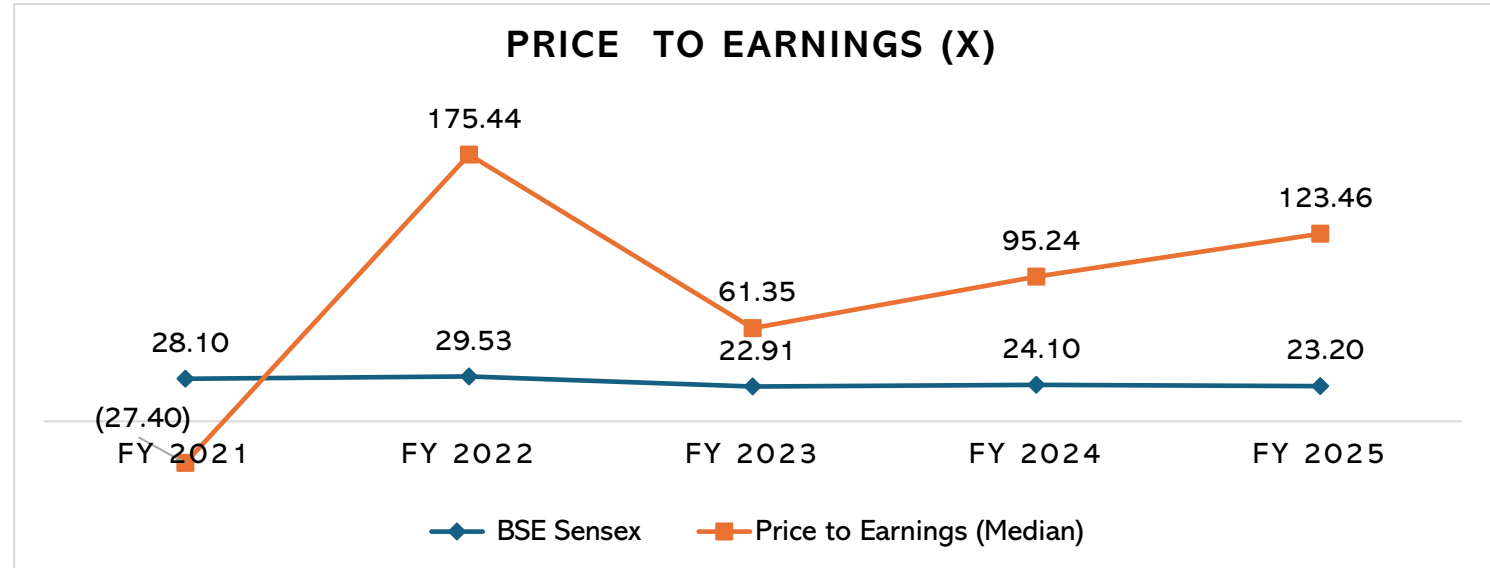
These brands use regional manufacturing clusters and leaner structures to maintain cost leadership and high relevance in Tier II and III cities.

Example:

- **Lahori Zeera:** A company that transformed a homemade cumin soda into a sensation, ramping up production to 2 million bottles per day across 18 states.



Retail Industry in Numbers

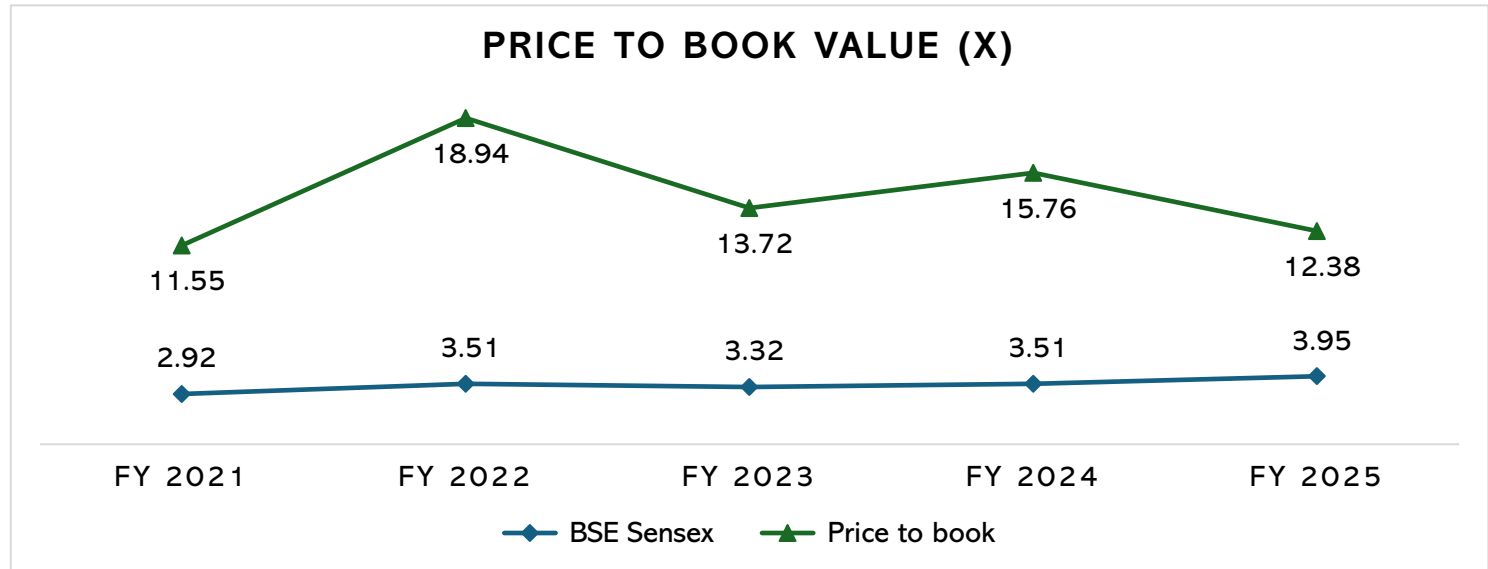


| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|----------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 28.10 | 29.53 | 22.91 | 24.10 | 23.20 |
| Price to Earnings (Median) | -27.40 | 175.44 | 61.35 | 95.24 | 123.46 |
| Price to Earnings (High) | 169.49 | 714.29 | 111.11 | 116.28 | 555.56 |
| Price to Earnings (Low) | -909.09 | -263.16 | -588.24 | -44.05 | -83.33 |

Over the last five years, retail valuations have moved from crisis impact to strong growth expectations. The negative P/E in FY2021 was simply because of losses during COVID, not because of weak fundamentals. The sharp jump in FY2022 happened as stock prices rose quickly while earnings were still recovering. By FY2023, profits started normalising despite cost pressures, and in FY2024–FY2025 valuations expanded again due to the high potential in long-term structural growth driven by organized retail, premiumisation, and scale benefits. The sector is now trading at a clear premium to the broader market.



Retail Industry in Numbers

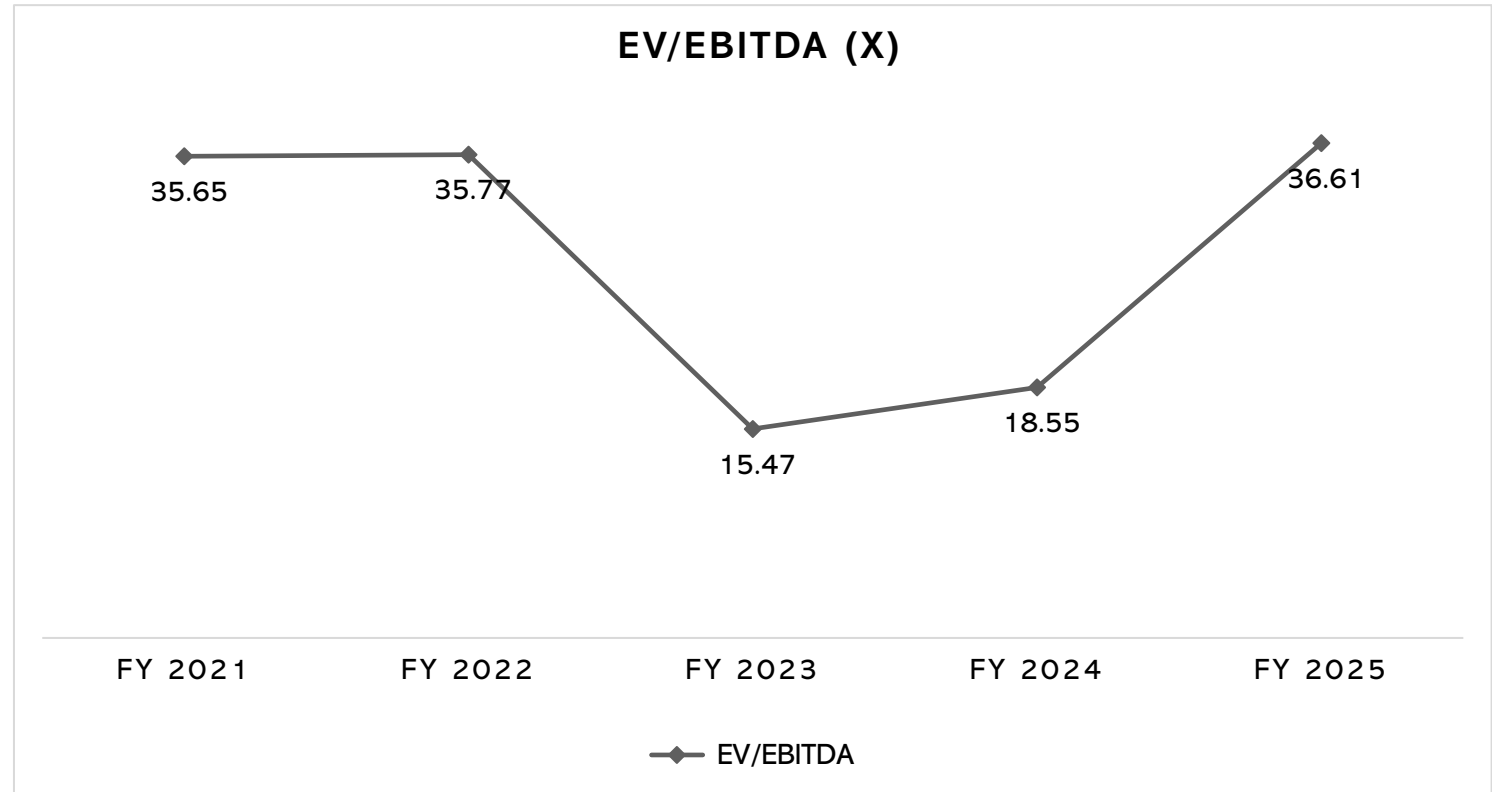


| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 2.92 | 3.51 | 3.32 | 3.51 | 3.95 |
| Price to Book (Median) | 11.55 | 18.94 | 13.72 | 15.76 | 12.38 |
| Price to Book (High) | 19.64 | 67.26 | 34.51 | 34.51 | 34.57 |
| Price to Book (Low) | 6.61 | 9.23 | 5.02 | 5.17 | 4.59 |

The trend indicates steady operational improvement under relatively stable market conditions, with a sharp surge in FY2022 signaling renewed investor confidence post-disruption. In FY2025, however, the P/B ratio moderated as growth in book value outpaced the rise in stock prices. This dip can be attributed to expansion-led capex, margin pressures across retailers, and increased market volatility that made investors more cautious. Overall, the movement suggests normalization rather than deterioration, with valuations aligning more closely to underlying fundamentals. On the other hand, The retail industry's Price-to-Book (P/B) ratio has generally traded at a premium to the BSE Sensex, reflecting stronger growth expectations

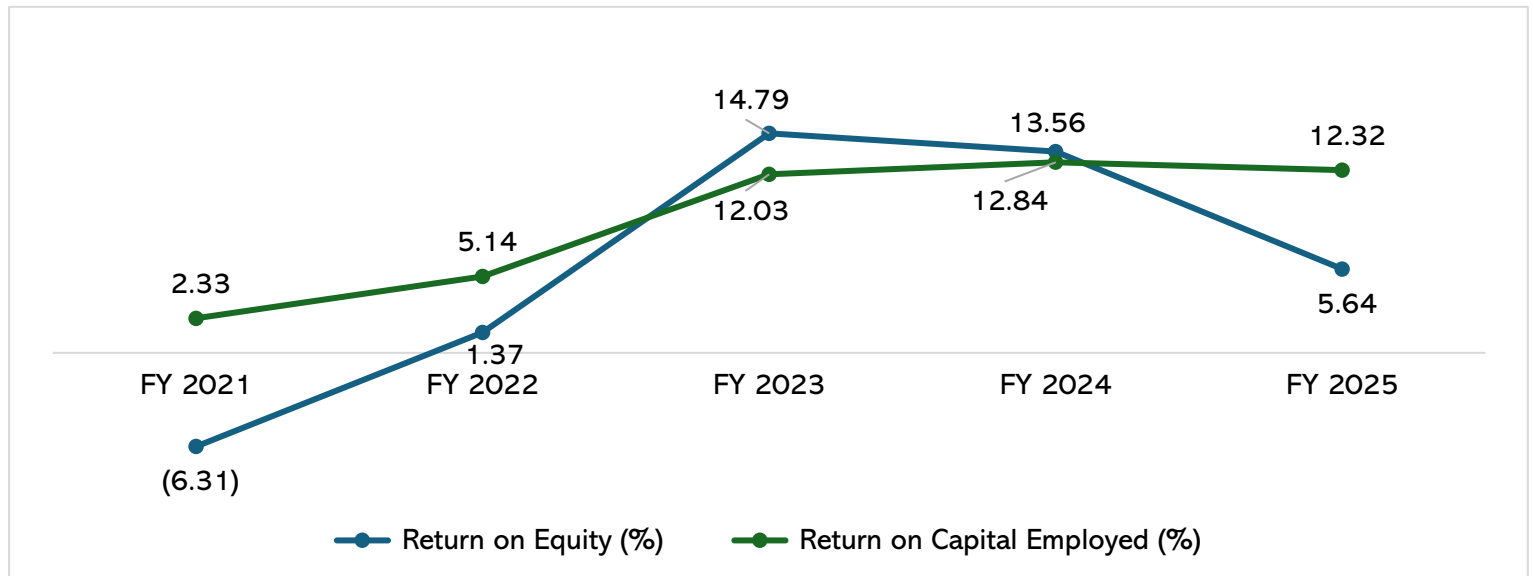
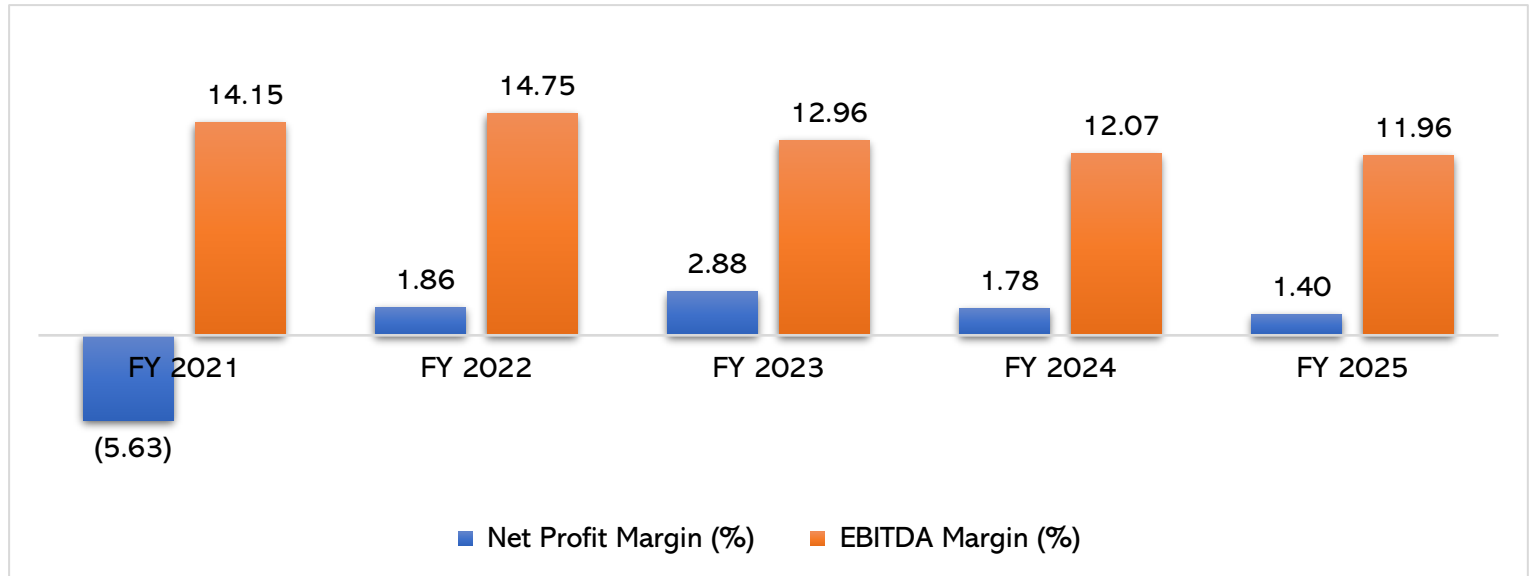


Retail Industry in Numbers



| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------|---------|---------|---------|---------|---------|
| EV/EBITDA (Median) | 35.65 | 35.77 | 15.47 | 18.55 | 36.61 |
| EV/EBITDA (High) | 94.59 | 98.92 | 58.20 | 69.20 | 63.52 |
| EV/EBITDA (Low) | 9.30 | 12.10 | 9.57 | 10.90 | 8.33 |

Retail Industry in Numbers





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INDIAN RETAIL : APPAREL

Global Market Context

As per Fortune Business Insights, the global apparel market was valued at USD 1,749.67 billion in 2025 and is projected to grow at a CAGR of 3.52% through 2034 .

Asia-Pacific accounted for 41.03% of global apparel demand in 2025.

India Textile & Apparel Industry Scale

India ranks among the top global textile and apparel exporters, positioned as the 6th largest exporter, with the sector valued at USD 179 billion in FY 2024–25.

The industry comprises a USD 142 billion domestic market and USD 37 billion in exports, indicating balanced growth between domestic consumption and global trade participation. The **sector contributes approximately 8-9% of India's total merchandise exports**. The textile and apparel sector employs approximately 45 million people, making it one of India's largest employment generators.

Key Growth Drivers



Diversified export markets, strong domestic demand, and policy support are strengthening India's position as a reliable global sourcing hub.



Improved tariff competitiveness and expanding trade partnerships are expected to drive higher export visibility and long-term sector growth.

Export Performance

- India's textile and apparel exports remained resilient despite a subdued global trade environment.
- As per Ministry of Textiles, CY2025 exports stood at USD 37.54 billion, with notable cumulative growth in Handicrafts (17.5%), Ready-Made Garments (3.5%), and Jute products (3.5%).
- During December 2025 exports rose 0.40% YoY to USD 3.27 billion, which was led by Handicrafts (+7.2%), Ready-Made Garments (+2.89%), and MMF yarn, fabrics, and made-ups (+3.99%).
- Export growth expanded across 118 countries, reflecting strong diversification across emerging and developed markets.

The apparel retail industry in India is plagued by the challenge of long lead times, which typically span more than 6-9 months.. These extended timelines stem from a multi-stage, complex supply chain process, from design to garment deployment, forcing brands to plan collections well in advance. Such prolonged lead times significantly reduce the ability of apparel retailers to respond to changing consumer preferences, climatic variations, and emerging fashion trends.

6-9 Months

Average Lead Time

Duration from initial design concept to in-store product launch.

1 Year

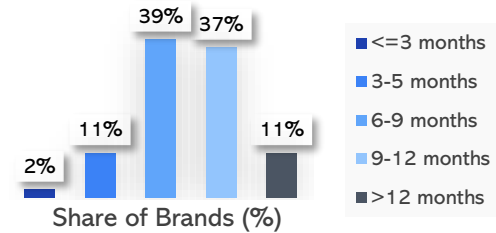
Planning Cycle

Advance forecasting required, increasing risk of demand-supply mismatch.

Impact on Profitability

The impact of supply chain rigidity is most visible in sell-through performance and profitability. Forecasting inaccuracies often translate into inventory imbalances, including overstocking of slow-moving styles and stock-outs in high-demand categories. A substantial portion of seasonal merchandise fails to sell at full price and is subsequently pushed into discounting or end-of-season sales. This erodes gross margins, strains working capital, and weakens brand positioning, particularly for mid-market and premium apparel players. Additionally, Western seasonal planning frameworks may not align with Indian consumption patterns.

Average Development Cycle Duration of Brands: Design to Store Launch



Strategic Solution:

Differentiated Supply Chain

To address these challenges, industry studies increasingly advocate a differentiated supply chain strategy rather than a one-size-fits-all approach. Products can be classified into perennial or core items, semi-fashion categories, and true fashion or trend-driven products, with each category supported by an appropriate sourcing and replenishment model.

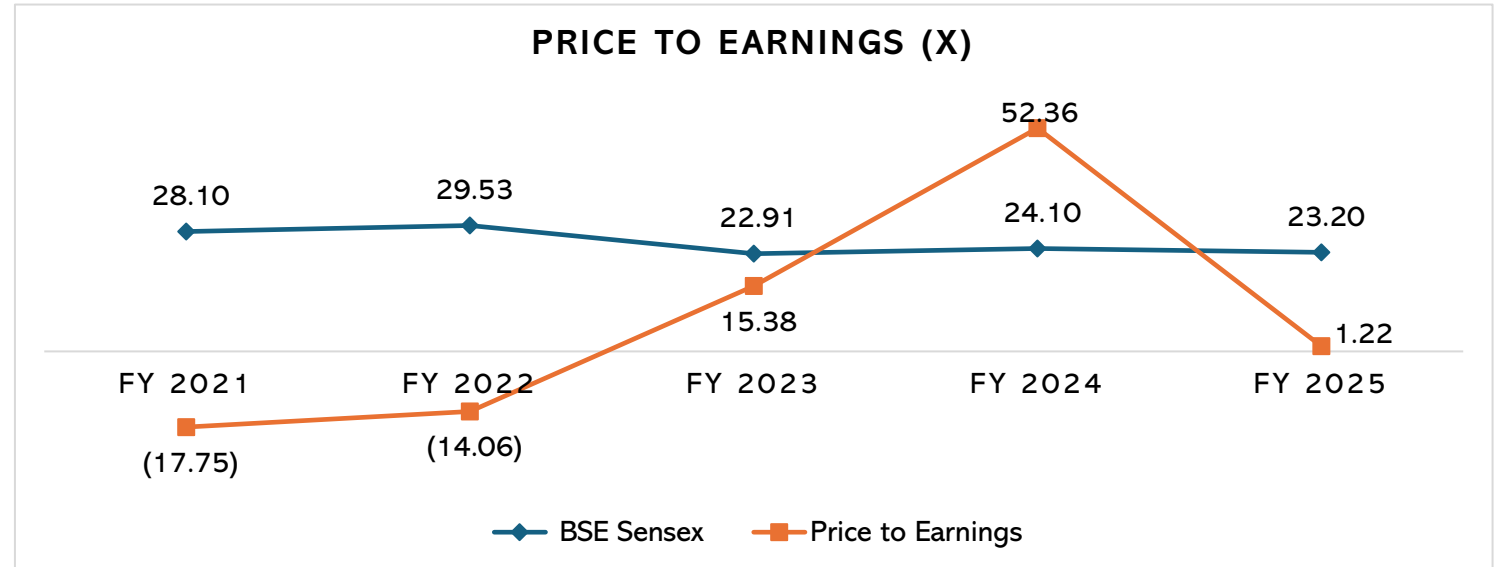
Perennial / Core

Core products benefit from stable, forecast-driven production.

Fashion-led

Fashion-led items require shorter lead times, flexible manufacturing, and rapid replenishment capabilities.

Apparel Industry in Numbers

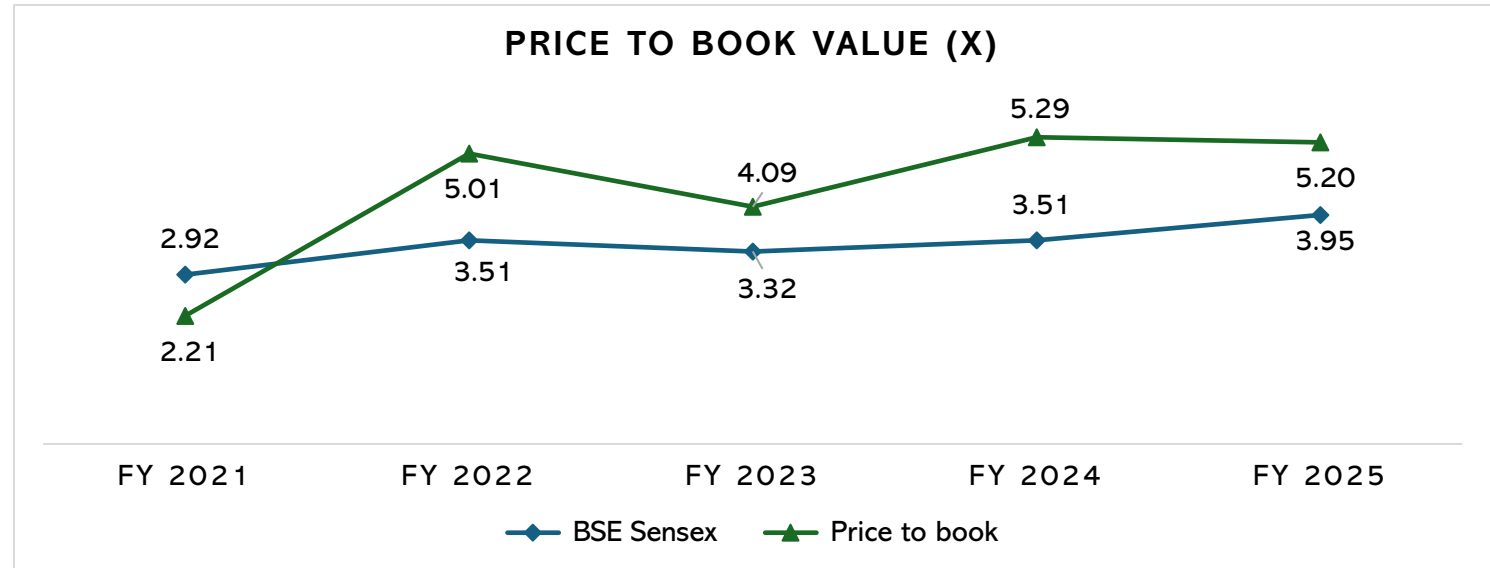


| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|----------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 28.10 | 29.53 | 22.91 | 24.10 | 23.20 |
| Price to Earnings (Median) | -17.75 | -14.06 | 15.38 | 52.36 | 1.22 |
| Price to Earnings (High) | -2.54 | 74.63 | 102.04 | 75.19 | 82.64 |
| Price to Earnings (Low) | -33.44 | -263.16 | -588.24 | -33.22 | -140.85 |

The Price to Earnings (P/E) ratio has shown variations during the last five years. It was deeply negative in FY2021 (-17.75x) and FY2022 (-14.06x), indicating losses, before recovering sharply to 15.38x in FY2023 and peaking at an elevated 52.36x in FY2024, suggesting a surge in stock price relative to earnings. By FY2025, the P/E collapsed to just 1.22x, which could signal change in market expectations.



Apparel Industry in Numbers

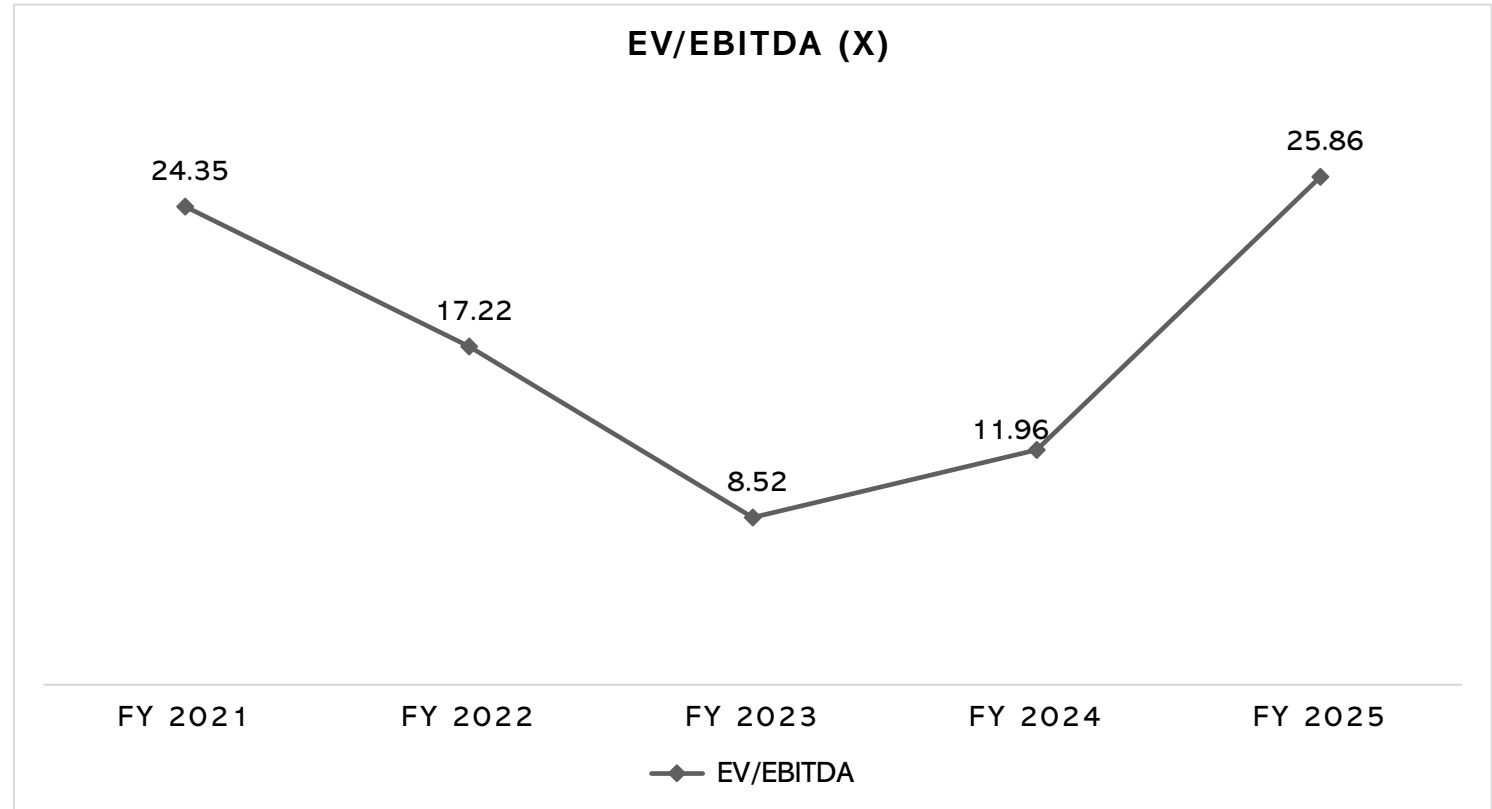


| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 2.92 | 3.51 | 3.32 | 3.51 | 3.95 |
| Price to Book (Median) | 2.21 | 5.01 | 4.09 | 5.29 | 5.20 |
| Price to Book (High) | 6.97 | 21.64 | 19.75 | 14.08 | 17.05 |
| Price to Book (Low) | 1.15 | 1.96 | 0.96 | 2.61 | 2.51 |

Price to Book (P/B) ratio of the Apparel industry was below the Sensex at 2.21x in FY2021, then surged ahead to 5.01x in FY2022, dipped to 4.09x in FY2023, peaked at 5.29x in FY2024, and settled at 5.20x in FY2025 — consistently trading at a premium to the Sensex from FY2022 onwards. The convergence of both lines at 5.20x in FY2025 is notable, suggesting the market may now be valuing the company in line with broader market multiples after years of premium pricing.

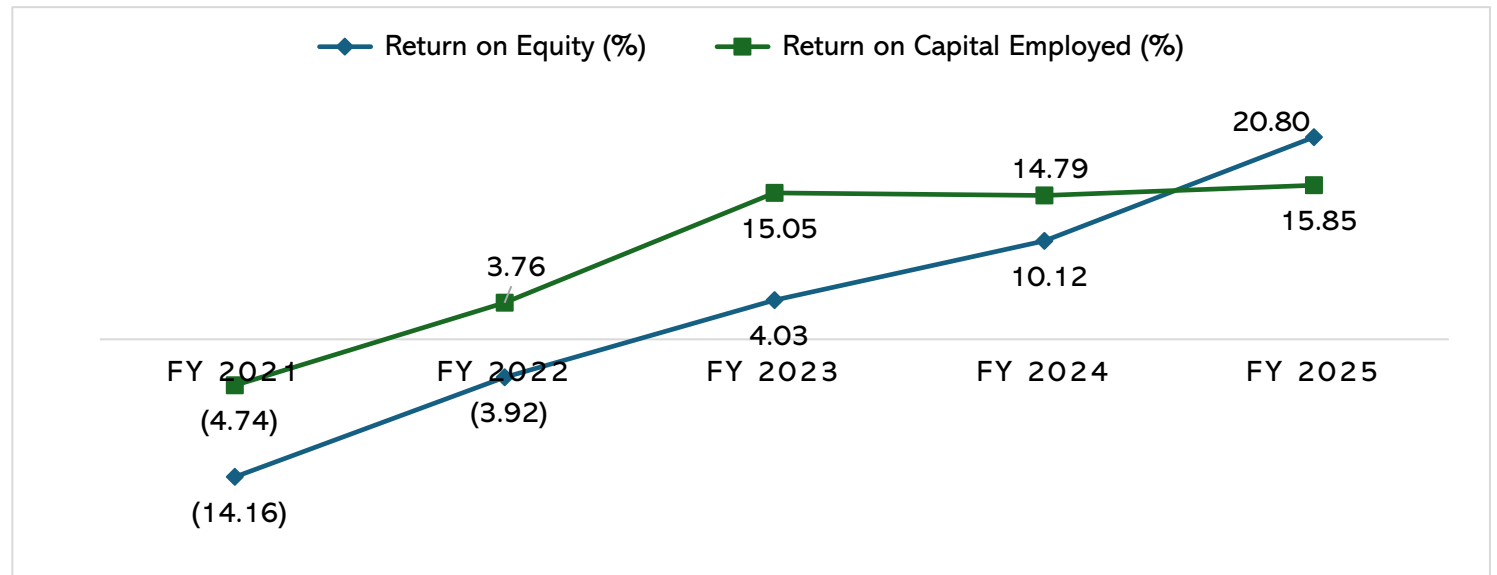
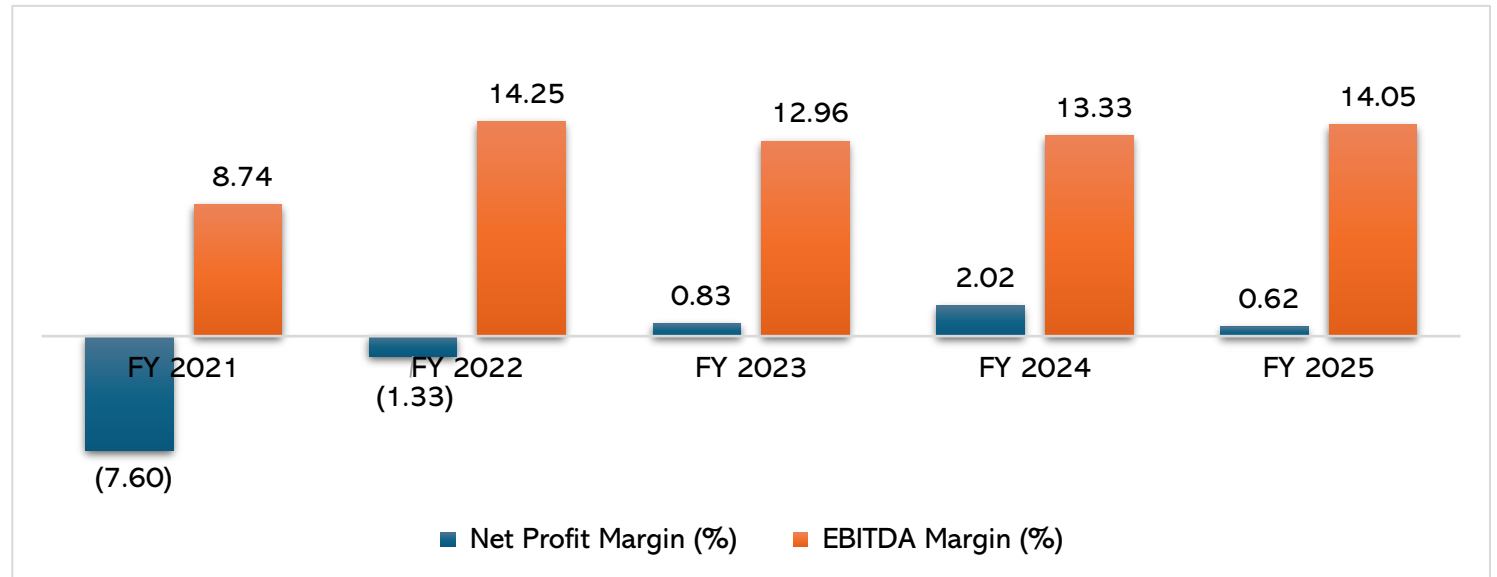


Apparel Industry in Numbers



| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------|---------|---------|---------|---------|---------|
| EV/EBITDA (Median) | 24.35 | 17.22 | 8.52 | 11.96 | 25.86 |
| EV/EBITDA (High) | 30.76 | 43.09 | 38.87 | 30.95 | 36.61 |
| EV/EBITDA (Low) | 11.17 | 6.85 | 3.14 | 9.76 | 8.50 |

Apparel Industry in Numbers





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**INDIAN RETAIL :
FOOD & BEVERAGE**



India's Food Processing: A USD 535Bn Opportunity

The Indian food processing industry is entering a phase of sustained and structurally driven growth. As per ET, the sector is projected to reach **USD 535 billion by FY 2026**, underscoring its expanding role in India's consumption economy. This growth, however, is not uniform across categories. The divergence in growth rates points to a clear shift in consumer preferences, where demand is increasingly tilting toward health-focused and value-added food offerings rather than pure volume-led consumption.



Demand Drivers & Lifestyle Changes

On the demand side, lifestyle changes are acting as a powerful growth catalyst. As per Kearney, India's food services market is expected to **expand from USD 78 billion in 2025 to over USD 125 billion by 2030**, implying around 10% CAGR, reflecting a sharp increase in eating-out frequency and food consumption beyond the home. This demand expansion is supported by a strong organized manufacturing base. As per the Annual Survey of Industries (ASI), the food processing sector accounts for **12.41% of total organized employment** in India, providing the operational depth needed to serve a rapidly scaling market.

💡 Strategic Imperative

"To capture higher margins from the 2.3x surge in healthy food orders, the organic food sector CAGR of 20.13%, and the 60% faster growth in cold beverages, we must reallocate R&D and supply chain capital toward clean-label and functional food portfolios."

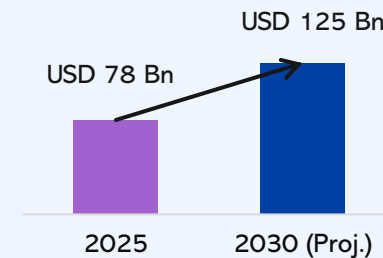
↗ Key Performance Indicators

IPO Fundraising

INR 9,000 Cr

The food processing sector has accounted for **4.6% of India's total IPO fundraising**, reflecting growing investor confidence in the scalability and resilience of food-led businesses.

Food Services Market (USD Bn)



FDI Inflow

USD 13.49 Bn

India's Report notes that the sector attracted **USD 13.49 billion in Foreign Direct Investment (FDI)** between April 2000 and June 2025, indicating sustained global interest across multiple investment cycles.

Organized Market Shift



Organized segment is expected to grow at 12-14% annually, ~2x of the unorganized market (5-7%)



anticipated to surpass unorganized outlets, capturing 50-55% of industry value, up significantly from 35-40% in 2019



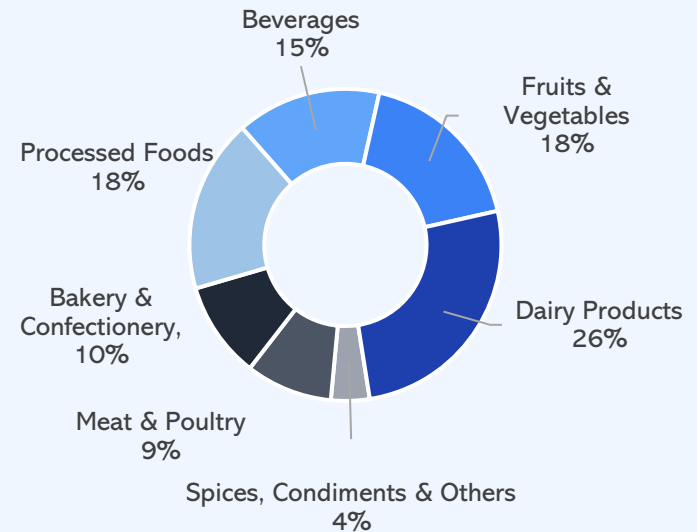
Cloud kitchens (32-37%), QSRs (14-16%), and dessert parlors (15-17%) are poised to lead with growth rates above the market average.

Emerging Consumption Patterns

Late-night dining has emerged as the fastest-growing meal segment, reflecting changing work patterns, longer active hours, and greater flexibility in consumption timing. These trends are enabling food service operators to improve capacity utilization and generate incremental revenues without proportional increases in fixed costs.

Culinary preferences are also broadening as consumers become more experimental. The Growth Index of International Cuisines highlights that Korean cuisine grew 17x and Vietnamese cuisine grew 6x between 2022 and 2025, pointing to rapid adoption of select global cuisines.

Product – wise Market Split



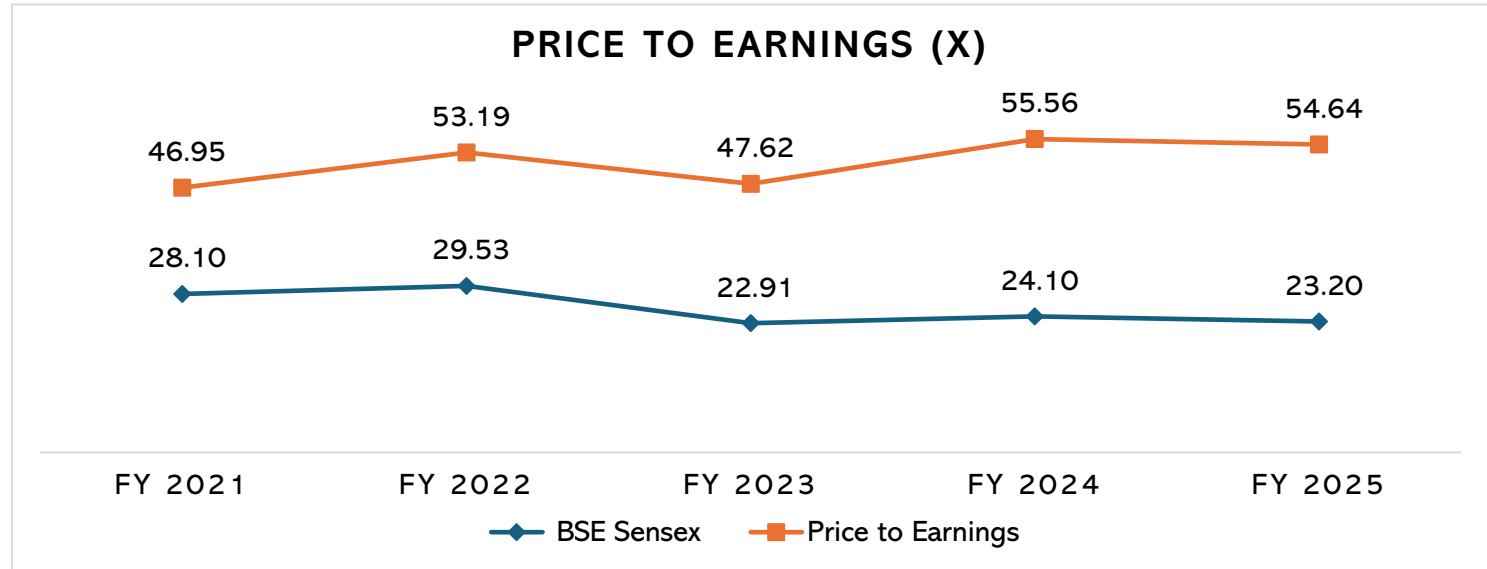
Source: JBI Report



“By 2030, organized players are projected to overtake unorganized outlets, reaching 50 to 55 percent share of industry value, up from 35 to 40 percent in 2019”

-How India Eats Report by Kearney

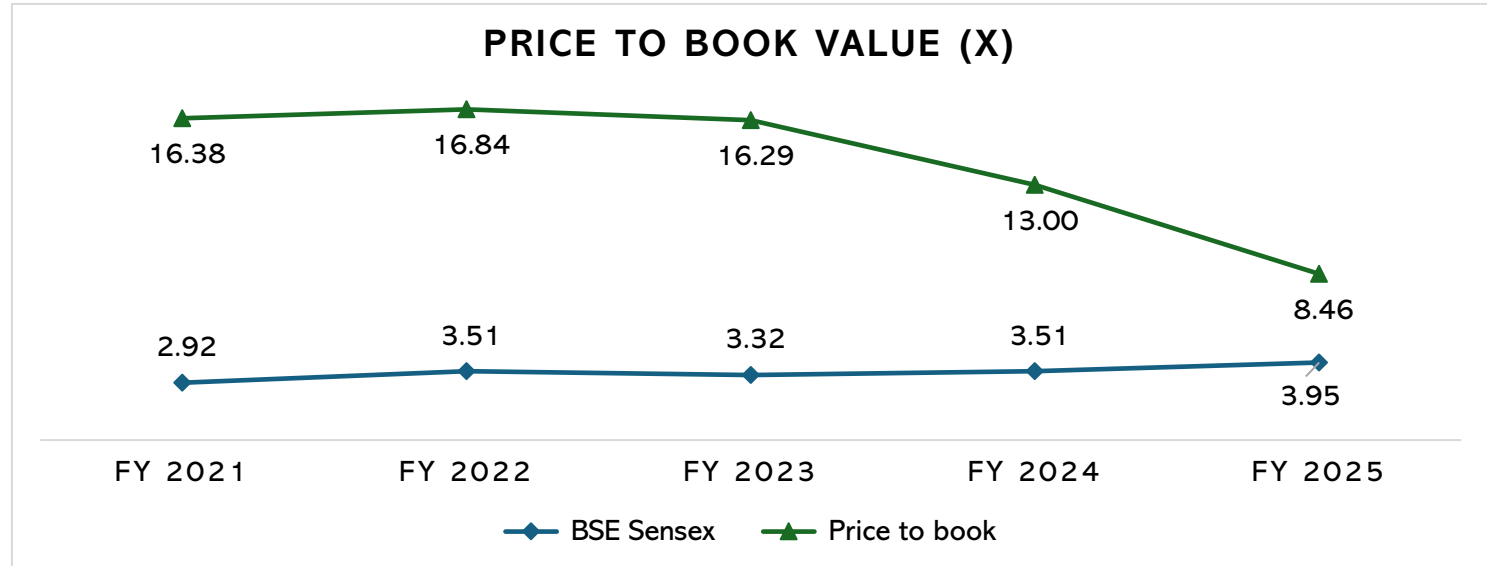
F&B Industry in Numbers



| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|----------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 28.10 | 29.53 | 22.91 | 24.10 | 23.20 |
| Price to Earnings (Median) | 46.95 | 53.19 | 47.62 | 55.56 | 54.64 |
| Price to Earnings (High) | 94.34 | 270.27 | 78.74 | 83.33 | 82.64 |
| Price to Earnings (Low) | 9.09 | 15.38 | 23.15 | 29.41 | 19.01 |

Price to Earnings (P/E) ratio in Food and Beverage industry has consistently traded at a significant premium to the Sensex across all five years, from 46.95x in FY2021, rising to 53.19x in FY2022, dipping to 47.62x in FY2023, and then climbing to its highest point of 55.56x in FY2024 before marginally easing to 54.64x in FY2025. The persistent and wide gap between the two lines, roughly 1.8–2.3x the Sensex P/E throughout signals that the market has consistently assigned a strong growth premium to this industry, reflecting sustained investor confidence in its future earnings potential.

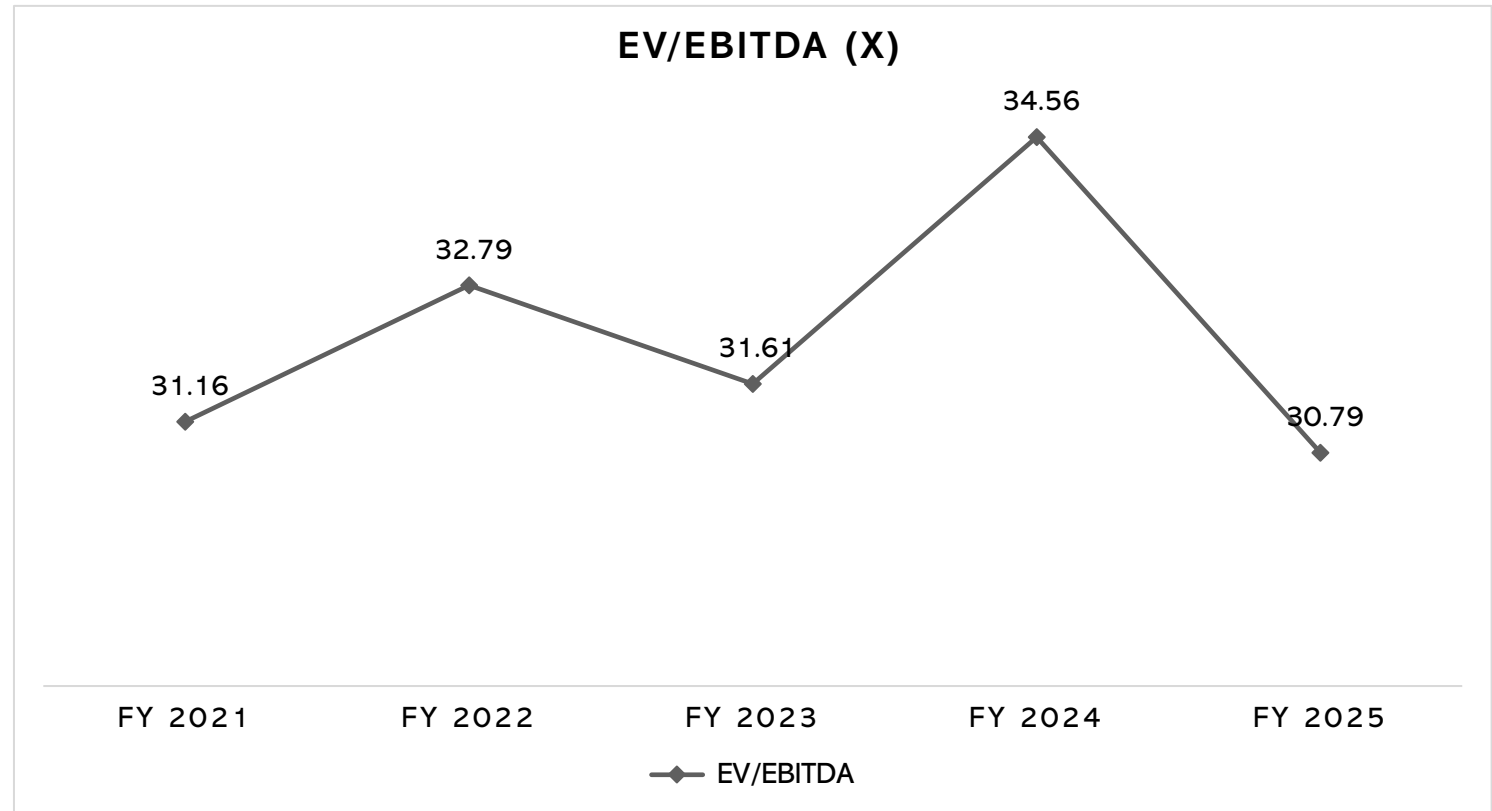
F&B Industry in Numbers



| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 2.92 | 3.51 | 3.32 | 3.51 | 3.95 |
| Price to Book (Median) | 16.38 | 16.84 | 16.29 | 13.00 | 8.46 |
| Price to Book (High) | 24.64 | 30.18 | 29.46 | 30.03 | 27.30 |
| Price to Book (Low) | 2.29 | 2.26 | 1.85 | 3.87 | 3.68 |

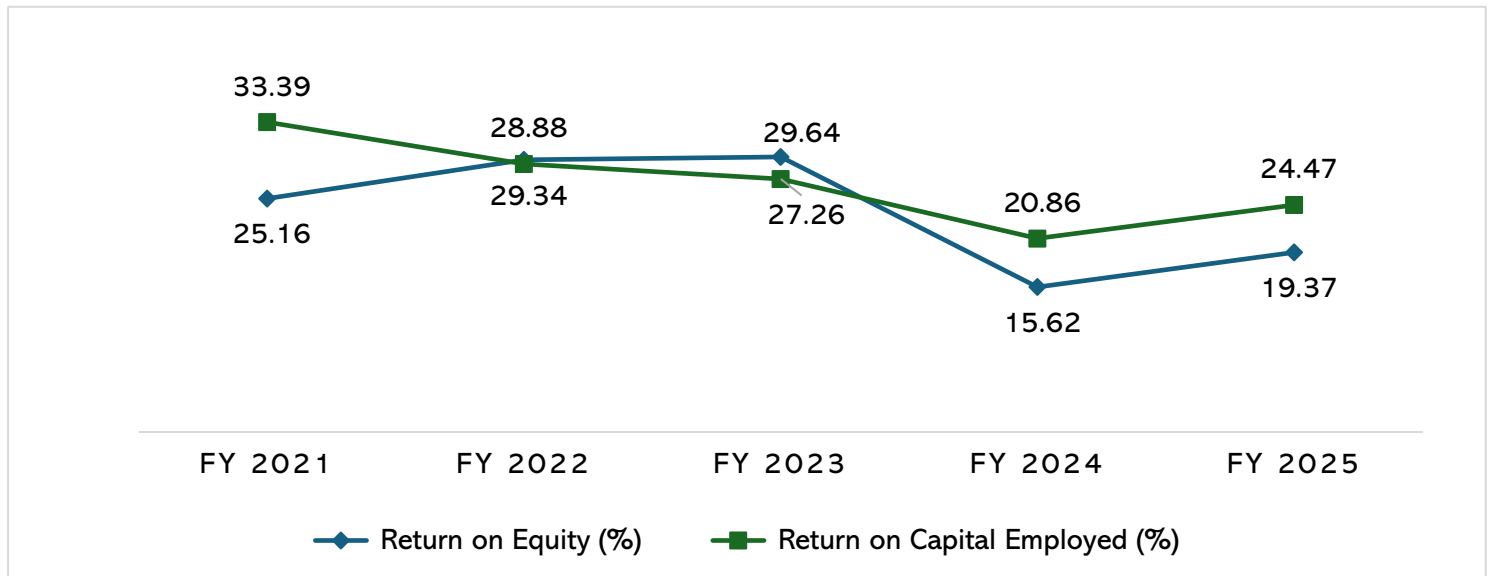
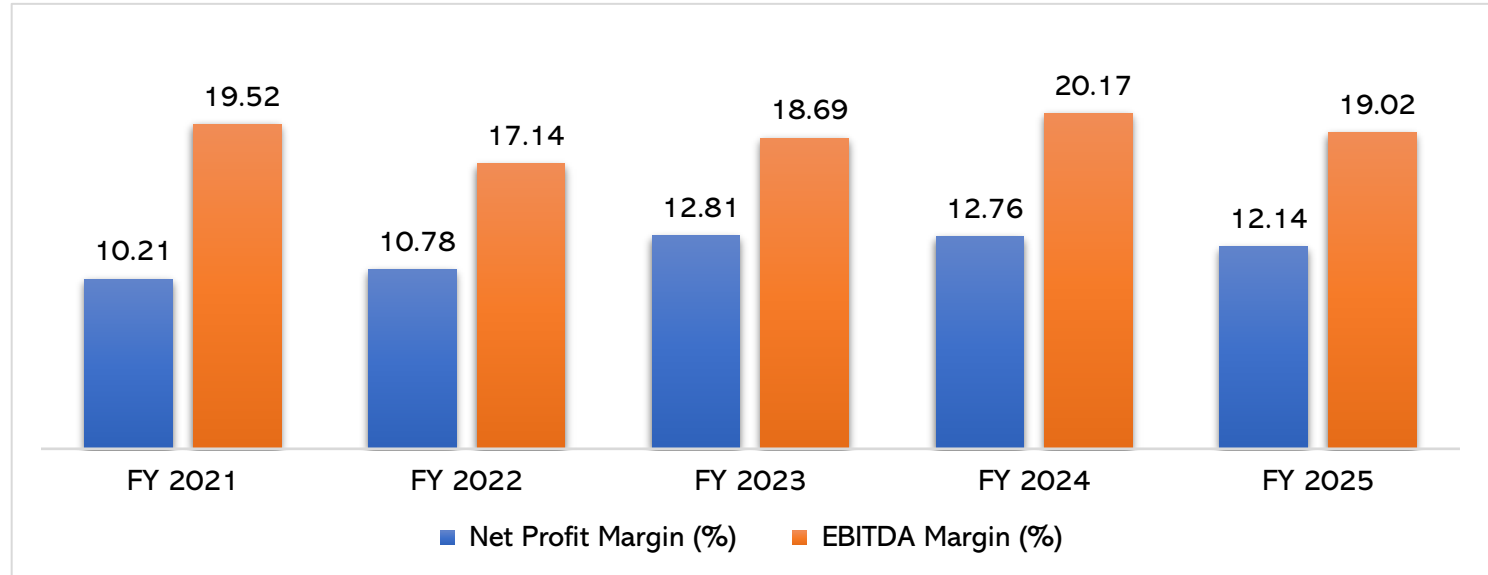
The Price to Book (P/B) ratio of the F&B industry traded at a substantial premium over BSE Sensex at 16.38x in FY2021, peaked at 16.84x in FY2022, held steady at 16.29x in FY2023, before declining sharply to 13.00x in FY2024 and falling further to 8.46x in FY2025, more than halving from its peak in just two years. While the industry still trades at a premium to the Sensex.

F&B Industry in Numbers



| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------|---------|---------|---------|---------|---------|
| EV/EBITDA (Median) | 31.16 | 32.79 | 31.61 | 34.56 | 30.79 |
| EV/EBITDA (High) | 51.63 | 60.75 | 44.88 | 44.69 | 35.76 |
| EV/EBITDA (Low) | 5.09 | 7.22 | 9.68 | 14.16 | 10.15 |

F&B Industry in Numbers



A grid of white shelves filled with various types of shoes, including boots, sneakers, and dress shoes. Some shelves also contain shoe care products like brushes and wooden boxes. A diagonal white overlay is present on the right side of the image.

OMNIFIN

INDIAN RETAIL : FOOTWEAR

Global Market Size & Growth Outlook

The global footwear industry in 2025 stands at USD 306.04 billion with steady projected growth to USD 387.95 billion by 2035 (CAGR 2.41%).



Leading Regions

China remains the world's largest footwear exporter. Between Jan-Aug 2025, exports declined 2.0% YoY in volume to 6.05 billion pairs and 8.8% in value to USD 28.9 billion. Vietnam is the world's third-largest footwear producer and second-largest exporter, rapidly expanding manufacturing capacity.

Key Players: Nike leads with approximately 30% global market share and USD 46.3 billion footwear revenue (2025). Nike and Adidas dominate athletic footwear, while Skechers and Crocs are strong in comfort categories.

Global Fashion Meets Indian Heritage: A Kolhapuri Moment

PRADA Milan showcase featuring sandals inspired by traditional Indian Kolhapuri chappals brought global attention to India's rich handcrafted footwear heritage. Following public discussion, the brand acknowledged the design inspiration, highlighting the growing influence of Indian craftsmanship in international luxury fashion.

Indian Market Size & Growth Outlook

India's footwear industry stands at USD 20.67 billion in 2025 and is projected to reach USD 47.53 billion by 2034 (CAGR 9.69%).



India's Global role

India is the second-largest producer and consumer of footwear globally, contributing approximately 12–13% of global production. India produces over 2.5 billion pairs annually, supported by clusters in Tamil Nadu, Uttar Pradesh, and Maharashtra.

Key Players: Metro Brands Ltd emerged as the top performer in 2025, supported by consistently high market capitalization and profit margins, along with expansion to - 900 stores and stronger international brand partnerships.

Expands India Manufacturing (FY2025)

ASICS increased local manufacturing in India from 30% and plans to scale it to 40%, aligning with regulatory norms and growth strategy. The company projected 35-37% revenue growth in FY2025, driven by rising demand for performance and athleisure footwear.

Export Surge ~

USD 5.7 Billion

Exports of leather and non-leather footwear grew by 25% YOY in FY2025. Key export destinations include the US and the UK.

Women's Luxury ~

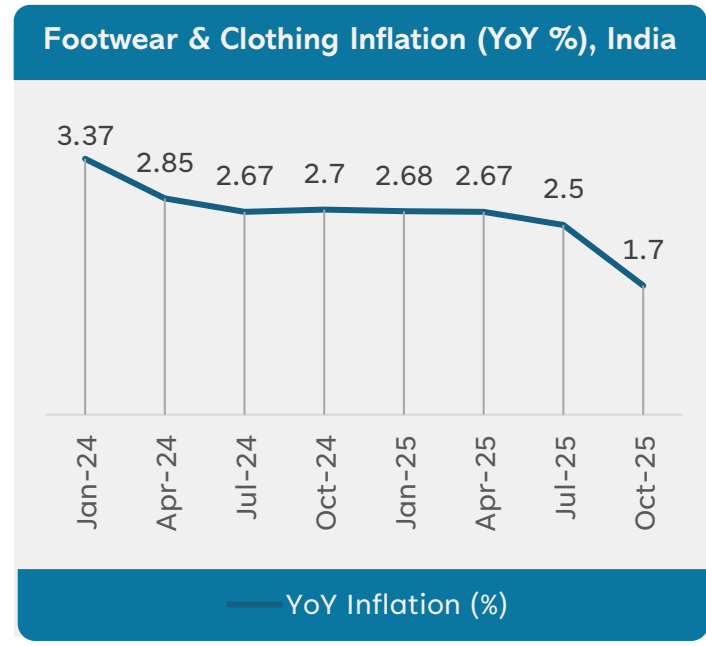
USD 1.46 Billion

The Premium segment (shoes priced over INR 3000) is now a main driver of revenue, holding 54% of the market share in 2025

Employment ~

4.4 Million

Notably, it is one of the largest employers of women in the organized manufacturing sector.



Source: IndiaInflation.com, Economic Survey 2025-26

The Union Budget 2026 targeted support for India's footwear and leather sector, hit by a 50% US tariff but benefiting from shifting global demand away from China.

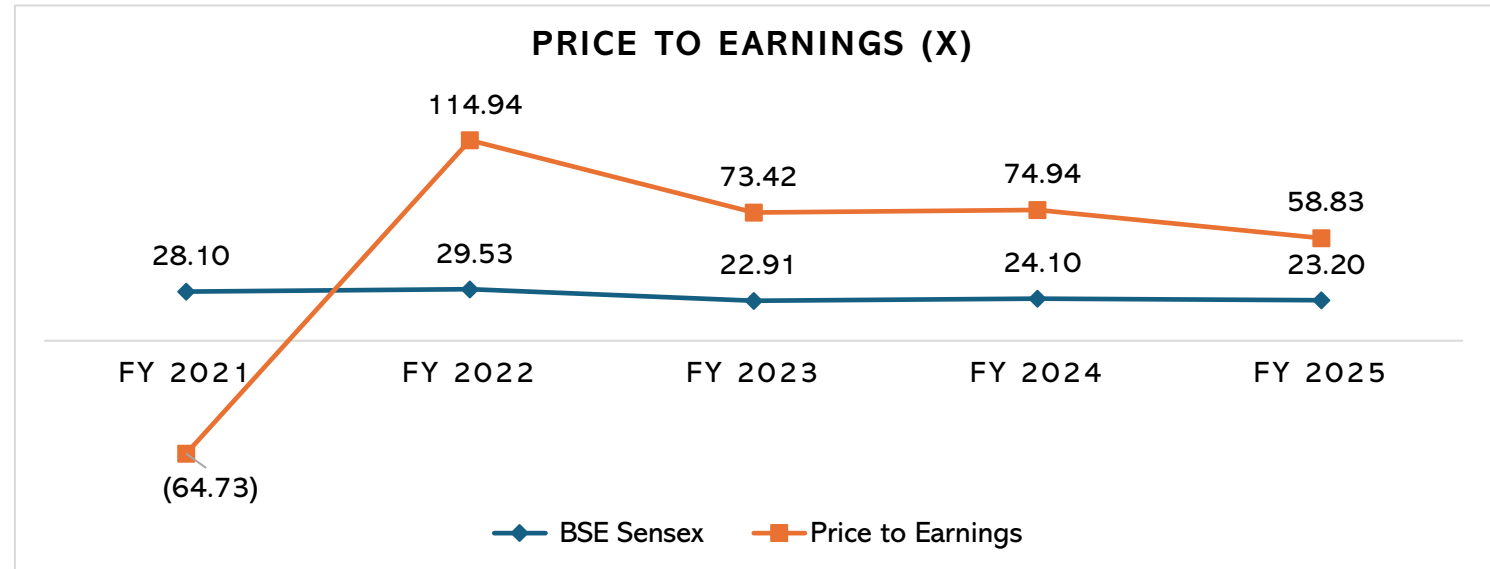
Duty-free imports of inputs for shoe uppers, extended export timelines from six months to one year, and continued support for last year's Focus Product Scheme were the major highlights for footwear sector.

Govt is working on a **USD 1 billion** (INR 9,097 crore) relief package for the footwear industry.

The move comes as a protection at a time when the sector is struggling under the weight of a 50% tariff imposed by US on Indian exports.

Simplified GST (5%/18%) has reduced costs across the footwear value chain and made branded and accessories products more affordable. Income Tax Act 2025 raised the exemption threshold (~INR 12 lakh), boosting middle-class spending on lifestyle products.

Footwear Industry in Numbers



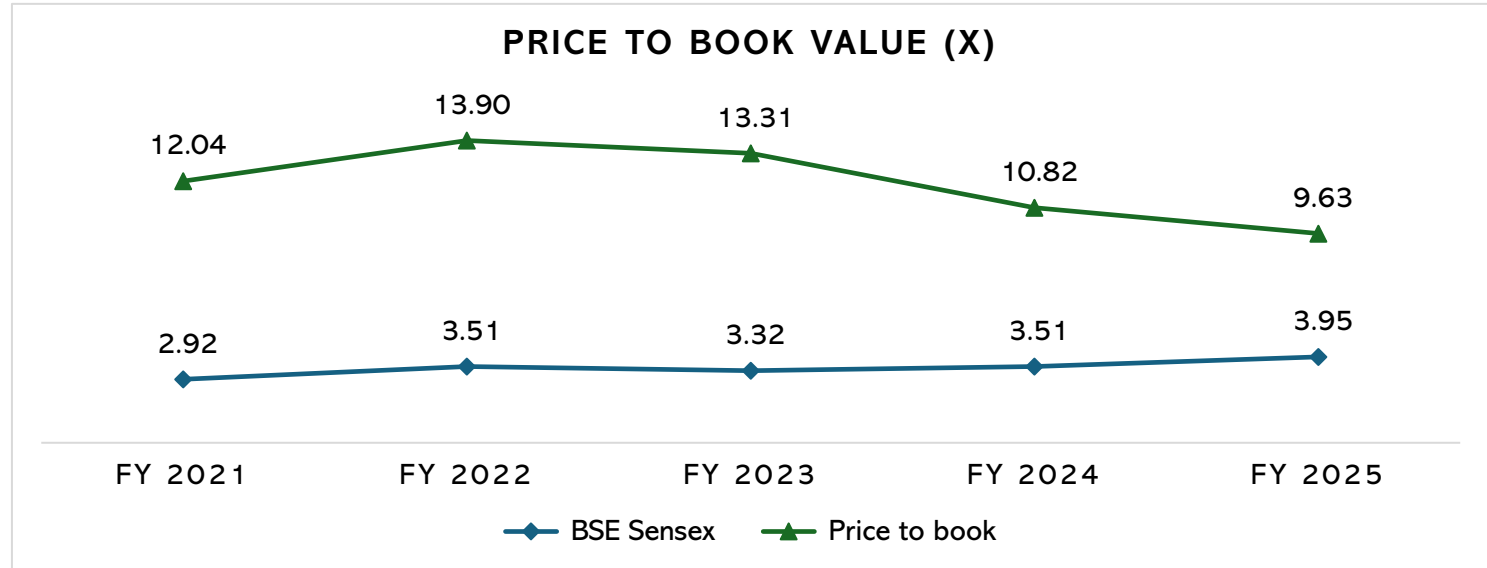
| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|----------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 28.10 | 29.53 | 22.91 | 24.10 | 23.20 |
| Price to Earnings (Median) | -64.73 | 114.94 | 73.42 | 74.94 | 58.83 |
| Price to Earnings (High) | 74.63 | 250.00 | 136.99 | 102.04 | 78.74 |
| Price to Earnings (Low) | -204.08 | 80.00 | 56.50 | 67.11 | 47.62 |

The Price to Earnings (P/E) ratio of the Footwear industry tells a far more dramatic story. It was deeply negative at $-64.73x$ in FY2021, indicating losses, before swinging violently to an extreme peak of $114.94x$ in FY2022, likely reflecting a sharp turnaround with the stock price racing ahead of earnings. From FY2022 onwards, the P/E has been on a steady declining trend till $58.83x$ in FY2025.

This suggests that while the industry still commands a hefty premium of roughly $2.5x$ the Sensex, earnings growth is gradually catching up with the stock price, pointing toward a healthier and more sustainable valuation trajectory.



Footwear Industry in Numbers

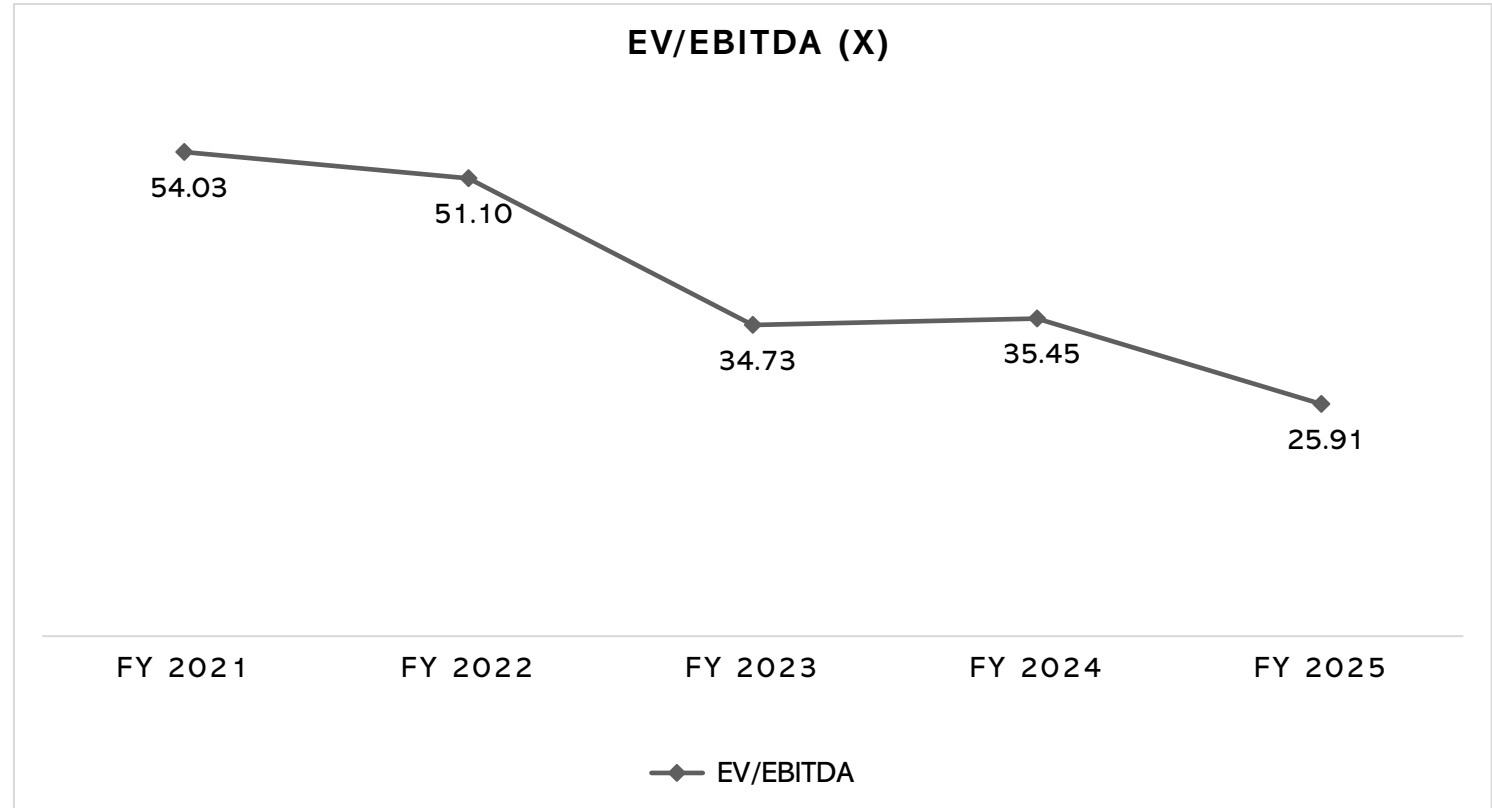


| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 2.92 | 3.51 | 3.32 | 3.51 | 3.95 |
| Price to Book (Median) | 12.04 | 13.90 | 13.31 | 10.82 | 9.63 |
| Price to Book (High) | 13.81 | 15.06 | 18.41 | 16.77 | 16.13 |
| Price to Book (Low) | 10.27 | 13.30 | 11.39 | 10.06 | 4.83 |

The Price to Book value (P/B) ratio, though consistently at a large premium, has been on a declining trend — from 12.04x in FY2021 to 9.63x in FY2025. The compression of roughly 4x over three years likely reflects rapid book value expansion driven by strong retained earnings and equity growth, outpacing stock price appreciation. This might be a sign of improving financial strength rather than a loss of investor confidence, given the P/E chart still shows a significant premium over the Sensex.

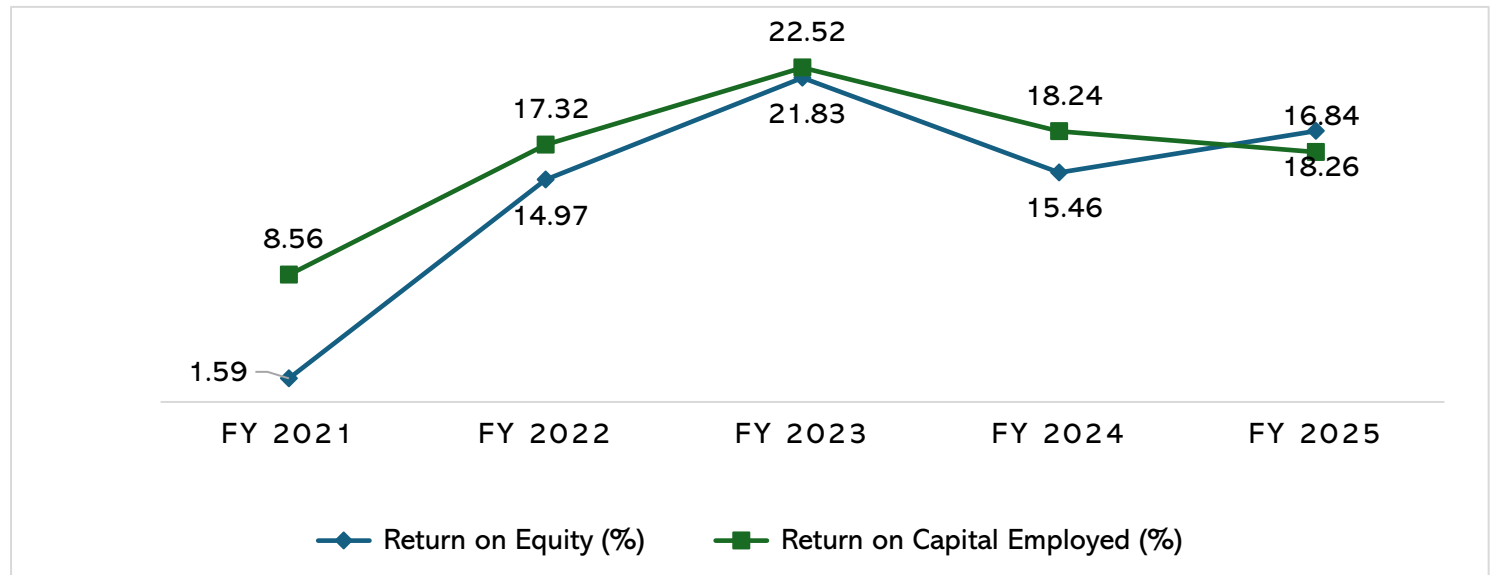
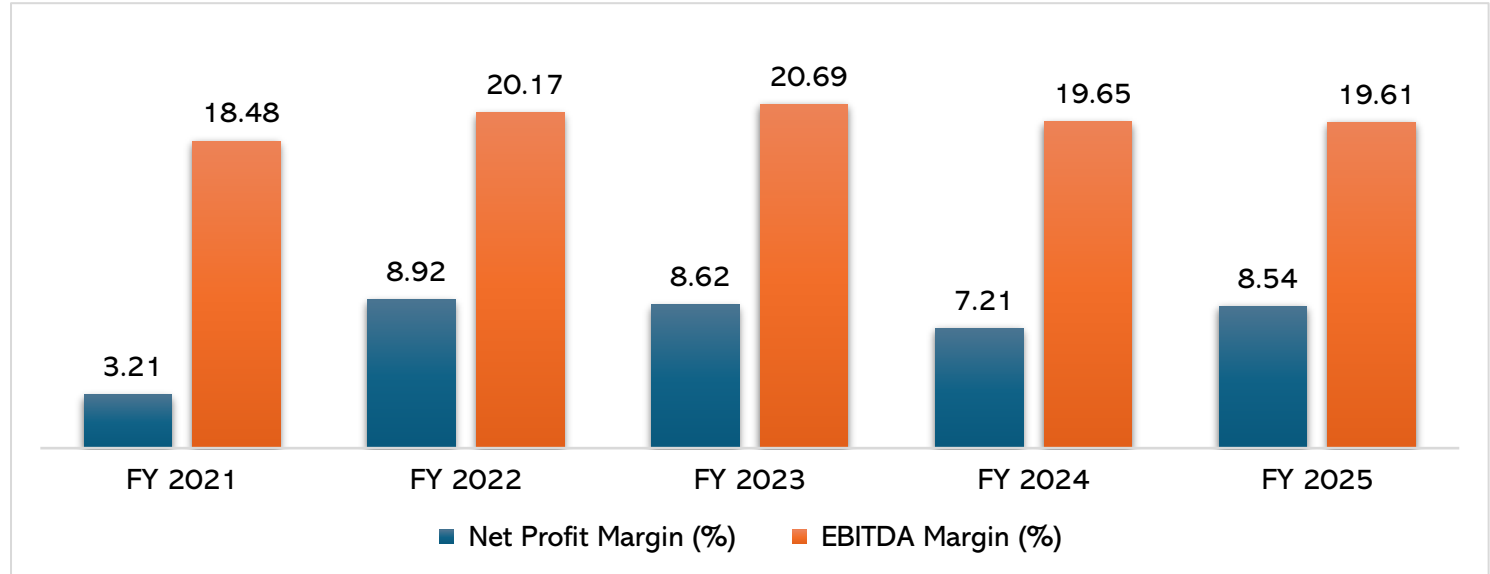


Footwear Industry in Numbers



| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------|---------|---------|---------|---------|---------|
| EV/EBITDA (Median) | 54.03 | 51.10 | 34.73 | 35.45 | 25.91 |
| EV/EBITDA (High) | 66.17 | 60.35 | 59.42 | 46.46 | 32.32 |
| EV/EBITDA (Low) | 41.88 | 35.06 | 21.27 | 20.21 | 18.73 |

Footwear Industry in Numbers



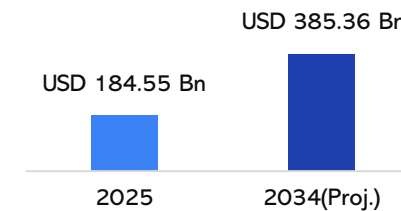
A delivery person wearing a red jacket and a black and orange helmet is standing on a city street. He is holding a white cardboard box in his left hand and pointing with his right hand towards a door. A red delivery bag is attached to his back. The background shows a busy street with buildings and a car.

OMNIFIN

**INDIAN RETAIL :
QUICK COMMERCE**

RedSeer Strategy Consultants highlights India's fastest-growing retail format, quick commerce now serves **33 million monthly users across 150+ cities** and is expected to command 10% of branded retail sales by 2030.

Global Quick Commerce Market Size



Key Growth Drivers

01

Growth is anchored by 70% YoY dark-store expansion, 57% YoY UPI transaction growth, and an 8% YoY increase in internet usage.

02

The platform's take-rate increased from 7–9% in FY22 to 14–18% in FY25, meaning it now earns a larger share from each transaction, reflecting stronger monetization and improved revenue efficiency.

03

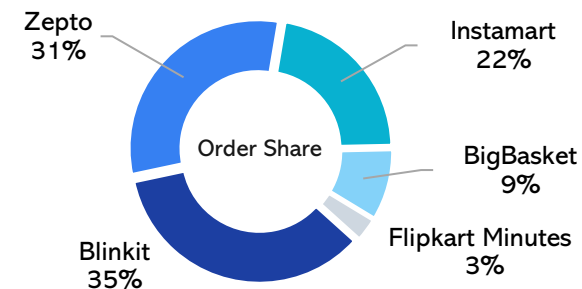
Retail media is emerging as a critical profitability driver. With ad revenue increasing 2.5x YoY, this ad revenue is projected to generate majority of the income for Quick Commerce companies by 2029-2030.

04

Success is driven by AI-led demand forecasting, intelligent zoning, and automated inventory management at dark-store level.

The "Big Three" Dominance

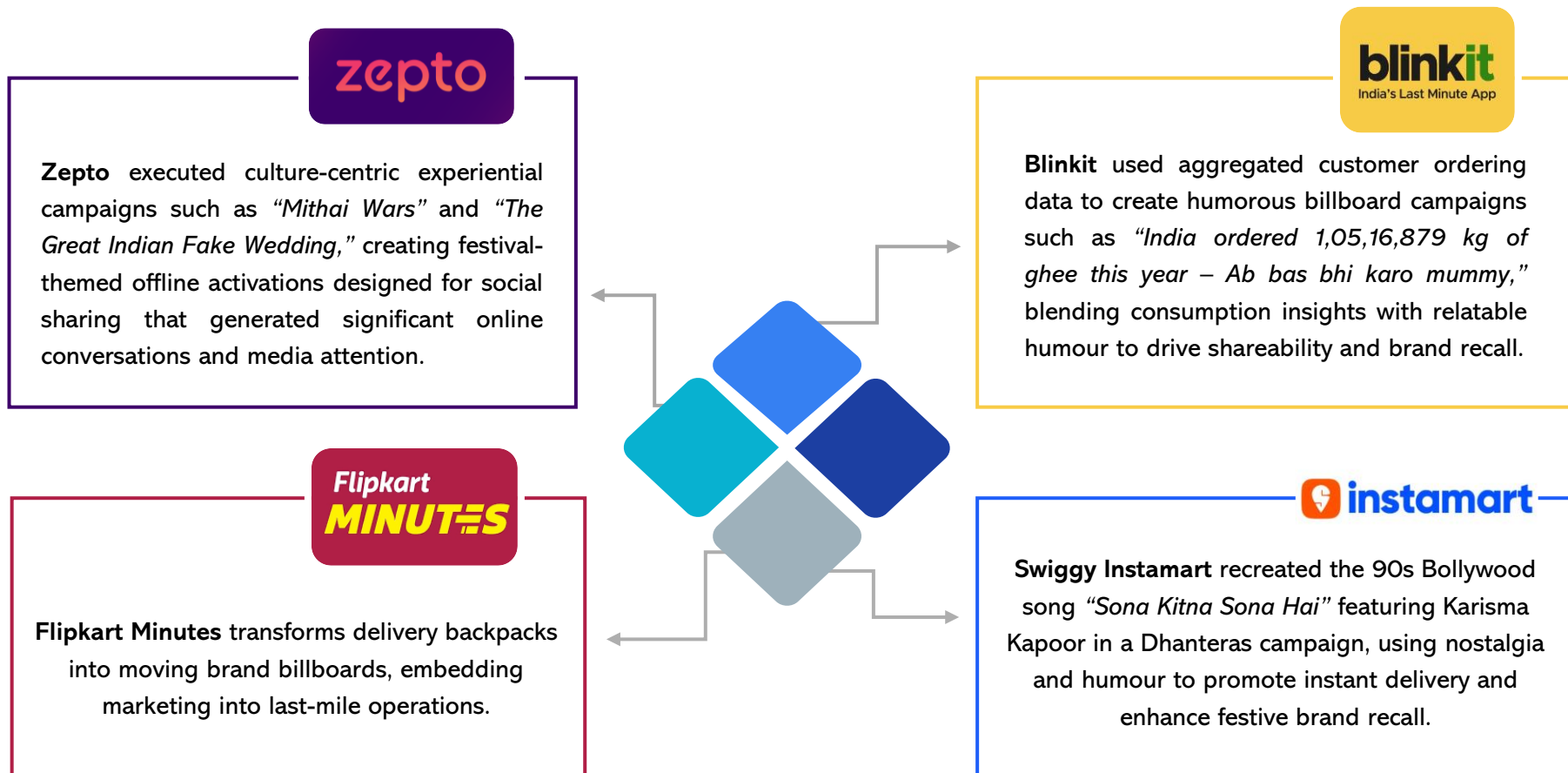
Blinkit, Zepto, and Swiggy Instamart have established themselves as the undisputed market leaders, creating significant entry barriers for new competitors through scale and density. The launch of Amazon Now and Flipkart Minutes (sub-30-minute delivery) signals that speed is no longer a premium feature but the new industry standard.



Source: Quick Commerce Playbook India -2025

Creative Marketing Innovations Driving Quick Commerce Growth:

The Indian quick commerce industry has evolved from competing on speed and discounts to adopting creative, culture-driven marketing strategies focused on brand differentiation and long-term customer engagement, led by players such as:





OMNIFIN

INDIAN RETAIL : FMCG

The Indian Fast Moving Consumer Goods (FMCG) sector is entering an era of unprecedented scale, with its market size projected to soar from USD 211 billion in 2025 to a staggering USD 1,178 billion by 2034. This reflects a robust CAGR of 21.8% over the next decade, a growth velocity that underscores a structural transition, playing a lead role in the country's push toward a USD 5 trillion economy. For strategic planning, this indicates that the industry is nearly quintupling in size, requiring immediate investments in capacity and advanced logistics to maintain market share during this massive valuation surge.

The real story right now is happening in rural India. In the first quarter of FY2025, demand in rural areas shot up by 8.4%, nearly four times the 2.6% growth we saw in cities, making it the main engine keeping the sector moving.

A fundamental shift in consumer behavior is re-ordering category hierarchies, as premium and wellness-oriented products now drive nearly **30% of total sales** of overall FMCG sector.

Key Strategic Shifts Driving the Industry

Dual-Engine Growth

Scaling through a balanced approach: volume from rural "Bharat" via affordability, while extracting value from urban affluents through premiumization.

Strategy: Volume (Rural) + Value (Urban)

Rapid Digital Migration

Retail shifting to digital-first. E-commerce & Quick-commerce projected to grow significantly. Metro e-commerce surged while traditional trade contracted.

15-18% Share by 2030

39.9% Metro Surge

Health & Wellness Pivot

Preferences moving toward clean-label and wellness products. Brands prioritizing health & efficacy in packaged food and personal care.

Focus: Clean-label & Efficacy

Operational Efficiency

Leveraging AI demand forecasting and blockchain. GST and tech advancements have slashed distribution costs dramatically.

Distribution Costs: from 22-24% to ~1.5%

Macro Resilience

Sector remains resilient despite moderation in volume growth. Focus on reigniting consumption across all markets to sustain trajectory.

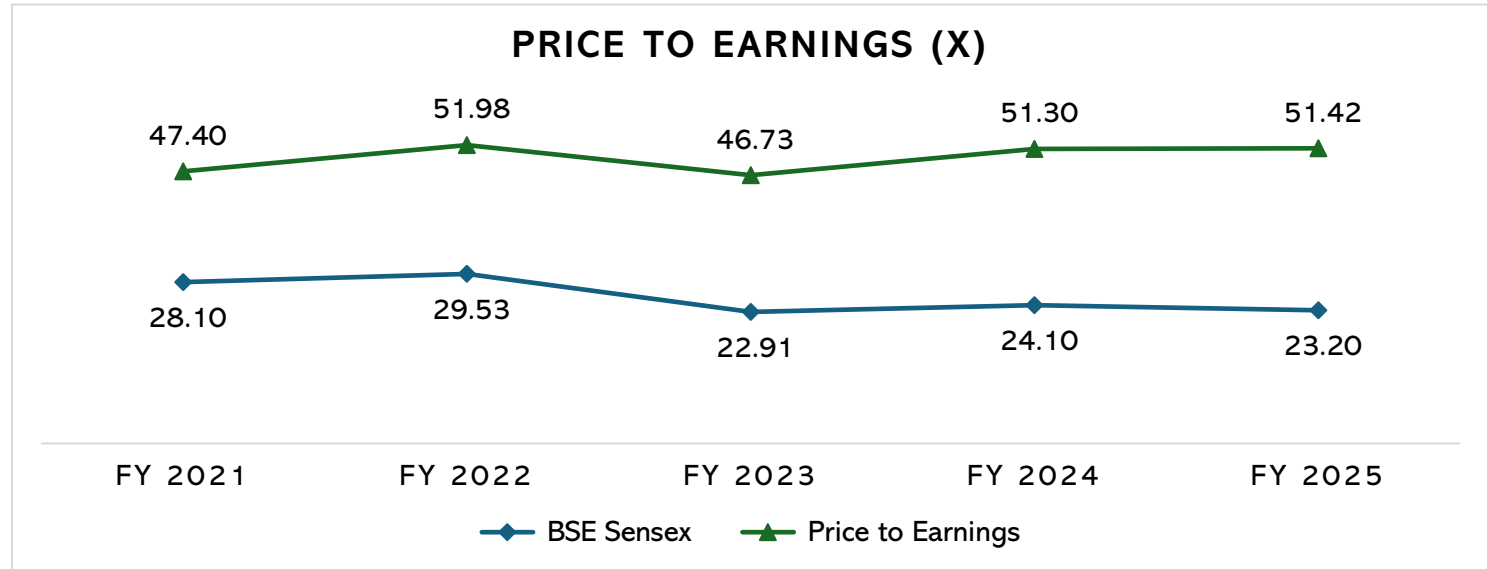
~5.1% Vol. Growth (Q1 2025)

Strategic Specialization

Growth beyond scale to specialization. M&A used to acquire digital-native brands, enter wellness categories, and strengthen regional presence.

Focus Trend: M&A for Niche Categories

FMCG Industry in Numbers

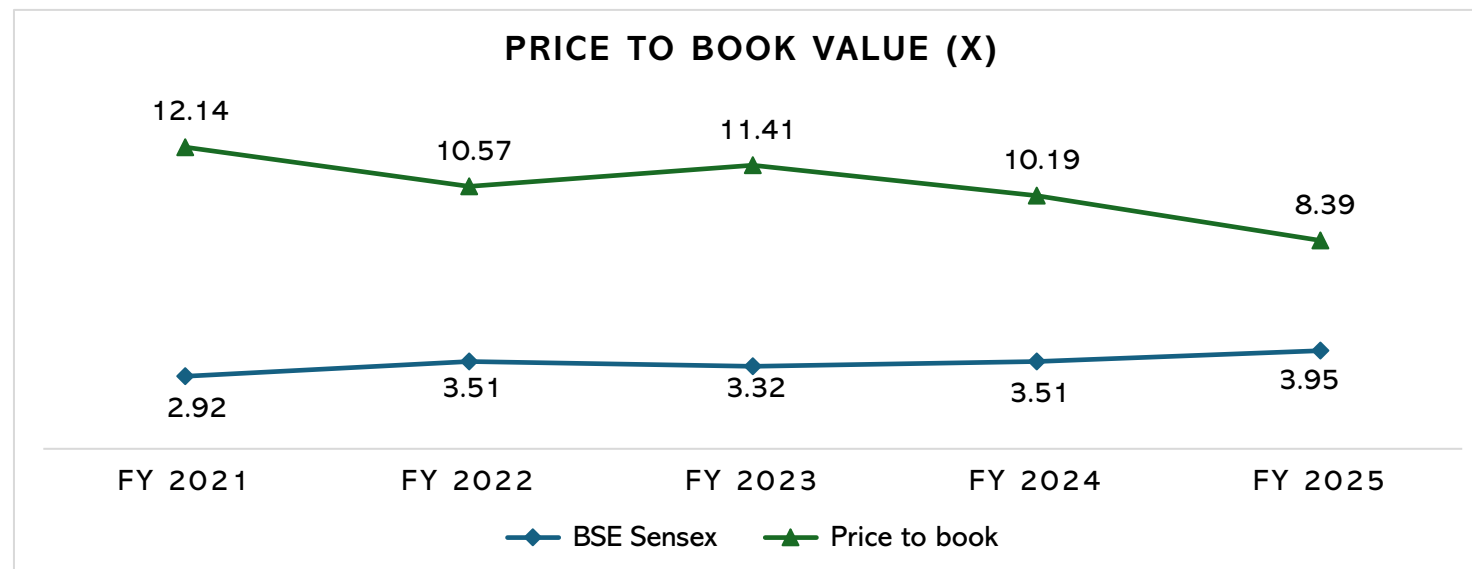


| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|----------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 28.10 | 29.53 | 22.91 | 24.10 | 23.20 |
| Price to Earnings (Median) | 47.40 | 51.98 | 46.73 | 51.30 | 51.42 |
| Price to Earnings (High) | 131.58 | 270.27 | 86.21 | 83.33 | 82.64 |
| Price to Earnings (Low) | -64.94 | 10.33 | 11.63 | -232.56 | 13.18 |

The FMCG industry's P/E ratio has remained remarkably stable and consistently at a premium, ranging between 46.73x and 51.98x across all five years, with no dramatic spikes or collapses. The gap between the two lines has stayed persistently wide at roughly 1.8–2.2x the Sensex P/E throughout, reflecting unwavering investor confidence in the company's growth prospects.



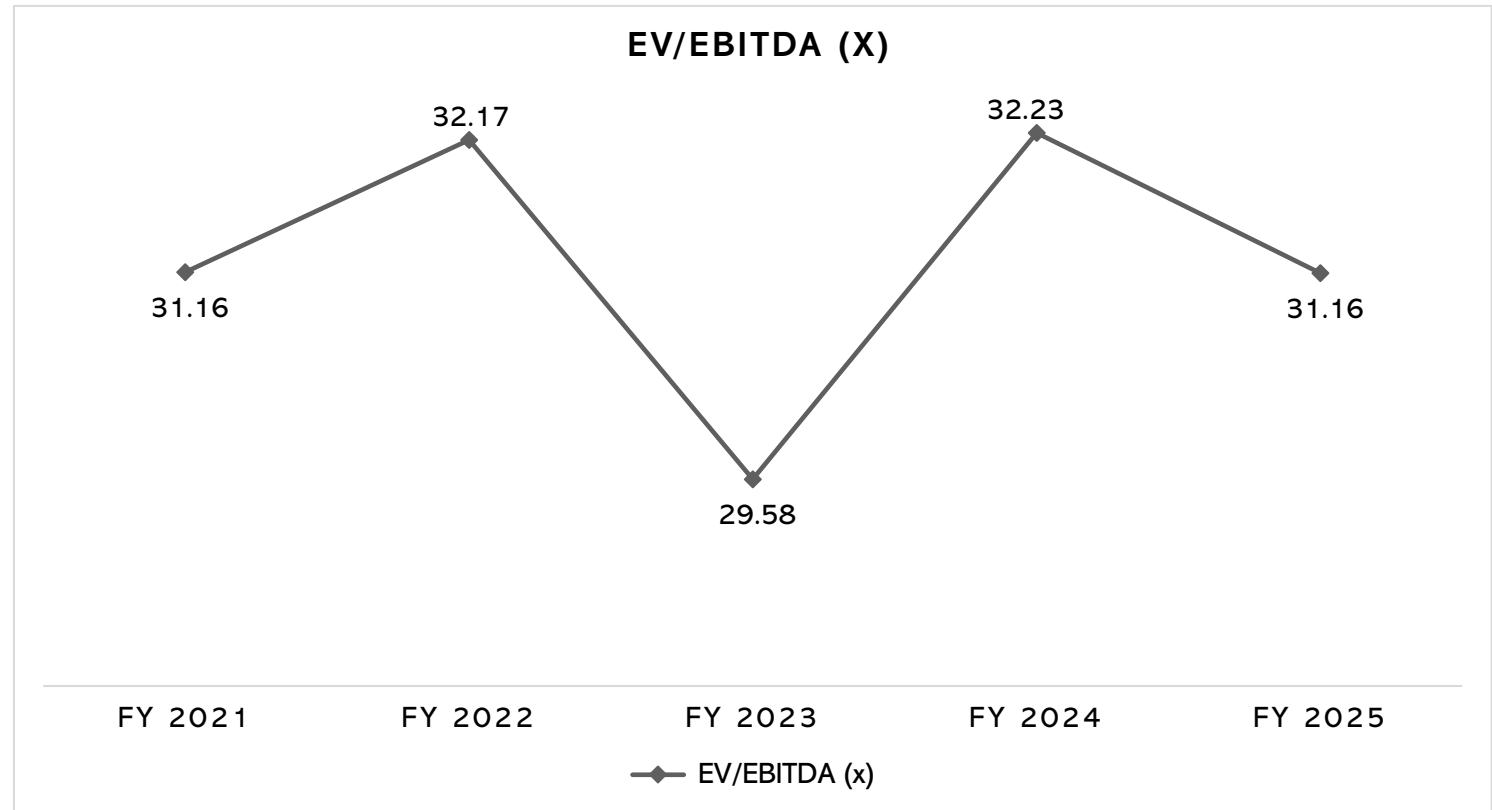
FMCG Industry in Numbers



| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 2.92 | 3.51 | 3.32 | 3.51 | 3.95 |
| Price to Book (Median) | 12.14 | 10.57 | 11.41 | 10.19 | 8.39 |
| Price to Book (High) | 91.16 | 76.84 | 82.91 | 75.71 | 59.92 |
| Price to Book (Low) | 1.14 | 1.17 | 1.74 | 1.31 | 1.20 |

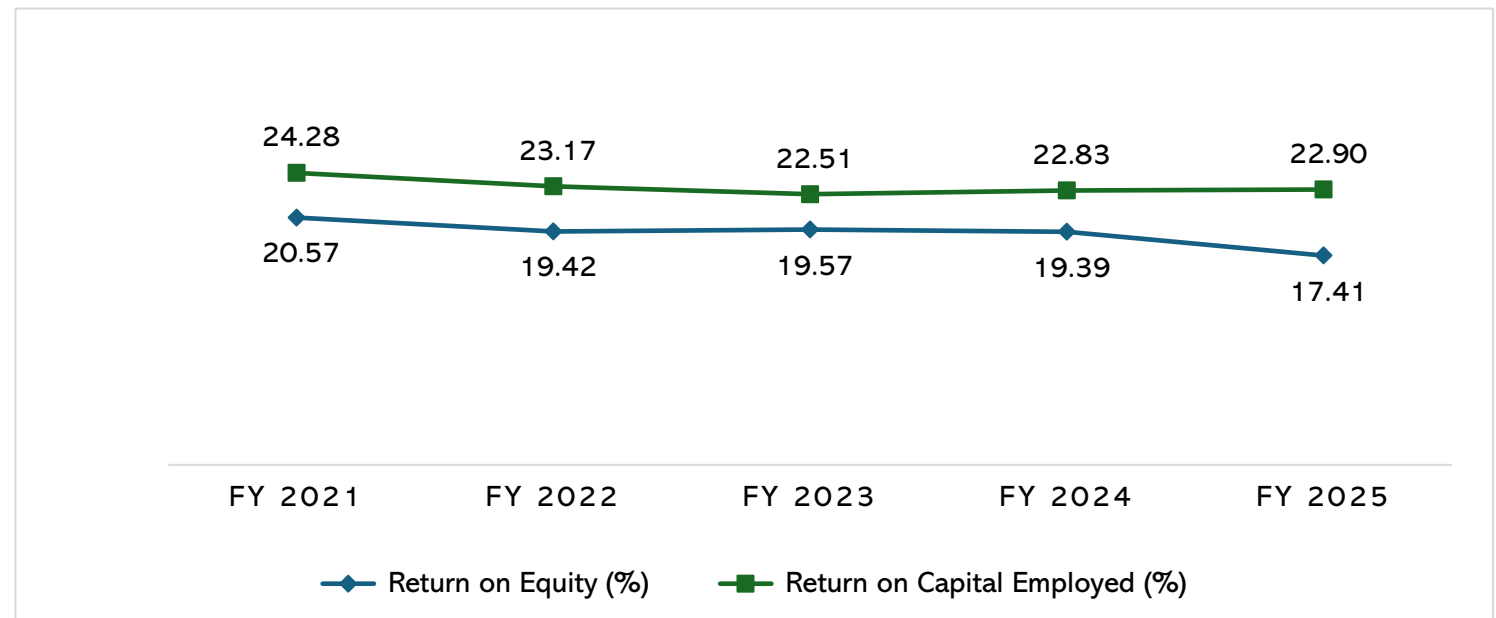
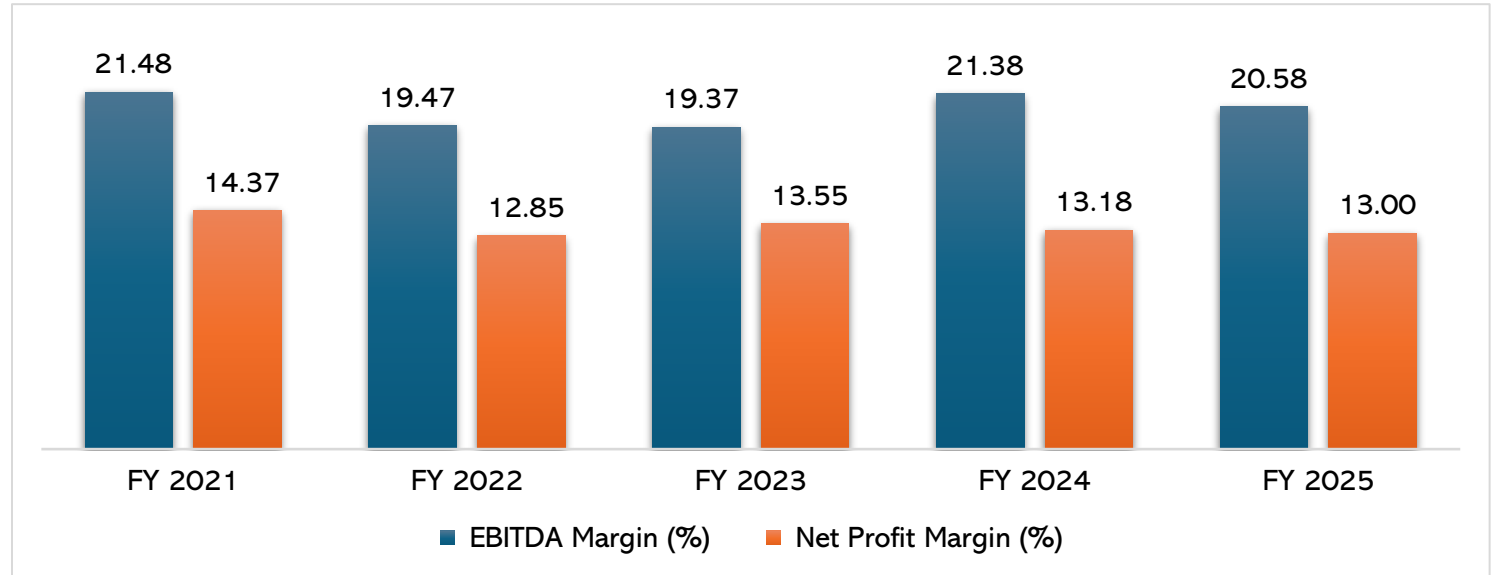
The FMCG industry's P/B ratio has consistently shows a clear downward trend, from 12.14x in FY2021, dipping to 10.57x in FY2022, recovering slightly to 11.41x in FY2023, then declining steadily to 10.19x in FY2024 and 8.39x in FY2025. The gradual multiple compression of ~3.75x over five years, points to strong book value growth through accumulation of retained earnings and equity expansion.

FMCG Industry in Numbers



| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------|---------|---------|---------|---------|---------|
| EV/EBITDA (Median) | 31.16 | 32.17 | 29.58 | 32.23 | 31.16 |
| EV/EBITDA (High) | 53.56 | 60.75 | 55.66 | 52.19 | 48.08 |
| EV/EBITDA (Low) | 5.09 | 6.30 | 8.09 | 7.59 | 8.40 |

FMCG Industry in Numbers





OMNIFIN

**INDIAN RETAIL :
ORGANIC PERSONAL CARE**

Demographics Meet Disposable Income

India's young, affluent, digitally-native consumers are rewriting the beauty playbook. Social media savvy shoppers aren't just buying products - they're buying into beauty as self-expression, status, and self-care. India's beauty and personal care market is experiencing sustained growth driven by favorable demographics, rising incomes, and digital adoption. As China cools, India heats up, multinational companies are increasing their focus on India through both market expansion and technology investments.

The Tech Twist: L'Oréal's Strategic Investment

According to Reuters, L'Oréal is establishing a global beauty technology hub in Hyderabad, signaling a shift from mere distribution to core innovation. The facility will serve as a center for AI-driven beauty innovation, supporting the development of advanced digital solutions.

- AI-driven personalization for diverse Indian skin tones and types
- Global solutions developed with Indian consumers in mind
- India positioning as a beauty tech exporter, not just importer

INR 35 Bn

Initial Investment in the Technology Hub

2,000

Tech Roles by 2030

Major Player Initiatives

Estée Lauder : The American global leading cosmetic company is analysing online sales data to identify opportunities in tier-2/tier-3 cities like Siliguri, partnering with Indian designers (Sabyasachi Mukherjee) and launching India-specific products including Kohl.

Shiseido : Japan's luxury beauty brand introduced NARS brand through Nykaa's platform in 2025, leveraging e-commerce for market entry.

Key Growth Drivers

Consumer Demographics

Growing middle class with younger consumers with increasing disposable incomes & social media engagement, driving demand for mass-market and premium beauty. High willingness to experiment with global trends (K-beauty) and digital adoption.

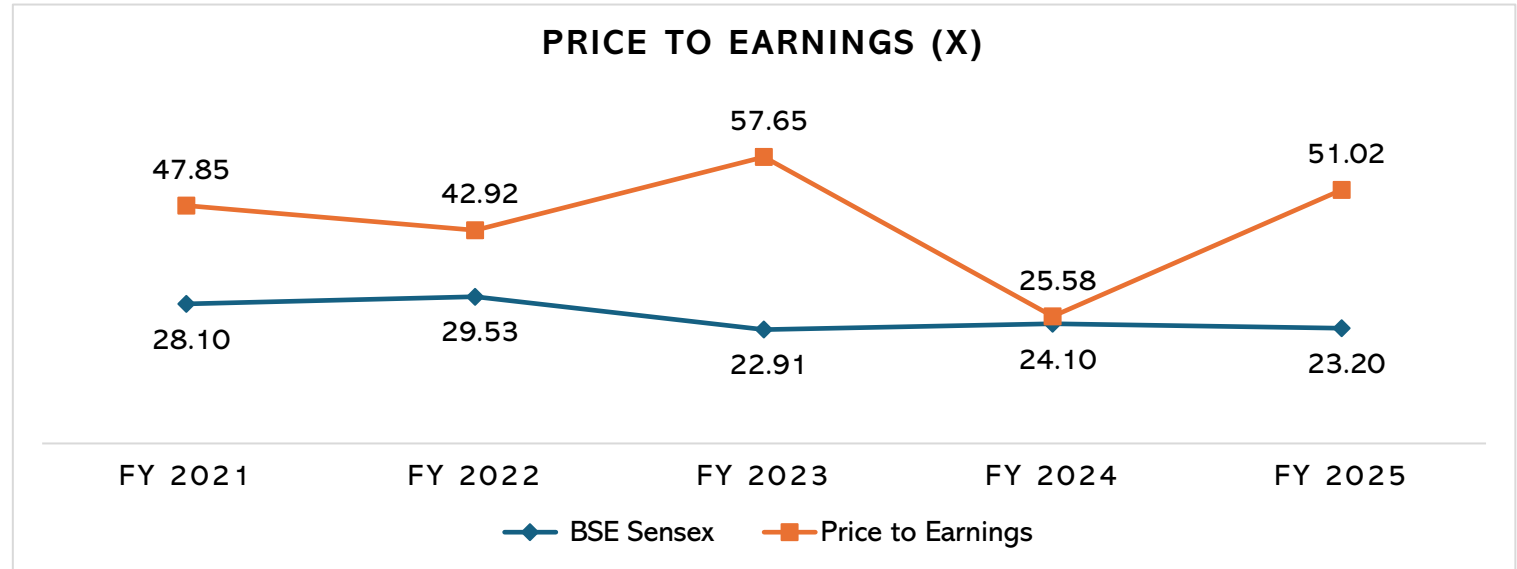
Market Pivot

~15% CAGR vs global 4.5-5%. India is expanding at 3x the global rate, projected to reach **\$28.9 Billion** by 2026. Identified by McKinsey as an emerging priority market.

Weak Domestic Competition

Domestic brands currently account for less than 10% of luxury beauty sales in India, compared to 40% market share held by local players in China, Japan, and South Korea. This presents a rare opportunity for international brands entering a high-growth segment with limited established local competition. Only Forest Essentials and Kama Ayurveda represent significant domestic rivals in the luxury space.

Organic Personal Care Industry in Numbers

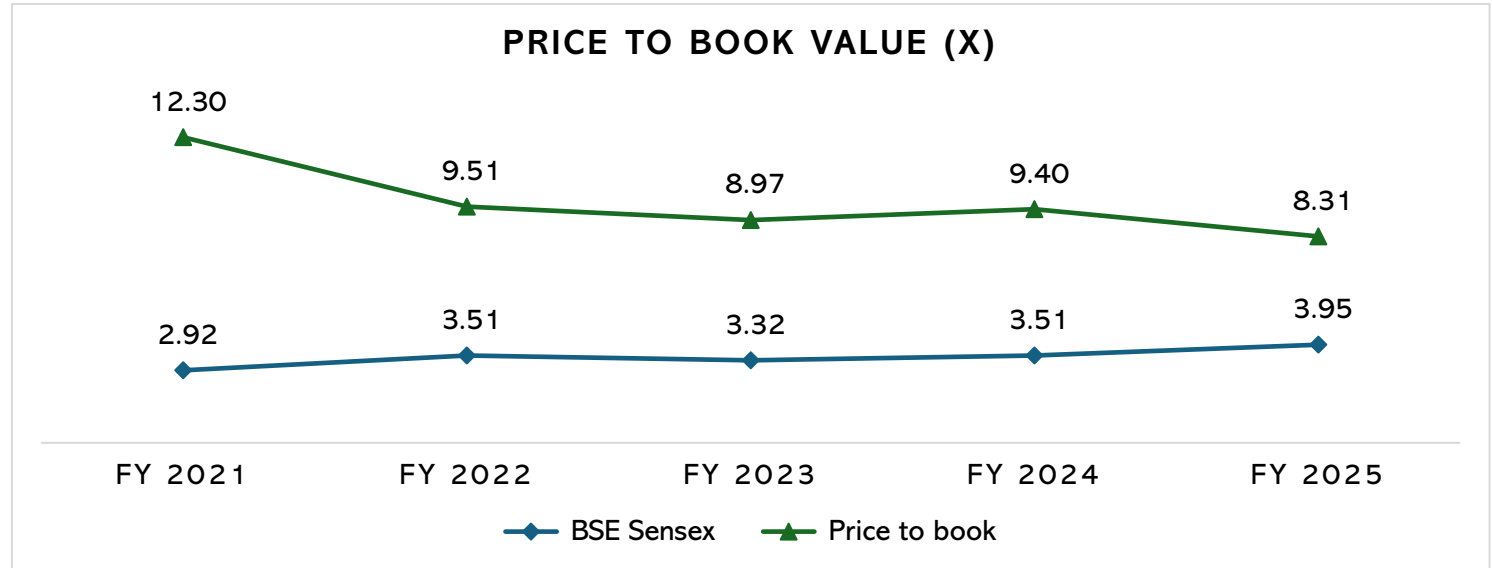


| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|----------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 28.10 | 29.53 | 22.91 | 24.10 | 23.20 |
| Price to Earnings (Median) | 47.85 | 42.92 | 56.82 | 25.58 | 51.02 |
| Price to Earnings (High) | 66.67 | 75.76 | 68.49 | 80.00 | 69.44 |
| Price to Earnings (Low) | 17.21 | 14.20 | 15.58 | -232.56 | 17.21 |

The Price to Earnings (P/E) ratio of the FMCG industry remained notably volatile from 47.85x in FY2021, dipping to 42.92x in FY2022, surging to a peak of 57.65x in FY2023, then collapsing sharply to just 25.58x in FY2024, nearly touching the Sensex level before rebounding strongly to 51.02x in FY2025.



Organic Personal Care Industry in Numbers

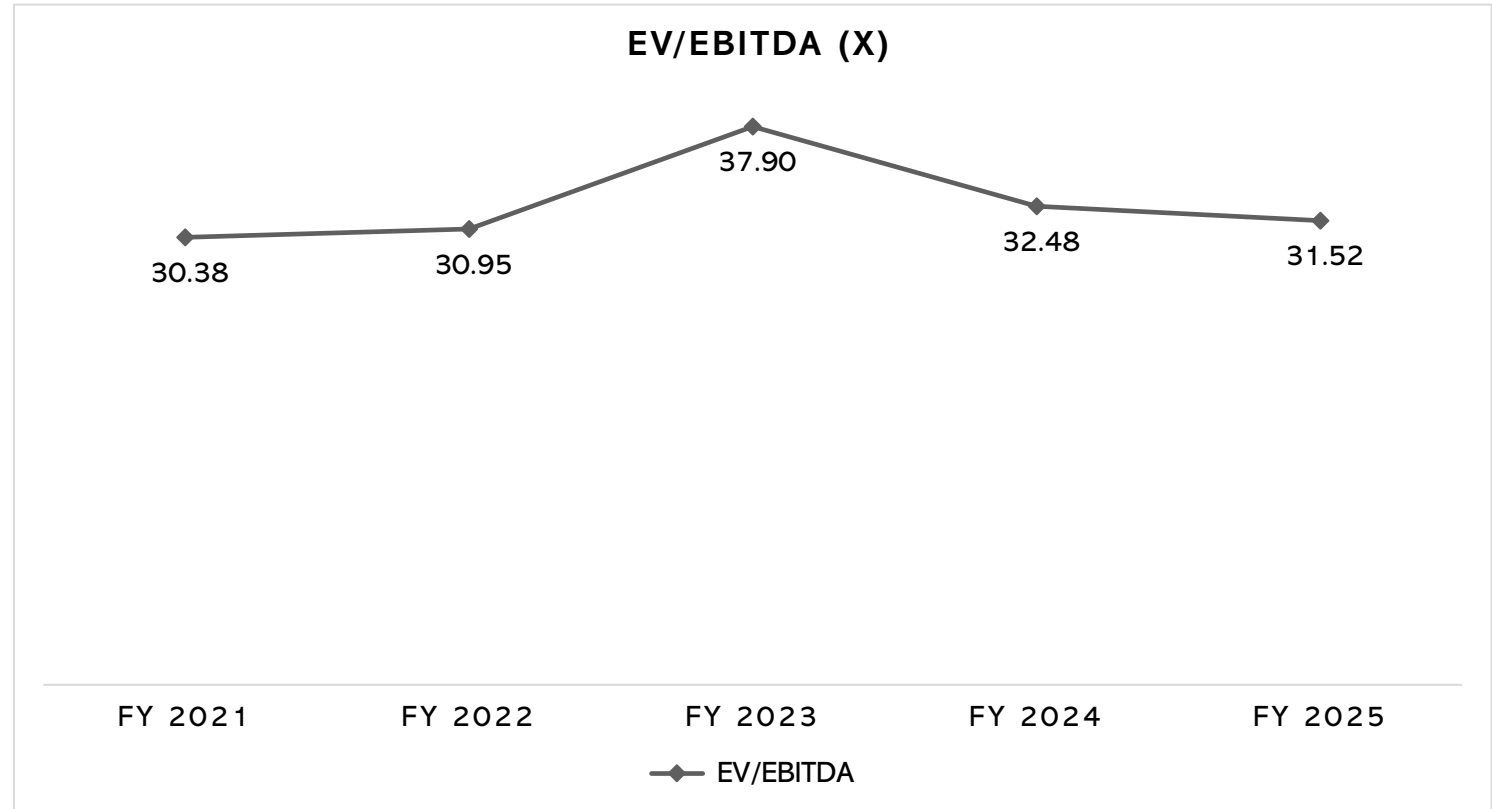


| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|------------------------|---------|---------|---------|---------|---------|
| BSE Sensex | 2.92 | 3.51 | 3.32 | 3.51 | 3.95 |
| Price to Book (Median) | 12.30 | 9.51 | 8.97 | 9.40 | 8.31 |
| Price to Book (High) | 60.58 | 58.99 | 49.08 | 69.63 | 59.92 |
| Price to Book (Low) | 5.06 | 2.97 | 2.74 | 3.65 | 2.88 |

The Price to Book value (P/B) ratio of the FMCG shows a steady downward trajectory, falling from a high of 12.30x in FY2021 to 9.51x in FY2022, stabilizing around 8.97x–9.40x in FY2023–FY2024, before declining further to 8.31x in FY2025. The consistent compression of ~4x over five years, while still maintaining a 2x+ premium over the Sensex.

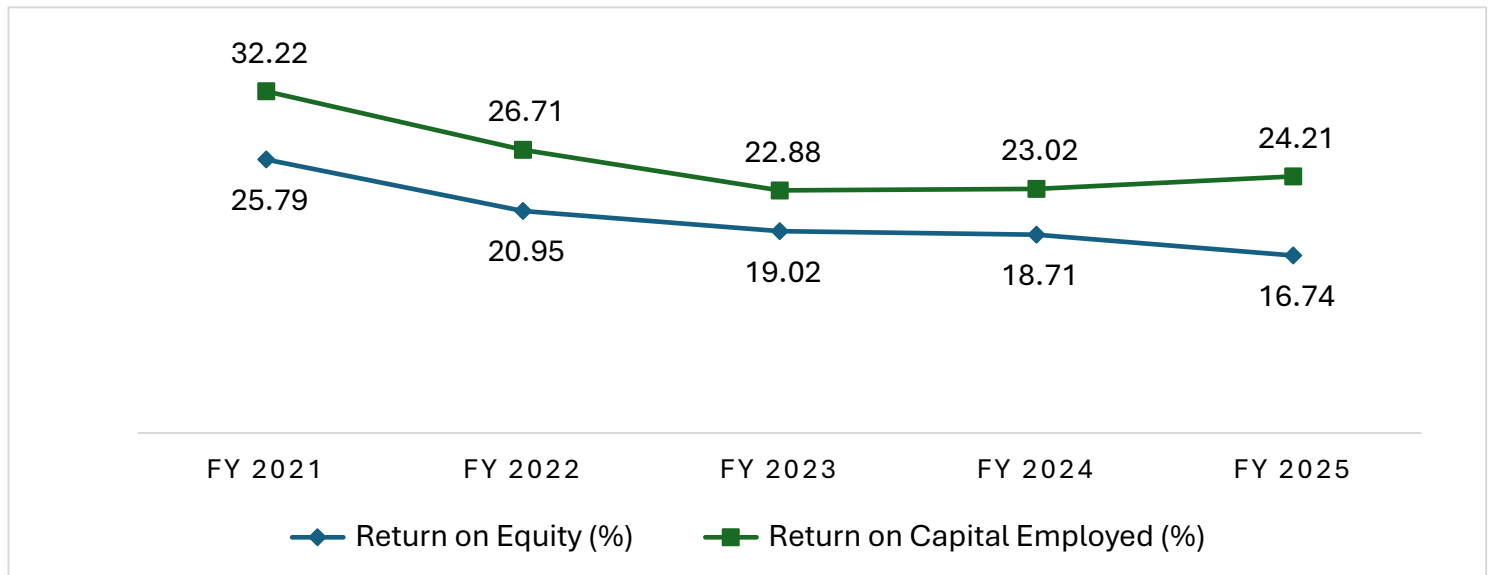
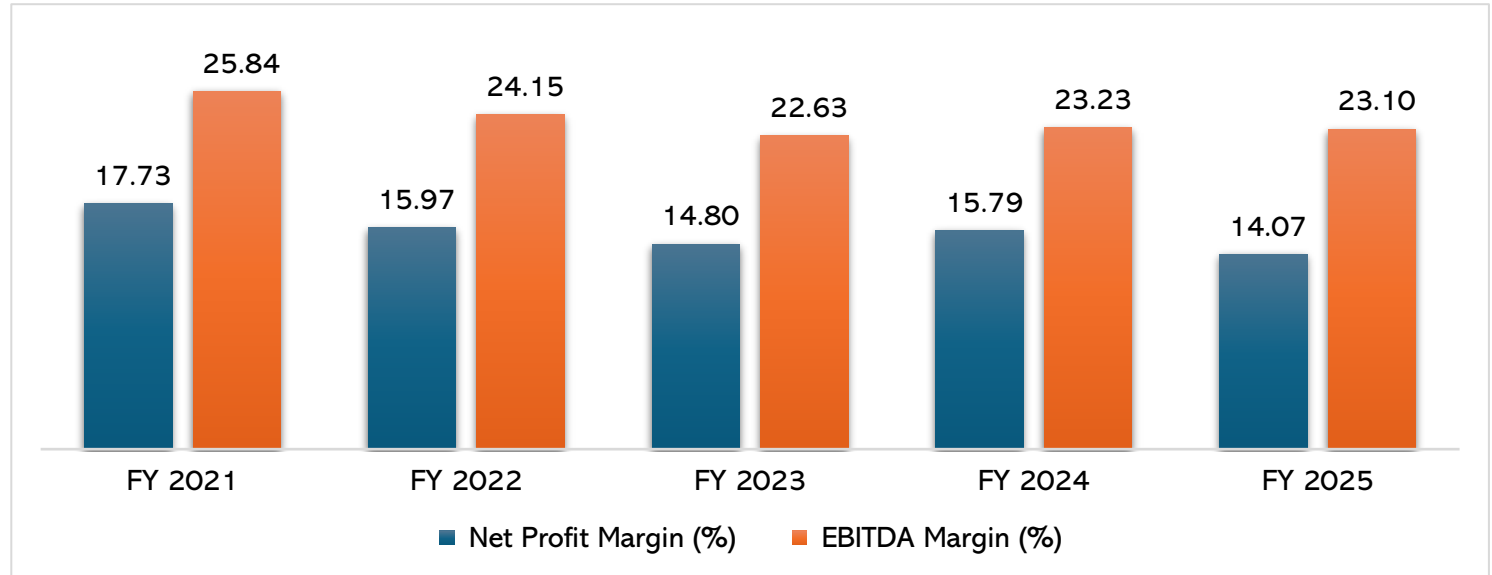


Organic Personal Care Industry in Numbers



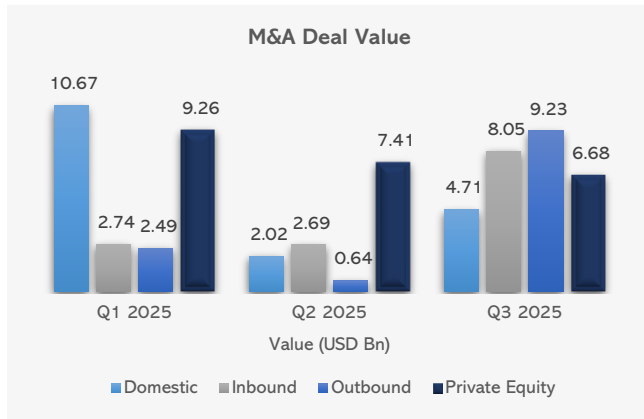
| Particulars | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------------|---------|---------|---------|---------|---------|
| EV/EBITDA (Median) | 30.38 | 30.95 | 37.90 | 32.48 | 31.52 |
| EV/EBITDA (High) | 46.13 | 50.19 | 49.99 | 52.19 | 48.08 |
| EV/EBITDA (Low) | 13.78 | 11.26 | 12.05 | 14.92 | 12.53 |

Organic Personal Care Industry in Numbers





**INDIAN RETAIL :
MAJOR M&A DEALS IN 2025**

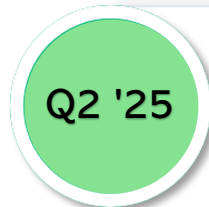


India's consumer and retail M&A landscape in the first three quarters of 2025 followed a distinct three-phase trajectory—an initial surge, a period of caution, and a decisive recovery—reflecting both global macro pressures and strong domestic fundamentals.



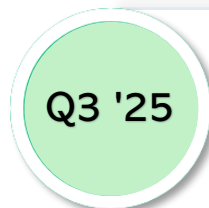
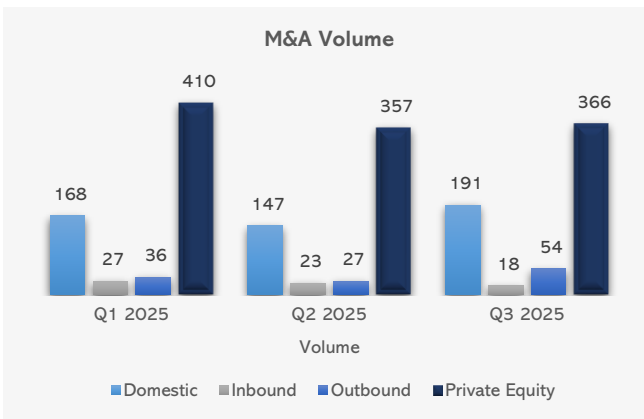
Q1 2025: Surge

641 deals worth USD 25.2 billion, led by Wilmar's USD 1.4 billion investment. Three-year quarterly high, driven by domestic consolidation.



Q2 2025: Caution

48% quarterly decline in values to USD 12.8 billion amid global economic friction including US trade and elevated gold prices. M&A values hit a one-year low of USD 5.4 billion due to the absence of mega-deals.



Q3 2025: Rebound

Deal values more than doubled to USD 28.7 billion across 629 deals. Revival in outbound M&A signaled renewed confidence, primarily led by Schneider Electric SA's USD 6.35 billion purchase of a 35% stake from Temasek to gain 100% ownership of its Indian subsidiary.

Source: GT Bharat's Q3 Dealtracker

| Target Company / Brand | Buyer / Investor | Deal Value (Million) | Deal Nature |
|-----------------------------------|--|----------------------|------------------------|
| Adani Wilmar Ltd (Staples) | Wilmar International | USD 1,440 Mn | Inbound (M&A) |
| Haldiram Bhujawala Ltd | Temasek | USD 1,000 Mn | PE Investment |
| Uprising Science (Minimalist) | Hindustan Unilever Ltd | USD 315 Mn | Domestic (M&A) |
| Yes Bank Ltd | Sumitomo Mitsui Banking | USD 1,040 Mn | Inbound (Acquisition) |
| Abbot Point Port Holdings Pte Ltd | Adan Ports and Special Economic Zone Ltd | USD 2,074 Mn | Outbound (Acquisition) |
| Pernod Ricard (Imperial Blue) | Tilaknagar Industries | USD 488 Mn | Domestic (M&A) |
| Damas Jewellery LLC | Titan Co Ltd | USD 283 Mn | Outbound (M&A) |
| VIP Industries Ltd | Multiples PE Funds et al. | USD 208 Mn | PE Investment |
| Stellio Ventures (Meller) | Lenskart Solutions | USD 47 Mn | Outbound (M&A) |
| Obgenix Software (White Teak) | Asian Paints Ltd | USD 22 Mn | Domestic (M&A) |

Global M&A Context & Emerging Themes

Capability-led M&A

Convergence across sectors such as e-commerce, electronics, healthcare, and home improvement to quickly acquire critical capabilities in technology, AI, logistics, and data. E.g., The JD.com–Ceconomy deal combines advanced e-commerce, AI, and logistics capabilities with a large-format European electronics retail network to accelerate omnichannel scale and data-led growth.

Founder Buybacks

Founders reacquiring brands from corporates/PE to restore authenticity and long-term value was seen as a growing trend in 2025. E.g., Huda Kattan, founder of Huda Beauty, resumed the CEO role and reclaimed 100% ownership, by buying back the minority stake, reinforcing founder control and brand vision.

STRENGTH

- ~USD 1.1 tn market with 6–7% consumption growth supported by favourable demographics.
- Organised retail + e-commerce at ~20–22% share, growing at 15–20% CAGR.
- Retail leasing across top metros up ~50% YoY, indicating sustained physical expansion.
- Policy support including 100% FDI in single-brand retail and improving logistics infrastructure.



WEAKNESS

- High fragmentation with ~75–80% unorganised retail, limiting scale and data efficiency.
- Thin operating margins of 3–6% due to discounting, rentals, and competitive intensity.
- Elevated logistics costs at ~12–14% of sales, especially for perishables and quick commerce.
- Shrinkage and inventory losses remain a cost pressure as store networks expand.



OPPORTUNITY

- Tier-2/3 cities drive ~45% of incremental demand, offering large whitespace for expansion.
- AI, analytics, and omnichannel models improving inventory turns and customer engagement.
- Private labels at 20–30% of revenues for leading retailers with 300–500 bps higher margins.
- Digital payments with 80%+ urban penetration accelerating omnichannel and convenience retail.



THREATS

- Regulatory uncertainty around FDI, e-commerce pricing, and platform norms.
- Intense competition from global brands and quick-commerce players offering sub-30-minute delivery.
- Inflation, geopolitical risks, and supply-chain disruptions impacting costs and demand.
- High price sensitivity and shifting preferences in discretionary categories affecting earnings visibility.



Data Sources and Credits :

- Spotting India's PRIME innovation moment August 2025 by Deloitte & FICCI
- Union Budget 2026-27
- IMARC Group 2025
- Press Information Bureau (PIB)
- Times of India (TOI)
- The Economic Times (ET)
- Global Growth Insights
- IIFF (India International Footwear Fair) 2025
- Reuters.com
- M&A trends (PWC)
- Retailers Association of India (RAI)
- Business Standard 2025 Market Insights
- Navigating supply chain complexity in apparel retail by Vector Consulting Group
- India Retail Market Dynamics Q3 2025 by JLL Research
- INC 42
- Quick Commerce Playbook India 2025 - By MMA Global India & Publicis Commerce
- Nielseniq.com
- Annual Reports of Companies covered in this Document
- Moneycontrol.com
- Omnifin Research

Companies Covered :

- | | |
|----------------------------|-----------------------------------|
| • Dabur India Limited | • Jyothy Labs |
| • Hindustan Unilever | • Patanjali |
| • Godrej Consumer Products | • Avenue Supermarts Ltd |
| • Marico | • Trent |
| • Britannia Industries Ltd | • Aditya Birla Fashion and Retail |
| • Bajaj Consumer Care | • V mart Retail |
| • Zydus Wellness | • Shoppers Stop |
| • Safari Industries | • Bata India |
| • Tasty Bite Eatables | • Relaxo |
| • Heritage Foods | • Metro |
| • Nestle India | • Campus activeear |
| • Colgate -Palmoliv | • Arvind Fashions Ltd |
| • P&G Hygiene | • Raymonds |
| • Emami Ltd | • Vedant Fashion |
| • Gillette India | • V2 Retail |
| • Varun Beverages | |
| • Hindustan Foods | |
| • KRBL | |

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