

Arvind Fashions



Fashioning a new cycle of profitable growth

Research Analyst: Avinash Karumanchi (Avinash.Karumanchi@MotilalOswal.com) | Aditya Bansal (Aditya.Bansal@MotilalOswal.com)

Research Analyst: Siddhesh Chaudhari (Siddhesh.Chaudhari@MotilalOswal.com) | Niraj Harwande (Niraj.Harwande@motilaloswal.com)

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

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

01

Page # 03

Summary

02

Page # 07

Story in charts

03

Page # 10

Where lifestyle meets leadership

04

Page # 27

Strong balance sheet and improving return ratios

05

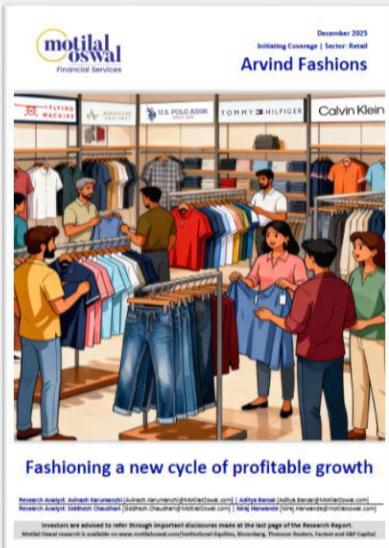
Page # 30

Initiating coverage with a BUY rating

06

Page # 31

Industry growth expected to remain robust (this part has to be at the last from here to ex: 44)



Fashioning a new cycle of profitable growth

- ❖ Arvind Fashions (AFL), part of the Lalbhai Group, is a leading branded apparel company with a portfolio of marquee brands such as U.S. Polo Assn. (USPA), Arrow, Tommy Hilfiger, Calvin Klein, and Flying Machine.
- ❖ After the Covid period, AFL executed a notable turnaround by exiting non-core businesses like Unlimited and Sephora to focus on profitability and capital efficiency. Despite exiting the businesses that generated ~32% of its FY19 revenue, AFL surpassed its pre-Covid revenue by FY25, driven by its power brands. A sharp portfolio, consignment-led model, and asset-light structure have improved margins and returns, with RoIC rising from 5% in FY19 to 12% in FY25.
- ❖ AFL has now evolved into a lifestyle category, with ~15% of its revenue coming from adjacent categories.
- ❖ Its shift to a consignment-led model improved pricing control and margins, with an asset-light structure driving faster scale-up, strong cash generation (FCFF of INR6.6b over FY26-28E) and RoE/RoIC expansion to 25%/28% by FY28E. We believe AFL is well placed to deliver a CAGR of 13%/25%/32% in revenue/Pre-IND AS EBITDA/PAT over FY26-28E. Initiate coverage on AFL with a BUY rating and an SoTP-based TP of INR725, implying 38x Dec'27E EPS.

07

Page # 34

Key risks

08

Page # 35

Bull and bear cases

09

Page # 36

ESG Initiatives

10

Page # 37

SWOT Analysis

11

Page # 38

Key Managerial Personnel

12

Page # 38

Financials and valuations

BSE SENSEX	S&P CNX
85,213	26,027



Stock Info

Bloomberg	ARVINDFA IN
Equity Shares (m)	134
M.Cap.(INRb)/(USDb)	66.4 / 0.7
52-Week Range (INR)	579 / 320
1, 6, 12 Rel. Per (%)	-1/-1/-10
12M Avg Val (INR M)	185

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	51.6	59.1	65.8
EBITDA	7.0	8.8	9.9
PAT (after minority)	1.3	2.1	2.7
EBITDA Margin (%)	13.6	14.8	15.0
EPS (INR)	9.9	15.6	20.4
BV/Sh. (INR)	95.3	107.1	122.8

Ratios

Net D:E	0.1	0.0	-0.1
RoE (%)	17.9	23.0	24.9
RoCE (%)	22.5	29.9	31.6

Valuations

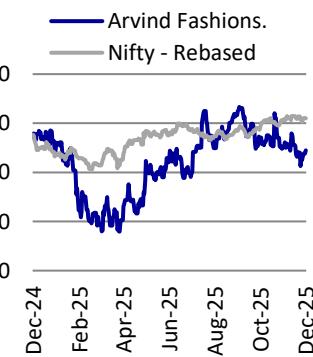
P/E (x)	50.2	31.8	24.3
EV/EBITDA (x)	9.7	7.6	6.5
EV/Sales (x)	1.3	1.1	1.0
Div. Yield (%)	0.6	0.9	1.2

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	35.1	35.1	35.2
DII	22.8	23.6	21.0
FII	12.0	9.4	10.5
Others	30.1	31.9	33.3

FII Includes depository receipts

Stock performance (one-year)



CMP: INR496 **TP: INR725 (+46%)** **Buy**

Fashioning a new cycle of profitable growth

- Arvind Fashions (AFL), part of the Lalbhai Group, is a leading branded apparel company with a portfolio of marquee brands such as U.S. Polo Assn. (USPA), Arrow, Tommy Hilfiger, Calvin Klein, and Flying Machine, commanding leadership in lifestyle and casualwear. After the Covid period, AFL executed a remarkable turnaround by exiting non-core businesses like Unlimited and Sephora to focus on profitability and capital efficiency. Despite exiting the businesses that generated ~32% of its FY19 revenue, AFL surpassed its pre-Covid revenue by FY25, driven by its power brands. A sharp portfolio, consignment-led model, and asset-light structure have improved margins and returns, with RoIC rising from 5% in FY19 to 12% in FY25.
- AFL has now evolved into a lifestyle category, with ~15% of its revenue coming from adjacent categories. Its shift to a consignment-led model improved pricing control and margins, with an asset-light structure driving faster scale-up, strong cash generation (FCFF of INR6.6b over FY26-28E) and RoE/RoIC expansion to 25%/28% by FY28E. We believe AFL is well placed to deliver a CAGR of 13%/25%/32% in revenue/Pre-IND AS EBITDA/PAT over FY26-28E. We initiate coverage on AFL with a BUY rating and an SoTP-based TP of INR725, implying 38x Dec'27E EPS.

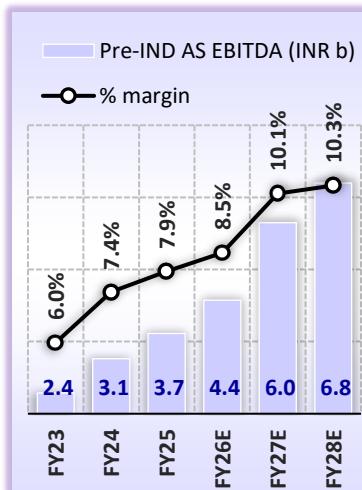
Where lifestyle meets leadership

AFL operates a streamlined portfolio of five marquee brands that anchor its growth, offering a well-balanced mix of scale, profitability, and premium positioning across segments.

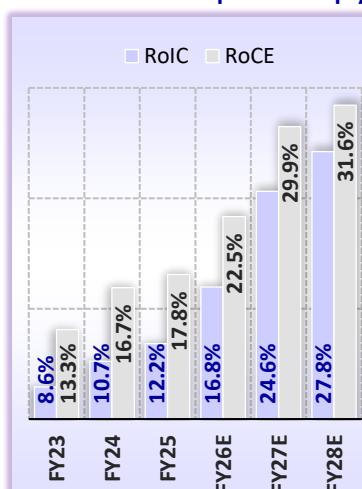
- USPA** is the cornerstone of AFL's portfolio and India's largest apparel brand with a net sales value (NSV) of more than INR20b in FY25. Operated through a wholly-owned subsidiary, **Arvind Lifestyle Brands (ALBL)**, USPA has evolved into a mid-premium lifestyle label, with adjacencies contributing ~25-30% of revenue.
- Tommy Hilfiger and Calvin Klein (CK)** are managed through a **50:50 JV, PVH Arvind Fashions**. **Tommy** leads in India's premium casualwear space, scaling up to ~INR8.4b in revenue with a five-year CAGR of ~14%, supported by strong aspirational connect and omni-channel reach. **CK** ranks among India's top two super-premium casualwear and innerwear brands, posting a five-year CAGR of 19% in revenue to INR5.7b in FY25, driven by EBO expansion and robust department store traction.
- Arrow**, a legacy premium menswear brand, has undergone a successful turnaround through sharper product segmentation, supported by refreshed brand communication. Retail operations now reside under Lifestyle Brands, while wholesale remains with the standalone entity.
- Flying Machine**, AFL's fully owned in-house label under Arvind Youth Brands (with Flipkart as minority investor), is among the top three denim brands in India. The ongoing Gen Z-focused refresh is repositioning it as a youthful, digital-first brand to accelerate growth.
- Led by the marquee nature of its brands, AFL has evolved into a lifestyle-driven portfolio with adjacencies contributing ~INR7b (15% of FY25 revenue). **Category extensions** have become structural growth engines, with footwear targeting INR5b in revenue in three years and the other segments sustaining double-digit growth.

EBOs now contribute ~43% of revenue (vs. ~39% in FY23), and B2C online at ~13%.

Pre-Ind AS margins to surpass 10% in FY27E



Return ratios to improve sharply



D2C pivot driving capital efficiency

- AFL has transitioned from MBO/LFS and marketplace-led B2B exposure toward a D2C ecosystem, strengthening pricing discipline, improving full-price sell-through, and enhancing consumer ownership through EBOs and own websites.
- Consignment-led FOFO retail has replaced SoR, enabling faster inventory turns, lower working-capital intensity, and stronger gross margins. Better demand visibility and reduced liquidation dependence support sustainable brand equity and profitability.
- As of 1HFY26, the revenue share of EBOs increased to ~43% from ~39% in FY23, while online B2C contributed ~13% of revenue and ~40% of online sales.
- With a continued scale-up of asset-light FOFO EBOs, AFL targets retail contribution to cross 50% of revenue in the medium term, supporting profitable growth with minimal balance-sheet intensity.

Arrow and USPA to anchor next phase of margin expansion

- Gross margins have expanded by ~450bp (ex-commissions) since FY23 as AFL's move to a consignment-led model has strengthened its pricing discipline and increased full-price sell-through, partly on premiumization.
- PVH brands (Tommy/CK) have the strongest margin profile of ~53% (adj. for commissions). Meanwhile, Standalone (Arrow wholesale) and ALBL (USPA/Arrow retail) have expanded their margins by ~650bp over two years and yet they remain in the range of 36-42%, trailing peers' margin range of ~45-50%.
- Pre-Ind AS EBITDA margins reached 9.2% in FY25 (adj. for commissions; 7.9% on reported basis), supported by higher gross margins and operating leverage.
- Further margin expansion would be driven by Arrow and USPA through scale benefits and disciplined pricing.
- Our estimates factor in gross margin expansion of ~100bp and pre-Ind AS EBITDA margin improvement of ~190bp over FY26-28E to 10.3%, resulting in a ~25%/32% CAGR in Pre-IND AS EBITDA/PAT CAGR.

Capital efficiency and profitability gains to double RoIC by FY27E

- AFL has significantly improved its leverage, reducing the net debt-to-Pre-IND AS EBITDA ratio from ~3x before Covid to ~1x in FY25, aided by capital infusion and monetization of non-core businesses. Gross borrowings have declined from INR13b to INR5b. With improving profitability and controlled capex, AFL is on track to turn net cash by FY28E.
- Inventory days have improved to ~80-85 from ~90-95 before Covid through shorter lead times, auto-replenishment, and a consignment-led model that improved visibility and cash collection. With efficiency now optimized, working capital should be stable at the current levels.
- Disciplined cost control, tighter working capital, and the FOFO-led rollout helped AFL generate pre-Ind AS operating cash flow of ~INR6b and free cash flow (FCFF) of ~INR4b over FY23-25. With moderate capex requirements, we expect FCFF to increase to INR6.6b over FY26-28E.
- Return metrics have strengthened substantially, with RoIC rising from ~5% before Covid to ~12% and RoCE reaching ~18% in FY25. With further improvement in profitability, we expect RoCE/RoIC to surpass 27% by FY28E.

Initiate coverage on AFL with BUY rating and SoTP-based Dec'27 TP of INR725, implying 38x Dec'27E EPS.

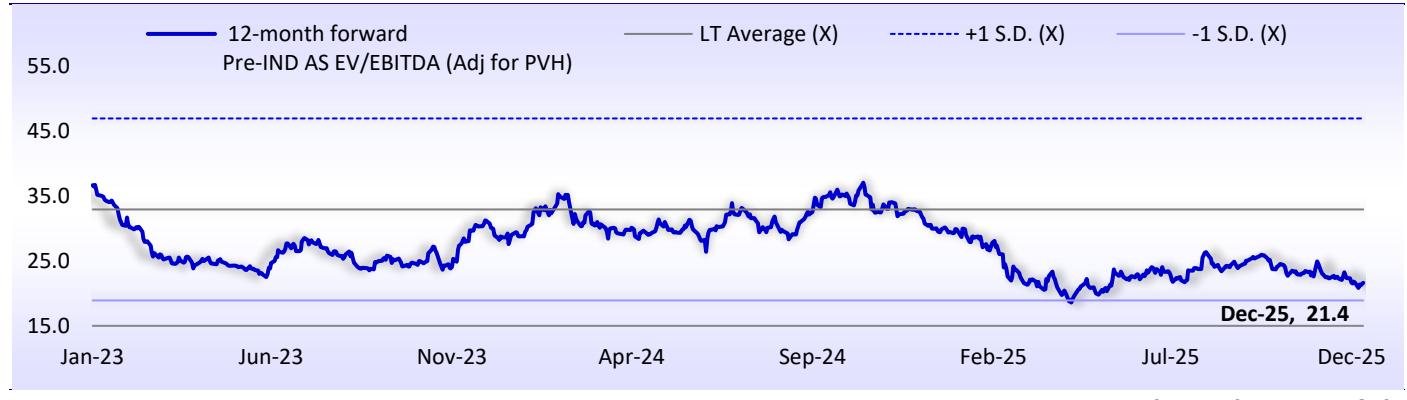
Valuation and view

- AFL stands at an inflection point, transitioning from consolidation into profitable scale-up with a sharper focus on five power brands. This phase of growth will be driven by scaling up core brands, expanding adjacencies profitably, and driving operating leverage. USPA is evolving into a full lifestyle brand, with a third of its revenue coming from non-apparel, while Tommy and CK are strengthening their premium positioning with mid-teen EBITDA margins. Arrow and Flying Machine are entering a scale-up phase through sharper brand positioning and modern retail formats. Collectively, ***these initiatives are expected to drive ~13% revenue CAGR and ~190bp margin expansion over FY26-28E, taking pre-Ind AS EBITDA margin to 10.3% by FY28E.***
- AFL enters this phase with a strong balance sheet and disciplined working capital. Capex will remain limited to high-visibility flagship stores, with the majority of retail expansion pursued through an asset-light FOFO model, enhancing capital efficiency and return ratios. This strategy should drive cumulative FCFF generation of INR6.6b over FY26-28E and lift RoCE to 32% by FY28E.
- With improving earnings visibility, steady margin expansion, and rising return ratios, AFL is well positioned as a high-quality compounding story in India's branded fashion space. Its balanced portfolio, scalable model, and strengthening financial metrics offer a compelling risk-reward profile.
- We value AFL on an SOTP basis, with **Lifestyle (USPA)** at 11x EV/EBITDA and **PVH** at 20x contributing the majority of value, reflecting improving margins and superior profitability, while **Standalone (Arrow)** at 8x and **Flying Machine** at 5x are assigned conservative multiples amid ongoing restructuring.
- ***We initiate coverage on AFL with a BUY rating and an SoTP-based Dec'27 TP of INR725, implying 38x Dec'27E EPS.***

Exhibit 1: SoTP-based Dec'27 valuation

Valuation		FY26-28 CAGR		FY25	FY26	FY27	FY28		Dec-27
Entity	Ownership (%)	Revenue (%)	Pre-Ind AS EBITDA (%)	EBITDA (INR m)				EV/EBITDA (x)	EV (INR m)
Standalone (Arrow Wholesale)	100	13	21	463	549	695	802	8	6,202
Lifestyle (USPA + Arrow)	100	14	30	2,858	3,410	4,430	5,032	11	54,185
FM	69	9	NA	230	180	346	427	5	1,455
PVH	50	12	13	2,612	2,927	3,343	3,684	20	35,990
CONSOL									97,831
Net Debt									-1,271
Equity Value									96,560
Per Share									725
CMP									496
Upside (%)									46

Source: Company, MOFSL

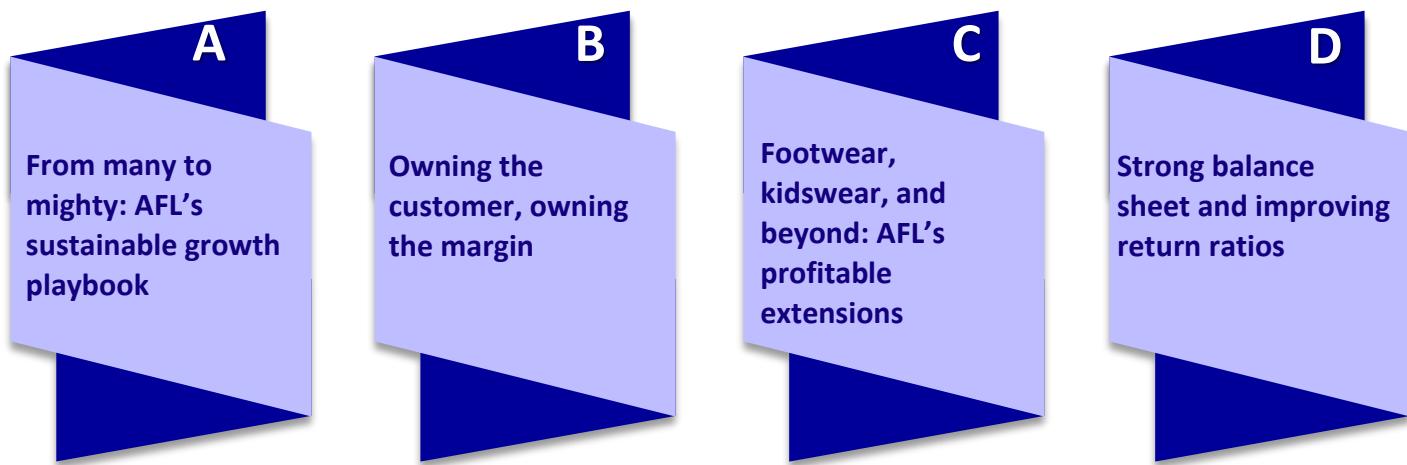
Exhibit 2: Stock is trading at ~(1) St.dev its historical valuation range

Exhibit 3: Peer comparison

Retail comps	Mcap	P/E (X)			EV/EBITDA(X)			RoCE (%)			RoE (%)			CAGR (%)
	(INR b)	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	EBITDA
Arvind Fashion	67	49.4	31.5	22.2	13.1	11.4	9.2	17.8	22.5	29.9	17.9	23.0	24.9	19.0
*AFL (adj for PVH)		NA	52.2	33.0	16.4	14.4	11.4							
Trent	1,553	112.3	84.3	66.6	60.3	44.8	35.8	25.1	26.5	23.8	30.4	28.2	24.8	30
VMM	633	104.9	76.3	60.9	41.9	34.1	28.4	39.8	33.0	29.6	10.5	12.4	13.8	21
Vedant Fashion	151	38.9	38.3	36.2	23.5	22.8	20.7	17.5	16.0	15.2	9.2	10.5	11.3	7
ABLBL	97	275.3	76.6	60.1	14.5	13.4	11.9	15.4	17.0	21.8	12.4	15.5	16.8	10
ABFRL	96	NA	NA	NA	9.3	16.8	12.5	NM	NM	1.1	NM	NM	NM	-14
Raymond Life	70	82.3	25.0	17.6	11.3	8.0	6.7	7.3	10.7	13.9	2.3	4.8	7.1	21
V-Mart	65	141.7	54.2	34.2	36.6	21.6	13.8	14.9	16.3	18.5	2.6	13.8	18.5	30
Shop	49	475.4	221.5	75.5	11.6	10.2	9.0	NM	8.6	5.1	2.0	3.5	-3.1	13
Go Fashion	30	31.7	33.1	25.2	11.8	11.8	10.1	20.8	17.7	20.1	12.7	11.0	12.8	8
Apparel	138.7	66.1	39.7	24.5	20.4	16.5	20.1	18.2	16.6	10.3	12.5	12.7	14	
Metro	309	88.1	75.1	60.9	41.7	37.4	31.4	15.8	17.3	17.9	19.8	22.1	22.7	15
Bata	130	39.2	65.8	48.5	15.8	19.1	16.6	18.5	16.8	20.5	14.9	12.4	15.2	-2
Relaxo	103	60.4	51.0	43.1	26.7	27.2	23.6	8.3	8.4	9.0	8.3	8.5	9.1	6
Campus	79	65.7	56.9	45.9	33.5	29.1	24.1	17.4	17.9	19.1	16.0	16.7	17.7	18
Footwear	63.3	62.2	49.6	29.4	28.2	23.9	15.0	15.1	16.6	14.8	14.9	16.2	9	

Source: Company, MOFSL

Story in charts

Arvind Fashion: Investment argument



Focused brand strategy: Building scale, margin, and market differentiation (INR m)

FY25 Performance	Lifestyle Brands	Tommy Hilfiger	Calvin Klein	PVH	Standalone	Flying Machine	CONSOL
% Ownership	100	50	50	50		69	
Revenue	23,927	8,351	5,680	14,031	6,659	4,322	46,198
% YoY Growth	10.5	15.1	16.8	13.3	9.3	-5.7	8.5
% Commissions	11.0	15.4	30.3	21.4	1.4	10.7	13.2
Net Revenue	21,304	7,062	3,961	11,023	6,565	3,857	40,108
% COGS	57.3	45.7	48.8	46.8	64.1	65.0	53.6
Gross Profit (Ex-Commissions)	9,103	3,837	2,027	5,864	2,359	1,351	18,613
% Margin	42.7	54.3	51.2	53.2	35.9	35.0	46.4
% Reported	49.0	61.4	66.0	63.2	36.8	42.0	53.5
% Employee	6.0	4.7	5.4	5.0	8.7	4.1	6.7
% Royalty	3.5	8.2	6.3	7.5	4.9	-	4.7
% Outsourced	4.7	7.8	2.7	6.0	5.5	14.0	5.9
% A&P	5.2	3.1	3.1	3.1	2.7	4.3	4.5
% Rent	7.4	6.9*	-	4.4	1.9	5.9	5.9
% Others	9.5	2.8	6.5	8.0	7.1	6.6	11.6
Pre-IND AS EBITDA	1,277	1,176	1,082	2,122	341	2	3,672
% Margin	6.0	16.7	27.3	19.3	5.2	0.0	9.2
% Reported	5.3	14.1	19.0	15.1	5.1	0.0	7.9
Net Debt	4,434			-937	587	1,146	3,665
Equity	4,234			3,883	3,431	1,159	11,645
Invested Capital	8,669			2,946	4,018	2,305	15,310
% RoIC	8.0			54.9	0.4	-0.8	12.2

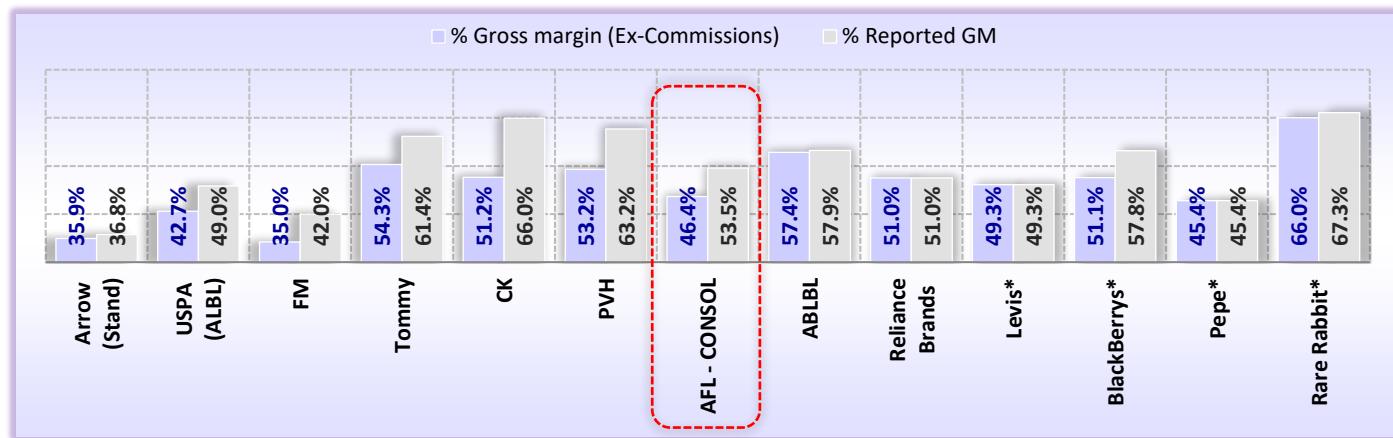
Source: Company, MOFSL, *Assuming all of PVH's rent in Tommy since it is fully COCO format

Operating margin profile of top major branded players in India (INR b)

	Arrow (Stand)	USPA (ALBL)	FM	Tommy	CK	PVH	AFL - CONSOL	ALBL	Reliance Brands	Levis*	BlackBerrys*	Pepe*	Rare Rabbit*
Revenues	6.7	23.9	4.3	8.4	5.7	14.0	46.2	78.3	23.4	18.4	10.0	6.4	6.4
Commission (%)	1.4	11.0	10.7	15.4	30.3	21.4	13.2	1.2	-	-	13.6	-	3.6
Net Revenues	6.6	21.3	3.9	7.1	4.0	11.0	40.1	77.4	23.4	18.4	8.6	6.4	6.1
Adj Gross Profit	2.4	9.1	1.4	3.8	2.0	5.9	18.6	44.4	11.9	9.1	4.4	2.9	4.1
% Gross margin (Ex-Comm)	35.9	42.7	35.0	54.3	51.2	53.2	46.4	57.4	51.0	49.3	51.1	45.4	66.0
% Reported GM	36.8	49.0	42.0	61.4	66.0	63.2	53.5	57.9	51.0	49.3	57.8	45.4	67.3
% Rent (Incl of Lease)	1.9	7.8	5.9	6.9		4.4	5.9	18.2	15.3	1.0	13.3	4.1	10.1
% Freight	1.5	0.9	2.2			1.5	3.1	1.6	3.4	2.8	3.6	7.5	3.7
% A&P	2.7	5.2	4.3			3.1	4.5	3.3	2.9	6.4	9.0	6.3	15.1
% Royalty	4.9	3.5		8.2	6.3	7.5	4.7	0.2	1.9	6.5		4.7	
% Outsourcing	5.5	4.7	14.0	7.8	2.7	6.0	5.9	5.6	1.4		4.8	0.5	
% Employee	8.7	6.0	4.1	4.7	5.4	5.0	6.7	11.6	15.9	12.2	7.8	7.2	12.7
% Others	5.5	8.6	4.4	10.0	9.6	6.5	6.6	9.8	7.9	8.7	10.2	6.5	4.8
% CoR	30.7	36.7	35.0	37.7	23.9	33.9	37.3	50.3	48.8	37.7	48.8	36.9	47.0
Reported EBITDA	0.5	2.9	0.2	1.7	1.1	2.6	6.0	11.9	2.7	2.1	1.2	0.7	1.2
% margin	7.1	13.8	6.0	23.6	27.3	23.7	15.0	15.4	11.8	11.6	14.0	10.5	19.1
Pre-IND AS EBITDA	0.3	1.3	0.0	1.2	1.1	2.1	3.7	5.5	0.5	2.1	0.2	0.5	1.2
% Margin	5.2	6.0	0.0	16.7	27.3	19.3	9.2	7.1	2.2	11.6	2.3	8.5	19.1
% Reported	5.1	5.3	0.0	14.1	19.0	15.1	7.9	7.0	2.2	11.6	2.0	8.5	18.4

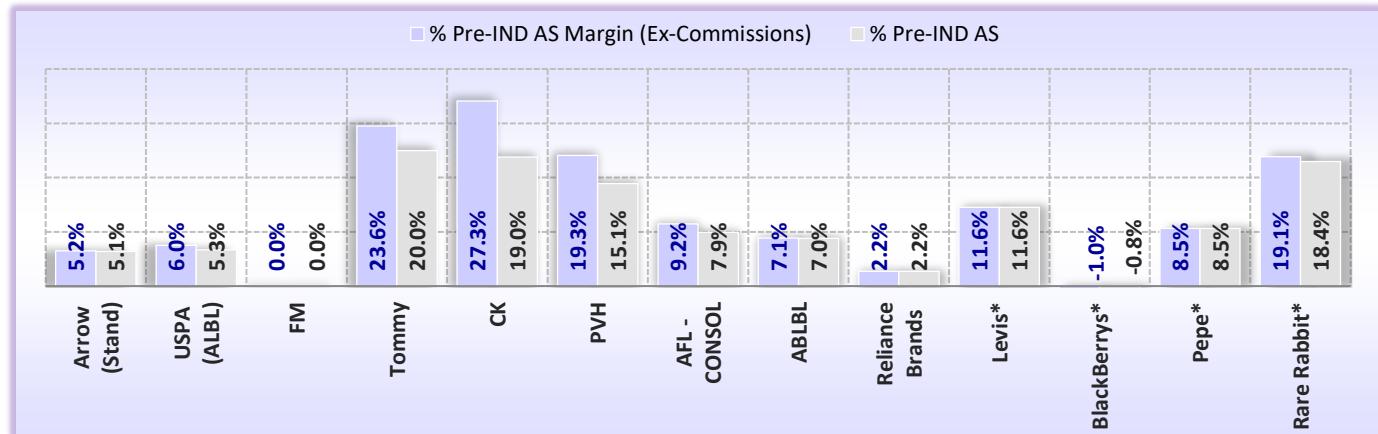
Source: MOFSL, Company. *P&L values are for FY24

Further margin expansion would be led by Arrow and USPA



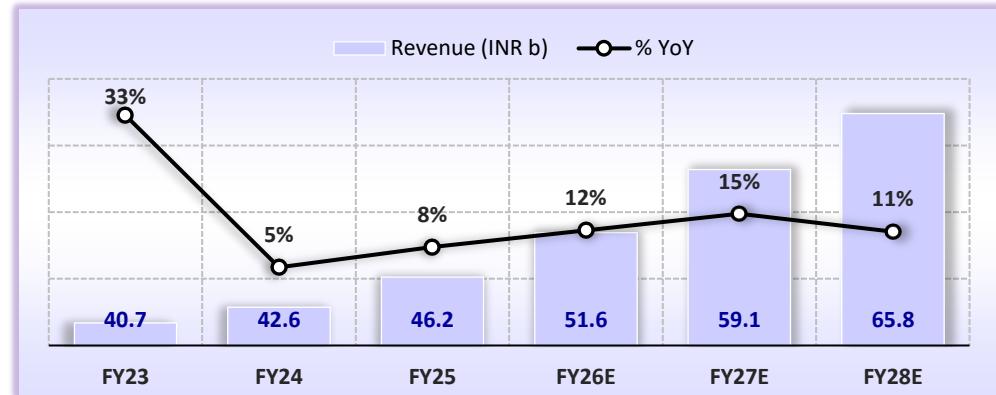
Source: Company, MOFSL, *P&L values are for FY24

Pre-Ind-AS EBITDA margin (calc.) of top branded players in India

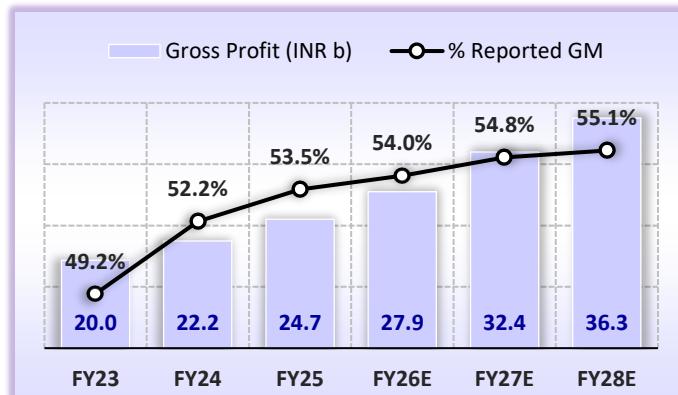


Source: MOFSL, Company, *P&L values are for FY24

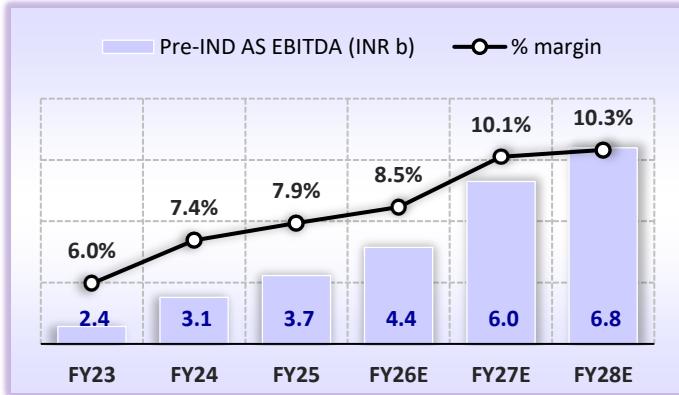
Steady revenue growth led by USPA and Arrow



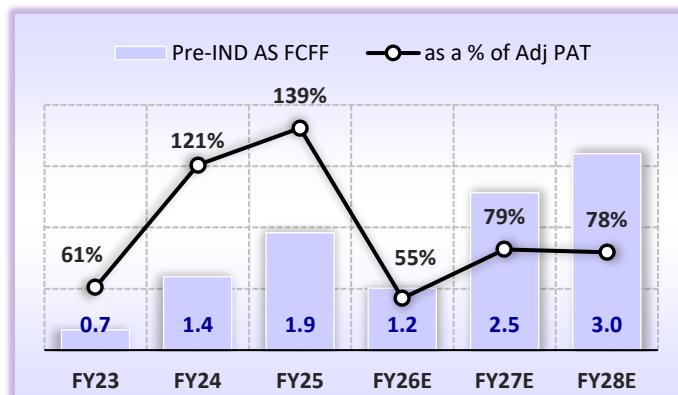
GM to improve on better inventory control and lower discounting



GM improvement and op leverage drives Pre-IND AS margins to ~10% by FY27E

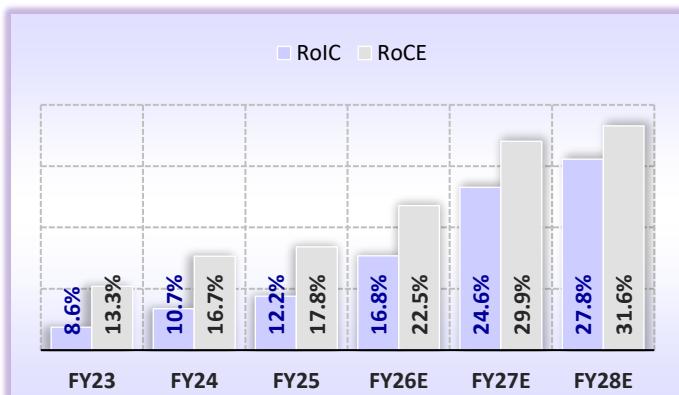


Robust FCFF generation



Source: MOFSL, Company

Return ratios to improve sharply



Source: MOFSL, Company

Where lifestyle meets leadership

Arvind Fashions (AFL), part of the Lalbhai Group, is a leading branded apparel player with a sharpened portfolio across premium to mass segments. Since its 2019 demerger and listing, AFL has strengthened its balance sheet and profitability through capital infusions and exit from non-core labels. It operates marquee brands such as USPA (casual lifestyle), Arrow (formalwear), Tommy Hilfiger, Calvin Klein (premium lifestyle), and Flying Machine, cementing leadership in lifestyle & fashion. After the Covid period, AFL has pivoted strongly to a D2C model, with EBOs now contributing ~43% and owned online channels ~13% of 1HFY26 revenue (vs. negligible pre-COVID), enabling better brand control, higher margins, and rising engagement.

As of Sep'25, the company operates 998 EBOs covering 1.3mn sq. ft. alongside more than 9,000 MBOs across 475 cities.

Exhibit 4: Power house of brands - as of FY25

Brand	Category / Positioning	Housed under	Launch Year	Cities Presence	EBOs	Area in Mn Sq.ft	Avg Store Size (sq.ft.)
U.S. Polo Association	❖ Mid-Premium Casual	Arvind Lifestyle Brands (100% subsidiary)	2009	161	377	0.45	1,200
Tommy Hilfiger	❖ Super-Premium Casual / Lifestyle	PVH Arvind Fashions 50:50 JV	2004	41	103	0.14	1,400
Calvin Klein	❖ Super-Premium Denim & Casual	PVH Arvind Fashions 50:50 JV	2015	35	80	0.08	1,050
Arrow	❖ Premium Formal & Smart Casual	Standalone (Wholesale) & Arvind Lifestyle Brands (Retailing)	1993	97	195	0.21	1,100
Flying Machine	❖ Mid-Premium Youth Casual	Arvind Youth Brands (69% owned, rest with Flipkart)	1980	100	142	0.11	800
Sub-Total						897	1.01
Rest (Club A, Stride, Megamart)						80	0.19
Total						977	1.19

Source: Company, MOFSL

From many to mighty: AFL's growth playbook

Before Covid, AFL executed a decisive turnaround focused on profitability, capital efficiency, and portfolio discipline. It exited nearly a one-third of its FY19 revenue base, winding down limited-scale premium labels, select global partnerships, value retail chain **Unlimited**, beauty business **Sephora**, and other dormant licenses. While this led to a short-term revenue contraction and one-offs, it eliminated structurally weak, low-turn businesses, reshaping AFL into a lean, brand-focused, and capital-light enterprise.

Exhibit 5: Post-Covid strategic restructuring to focus on core brands

	FY20	FY21	FY22	FY23	FY24	FY25
Revenue from Operations (Continued + Discontinued)	38,655	23,358	32,454	44,291	44,756	46,214
EBITDA	2,303	-630	211	4,507	4,756	6,006
% Margin	6.0	-2.7	0.7	10.2	10.6	13.0
PBT	-4,159	-5,089	-2,425	1,261	2,001	2,233
% Margin	-11	-22	-7	3	4	5
Revenue - Continuing Ops	36,136	19,119	30,560	40,695	42,591	46,198
EBITDA	2,578	-16	1,802	4,230	5,105	6,020
% Margin	7.1	-0.1	5.9	10.4	12.0	13.0
PBT	-3,766	-3,110	-1,099	1,493	1,700	2,251
% Margin	-10	-16	-4	4	4	5
Revenue - Discontinued Ops	2,519	4,239	1,893	3,596	2,165	16
as a % of Revenues	6.5	18.1	5.8	8.1	4.8	0.0
EBITDA	-275	-614	-1,590	277	-349	-14
% Margin	-10.9	-14.5	-84.0	7.7	-16.1	-89.3
PBT	-393	-1,980	-1,326	-233	301	-18
% Margin	-16	-47	-70	-6	14	-116

Source: Company, MOFSL

Exhibit 6: Exited ~INR10b (or 30% of the AFL's revenues) over the years

Year	Brands Exited
FY20	❖ GANT, Nautica, Elle, Izod
FY21	❖ GAP, Hanes, The Children's Place and Ruf & Tuf
FY22	❖ Unlimited (sold to V-Mart)
FY24	❖ Sephora (sold to Reliance)

Source: Company, MOFSL

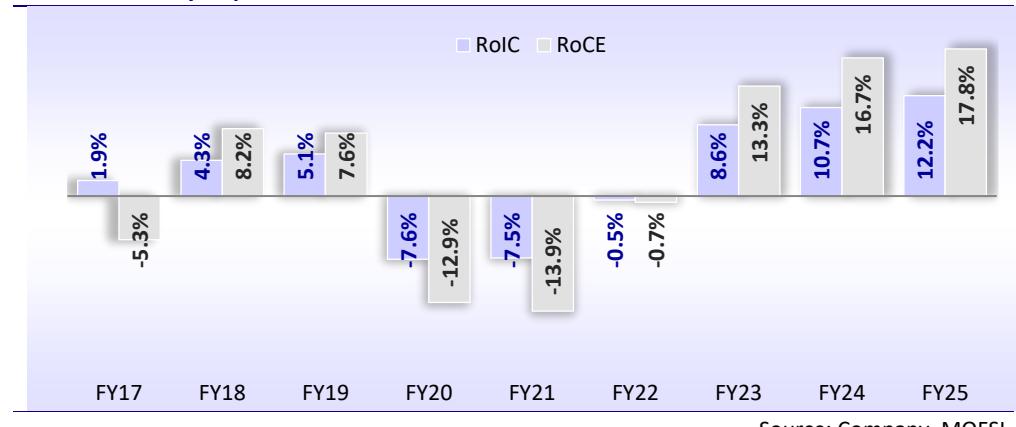
Complementing this, the company undertook capital actions, rights issues (INR7b), preferential allotments (INR4b), strategic partnerships (Flipkart and Flying Machine), and divestments (INR4b) that reduced net debt by INR10b during FY20-25. With net debt at INR3.7b (1x net debt/pre-Ind AS EBITDA), AFL today boasts a strengthened, efficient balance sheet, well-positioned for sustainable and profitable growth.

Exhibit 7: Debt reduction accelerated through fundraises

Year	Period	Type of Transaction	Shares Issued (mn)	Shares Outstanding (mn)	Funds Raised (INR b)	Equity Dilution	Net Debt (INR b)
FY20	(Jul 2020)	❖ Rights Issue – I	40.0	98.7	4.0	68%	13.0
FY21	(Jul 2020)	❖ Strategic Investment – Flipkart in Flying Machine			2.6		11.1
FY21	(Mar 2021)	❖ Rights Issue – II	14.8	113.5	3.0	13%	11.1
FY22	(Jul 2021)	❖ Divestment – Unlimited			1.7		6.1
FY22	(Sep 2021)	❖ Preferential Issue	18.3	132.5	4.0	14%	6.1
FY24	(Nov 2023)	❖ Divestment – Sephora			2.2		4.3

Source: Company, MOFSL

By FY25, despite exiting the businesses that generated ~32% of its FY19 revenue, AFL surpassed pre-Covid revenue levels, driven by robust growth in its five core brands. A sharper, higher-quality portfolio and capital-light model have structurally enhanced its profitability, with RoIC improving from 5% before Covid to 12% in FY25. These strategic shifts have firmly repositioned AFL for sustainable margin expansion, profitable growth, and superior capital efficiency.

Exhibit 8: Steady improvement in return ratios


Source: Company, MOFSL

The Fab Five: AFL's core growth anchors

After its restructuring, AFL has sharpened its focus around five marquee brands that anchor its growth strategy. Its portfolio combines global licensed labels, joint ventures with PVH Corp, and Flying Machine, its in-house denim brand, giving AFL a balanced mix of scale, premium positioning. Structured through wholly owned subsidiaries and joint ventures, this approach optimizes capital efficiency while supporting category expansion and retail penetration. Collectively, these brands are AFL's core growth engine, each occupying a niche in India's fashion landscape.

Five marquee brands anchor AFL's premium and capital-efficient growth.

Exhibit 9: Focused brand strategy: building scale, margin, and market differentiation (INR m)

FY25 Performance	Lifestyle Brands	Tommy Hilfiger	Calvin Klein	PVH	Standalone	Flying Machine	CONSOL
% Ownership	100	50	50	50		69	
Revenue	23,927	8,351	5,680	14,031	6,659	4,322	46,198
% YoY Growth	10.5	15.1	16.8	13.3	9.3	-5.7	8.5
% Commissions	11.0	15.4	30.3	21.4	1.4	10.7	13.2
Net Revenue	21,304	7,062	3,961	11,023	6,565	3,857	40,108
% COGS	57.3	45.7	48.8	46.8	64.1	65.0	53.6
Gross Profit (Ex-Commissions)	9,103	3,837	2,027	5,864	2,359	1,351	18,613
% Margin	42.7	54.3	51.2	53.2	35.9	35.0	46.4
% Reported	49.0	61.4	66.0	63.2	36.8	42.0	53.5
% Employee	6.0	4.7	5.4	5.0	8.7	4.1	6.7
% Royalty	3.5	8.2	6.3	7.5	4.9	0.0	4.7
% Outsourced	4.7	7.8	2.7	6.0	5.5	14.0	5.9
% A&P	5.2	3.1	3.1	3.1	2.7	4.3	4.5
% Rent	7.4	6.9	0.0	4.4	1.9	5.9	5.9
% Others	9.5	2.8	6.5	8.0	7.1	6.6	11.6
Pre-IND AS EBITDA	1,277	1,176	1,082	2,122	341	2	3,672
% Margin	6.0	16.7	27.3	19.3	5.2	0.0	9.2
% Reported	5.3	14.1	19.0	15.1	5.1	0.0	7.9
Net Debt	4,434			-937	587	1,146	3,665
Equity	4,234			3,883	3,431	1,159	11,645
Invested Capital	8,669			2,946	4,018	2,305	15,310
% RoIC	8.0			54.9	0.4	-0.8	12.2

Source: Company, MOFSL, *Assuming all of PVH's rent in Tommy since it is fully COCO format

USPA – Capitalizing on adjacencies for growth and margin expansion

- USPA is the cornerstone of AFL's portfolio and India's largest apparel brand, generating NSV of over INR20b in FY25. Operated through ALBL, USPA has evolved from a men's polo-focused label at launch in 2009 into a diversified mid-premium lifestyle brand.
- A key driver of this transformation has been the scale-up of adjacent categories, now contributing 25-30% of revenue. Footwear leads with 15-20% and kidswear contributes in double digits within stores. Its franchisee-led model enables rapid capital-light expansion, and 2,000-3,000 sq. ft. flagship stores act as lifestyle destinations, showcasing the full product range.
- As of Mar'25, USPA operates ~377 EBOs, maintains strong department store presence, and boasts leading online/D2C channels, making it a core growth and profitability engine for AFL.

In FY23, AFL reclassified outlets to eliminate duplicity, leading to a reduction in store count for the year.

Exhibit 10: USPA: India's largest lifestyle brand

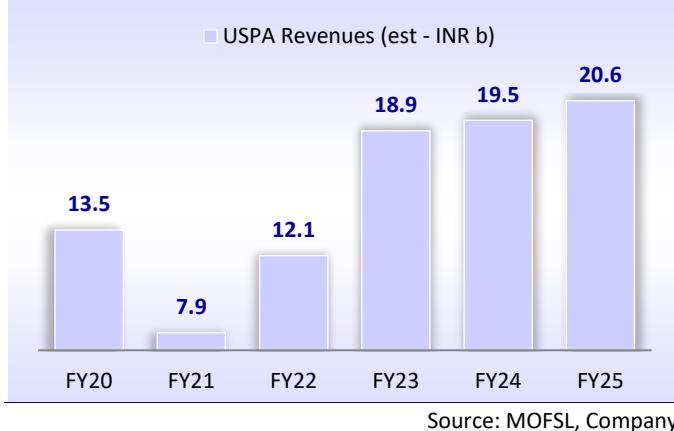
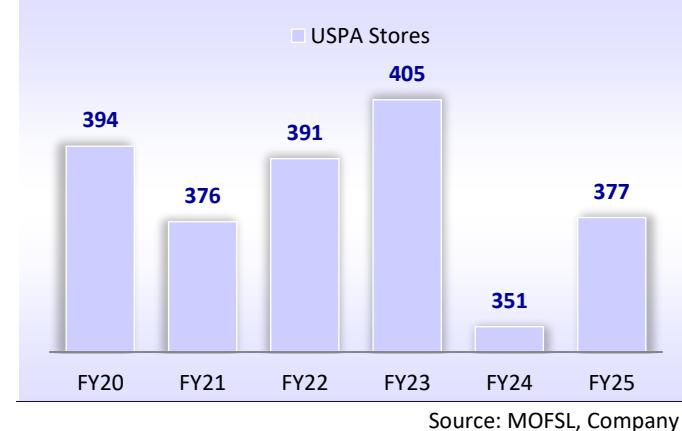


Exhibit 11: Store expansion led by flagship stores



Arrow: Leveraging heritage and underpenetrated retail potential

- **Arrow**, a legacy premium menswear brand, is operated through the standalone entity, with Lifestyle Brands overseeing retail business. After Covid, growth was severely impacted by the decline in formalwear demand due to WFH trends, exit of institutional sales, and a shift from wholesale-heavy channels to a retail-focused model.
- AFL drove a turnaround through product repositioning with Arrow Sport, Arrow New York, and the premium 1851 line, alongside a brand refresh featuring actor Hrithik Roshan.
- Operational efficiency was strengthened via demand-driven supply chains, inventory correction, aggressive retail expansion, and growth in adjacent categories. These measures delivered double-digit like-for-like growth in FY25, improved full-price sell-through, and positioned Arrow to achieve **mid-single-digit EBITDA margins** and pre-Covid revenue levels.

Exhibit 12: Arrow revives growth with refreshed formats and brand repositioning

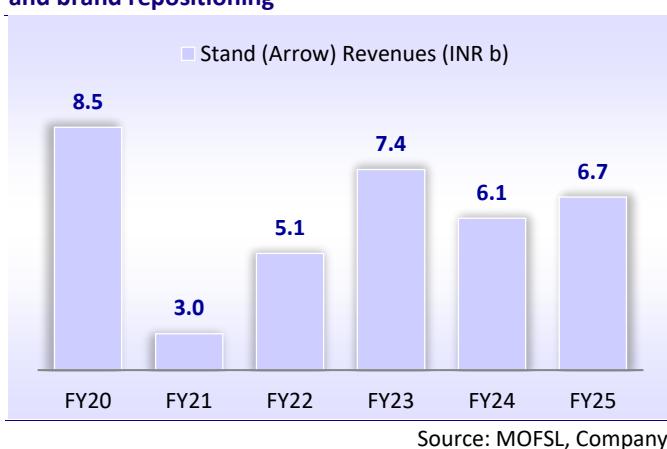
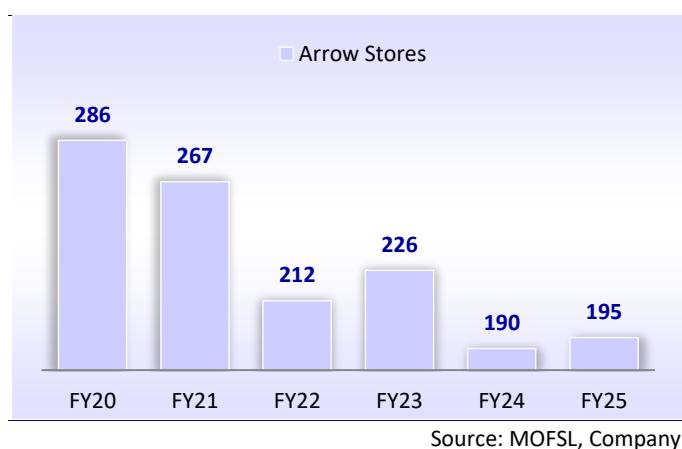


Exhibit 13: Highly under-penetrated retail network



Tommy Hilfiger: India's leading premium casualwear brand

Tommy, operated in India through PVH Arvind Fashions (a 50:50 JV with PVH Corp.), is the leading premium casualwear brand in the market. Since its launch in 2004, the brand has delivered consistent growth, scaling up to ~INR8.4b in revenue with a five-year CAGR of ~14%, underpinned by its strong resonance with aspirational consumers through a 'classic American preppy' positioning. Distribution spans ~100 EBOs, premium department stores, and leading e-commerce platforms, while category extensions into tailored wear, footwear, and accessories, coupled with deeper penetration, provide diversified growth drivers.

Exhibit 14: Tommy scales rapidly on aspirational positioning

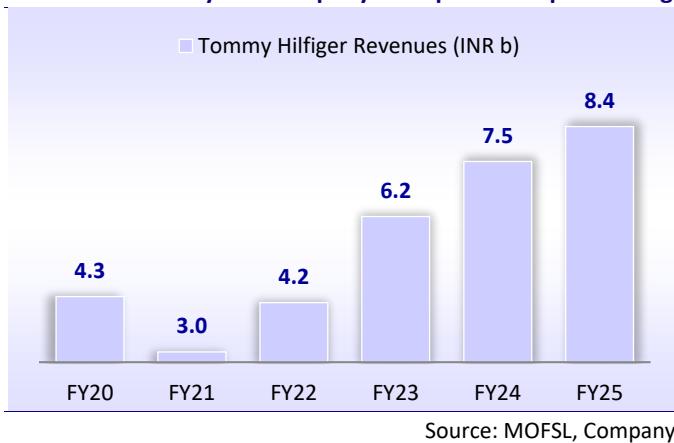
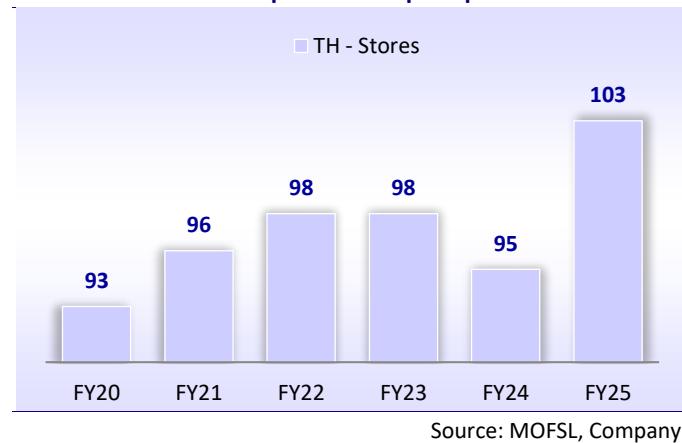


Exhibit 15: Selective expansion deepens presence



Calvin Klein: Super-premium growth engine

CK, operated in India through PVH Arvind Fashions (50:50 JV with PVH Corp.), is one of the top two players in the super-premium casualwear and innerwear segment in India. Since its strategic repositioning in FY18, the brand has delivered a 19% revenue CAGR over five years, reaching INR5.7b in FY25. With ~80 EBOs, strong department store partnerships, and growing digital penetration, CK has built a resilient omni-channel presence. Category extensions into active wear and accessories, alongside store expansion, are driving incremental growth. The JV structure enables AFL to leverage PVH's global brand equity and design expertise while scaling up through a capital-efficient model.

Exhibit 16: Premium positioning and omni-channel reach accelerate CK's growth

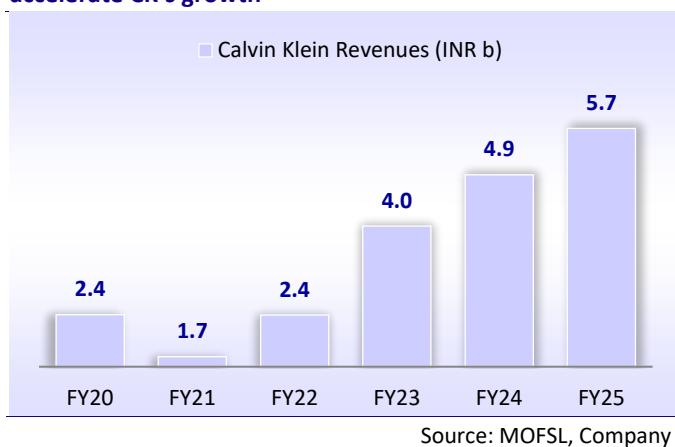
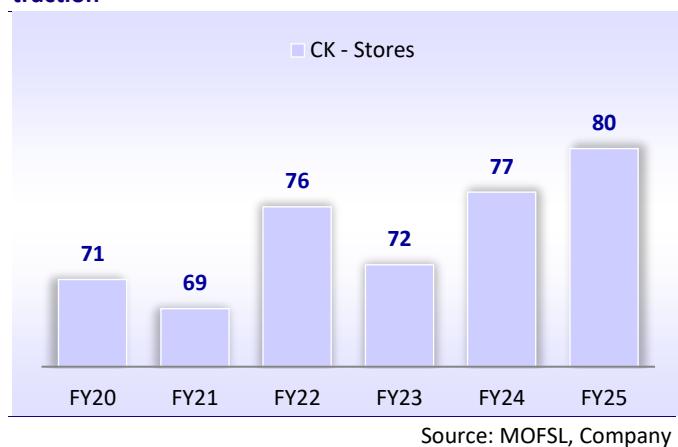


Exhibit 17: network expansion mirrors its strong consumer traction



Flying Machine: Strategic refresh to capture Gen Z

Flying Machine is AFL's in-house label, fully owned through Arvind Youth Brands, with Flipkart holding a minority stake. As India's first homegrown denim brand, launched in 1980, it remains among the top three denim players nationally. It is currently undergoing a refresh aimed at Gen Z consumers, with updated positioning, expanded categories including women's wear, footwear, and accessories, and targeted expansion beyond metros.

Exhibit 18: Repositioning toward youth and lifestyle wear

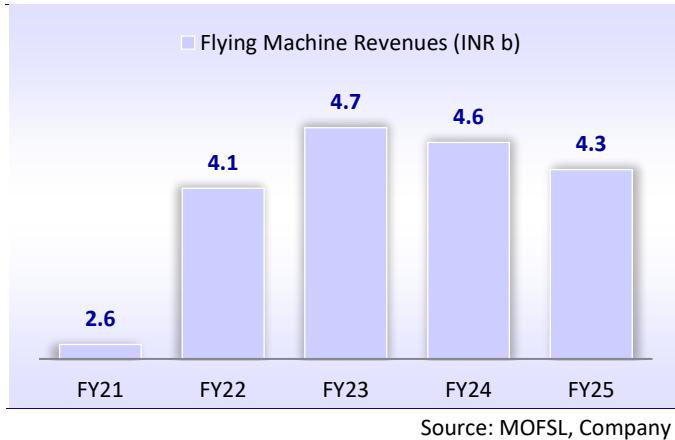


Exhibit 19: Store optimization completed

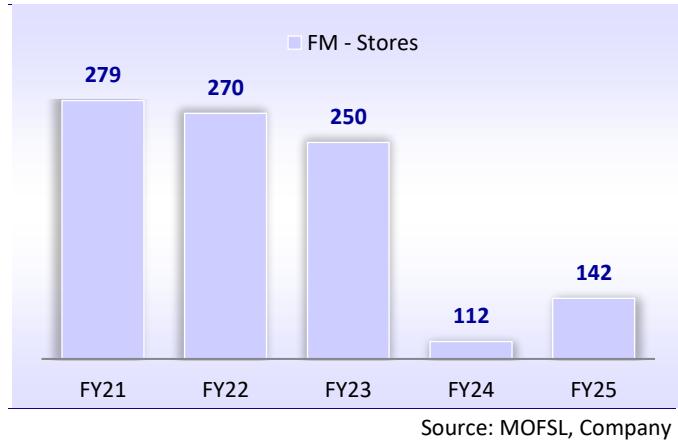


Exhibit 20: Post-Covid strategic restructuring to focus on core brands

Comparable Metrics (INR B)	CONSOL				Arvind Lifestyle Brands (USPA + Arrow retail)				PVH (Tommy + CK)				Standalone (Arrow Wholesale)				Arvind Youth (Flying Machine)				
	FY22	FY23	FY24	FY25	FY22	FY23	FY24	FY25	FY22	FY23	FY24	FY25	FY22	FY23	FY24	FY25	FY22	FY23	FY24	FY25	
P&L	Contract Price	40.8	49.7	51.5	58.6	18.6	26.5	25.9	31.8	7.2	11.2	13.0	14.5	9.0	11.8	10.6	11.5	5.3	6.2	6.3	7.1
	% Discount	6.8	6.2	6.7	6.4	9.5	6.7	7.5	6.8	1.7	0.8	0.6	0.9	5.6	12.3	15.3	15.3	7.4	8.2	8.7	13.1
	% SoR	18.2	11.8	10.6	14.6	14.9	10.0	8.9	17.9	6.8	8.1	4.3	2.6	37.6	24.9	27.4	26.6	14.6	15.6	19.4	26.0
	Revenue	30.6	40.7	42.6	46.2	14.1	22.0	21.6	23.9	6.6	10.2	12.4	14.0	5.1	7.4	6.1	6.7	4.1	4.7	4.6	4.3
	% YoY	59.8	33.2	4.7	8.5	60.6	56.0	-1.5	10.5	39.9	54.3	21.6	13.3	72.3	44.1	-17.8	9.3	56.9	14.1	-3.0	-5.7
	Gross Profit	13.5	20.0	22.2	24.7	5.9	9.6	10.4	11.7	3.3	6.1	7.7	8.9	1.9	2.2	2.0	2.5	1.7	2.2	2.0	1.8
	% Margin	44.1	49.2	52.2	53.5	42.2	43.6	48.2	49.0	50.2	59.7	62.0	63.2	37.4	29.7	33.4	36.8	41.0	46.8	43.1	42.0
	EBITDA	1.8	4.2	5.1	6.0	0.2	2.1	2.5	2.9	0.9	1.7	2.4	2.6	0.3	0.2	0.1	0.5	0.3	0.2	0.0	0.2
	% Margin	5.9	10.4	12.0	13.0	1.3	9.4	11.6	11.9	14.0	17.1	19.1	18.6	5.8	3.0	2.0	7.0	8.4	4.4	0.7	5.3
	Pre-IND AS EBITDA	0.3	1.9	2.4	3.7	0.8	1.2	1.4	1.6	0.7	1.4	1.9	2.1	0.3	0.2	0.1	0.3	0.2	0.0	-0.2	0.0
Working Capital	% Margin	0.9	4.6	5.7	7.9	6.0	5.5	6.4	6.6	11.0	13.9	15.7	15.1	5.8	2.4	1.1	5.1	5.6	1.0	-4.1	0.0
	Adj PAT	-1.0	1.1	1.1	1.4	-1.5	0.2	0.2	0.2	0.6	1.0	1.4	1.5	0.1	0.1	0.4	0.4	0.1	-0.1	-0.4	-0.2
	Core WC	3.5	5.2	6.2	6.4	1.9	2.8	3.2	2.5	1.0	1.5	1.9	2.0	0.8	0.5	0.7	0.8	1.2	2.2	0.9	0.8
Return Ratios	CWC Days	42	47	53	50	50	47	54	39	55	52	55	52	57	23	40	44	107	166	73	69
	% RoE	-12.2	10.6	9.4	12.3	-31.8	3.7	3.8	4.1	30.7	41.2	41.1	41.4	3.8	5.5	13.5	11.3	-27.6	-4.9	-51.5	-38.5
	% Pre-Tax ROIC	-3.9	8.0	11.8	19.7	-11.2	6.1	8.6	10.7	42.2	82.3	91.2	73.4	4.1	2.3	-0.3	0.5	15.3	0.6	-13.6	-1.4
Debt	Net Debt	6.1	4.9	4.3	3.7	4.4	4.8	4.9	4.4	-0.6	-1.4	-1.1	-0.9	1.0	1.4	1.1	0.6	1.7	0.7	0.9	1.1
Pre-IND AS Cash Flows	CFO	1.2	1.0	2.8	2.9	0.7	0.3	0.4	1.9	2.3	0.9	1.0	1.0	-0.9	0.3	-0.3	0.0	0.1	-0.6	0.4	0.0
	FCFF	-2.1	1.4	0.7	2.0	-0.2	-0.3	0.0	-0.5	0.0	-0.1	-0.3	-0.2	-0.2	0.1	-0.6	-0.2	0.0	0.0	-0.1	-0.1

Source: MOFSL, Company

To complement portfolio premiumization and diversification, AFL has introduced three differentiated formats, each addressing a distinct consumer segment and channel purpose while maintaining an asset-light model.

- **Club A:** Premium multi-brand format showcasing full-price portfolios across key high streets; early success positions it as a strategic lever for premiumization and brand equity, with accelerated rollout planned after pilot validation.
- **Stride:** Experiential footwear and accessories format integrating AFL's core brands; continues to gain strong traction despite FY25 BIS-related supply disruptions. Positioned as a key growth driver, it is set for accelerated expansion to ~50 stores and remains central to AFL's strategy to double the footwear business within three years.
- **Megamart:** Dedicated factory outlet format used for inventory liquidation; with ~50 stores, it enhances cash efficiency and working capital while maintaining limited, mid-single-digit focus on expansion.

Collectively, these new formats are expected to contribute 10-15% of AFL's total incremental retail square footage, complementing the core mono-brand expansion and reinforcing the company's focus on growth through differentiated retail ecosystems.

Exhibit 21: Innovative retail formats fueling AFL's growth and premiumization



Source: Company, MOFSL

Footwear, kidswear, and beyond: AFL's profitable extensions

Category extension has emerged as a structural growth lever for AFL, enabling its power brands to scale up beyond core categories and deepen consumer relevance. USPA exemplifies this shift, with over a quarter of its revenue now coming from adjacent categories like footwear, kidswear and others. Tommy and CK are similarly leveraging these categories to capture aspirational trade-up demand and reinforce full wardrobe relevance. Arrow has successfully repositioned beyond its legacy formalwear core through Arrow New York and occasion-led ranges, while Flying Machine extends its denim-led equity into youth casualwear.

- **Footwear** is AFL's largest and most scalable adjacency, already exceeding INR3b in revenue. While BIS-led supply disruptions created a short-term drag, swift supply-chain realignment and normalized inventories position the category to revert to its 20-25% growth trajectory. With assortments refreshed and profitability intact, management targets revenue of more than INR5b within three years, reinforcing footwear as AFL's strongest long-term growth engine.
- **Kidswear** is AFL's second-largest adjacency, already crossing INR2b in revenue with consistent double-digit growth. USPA Kids leads with a strong boys' franchise and expansion into girls' wear, while Tommy Hilfiger Kids has built a significant retail footprint, including flagship stores. Pilots of dedicated formats and penetration into tier-2/3 cities position kidswear as a long-term scale driver with strong revenue growth.
- **Innerwear, activewear, and women's wear:** Innerwear is on course to surpass INR2b in revenue, while activewear rides the structural casualization trend. Women's wear, though at an early stage, is scaling up rapidly. AFL is pursuing an online-first, profitability-led rollout with a focus on portfolio premiumization. Together, these categories are positioned to sustain double-digit growth and evolve into a meaningful, margin-accretive pillar of AFL's long-term strategy.

Overall, adjacencies have shifted from being support categories to strategic growth pillars, with USPA leading (~25% contribution), Tommy/CK in early double digits, and Arrow/Flying Machine following a core-first approach.

Exhibit 22: Adjacent categories emerging as growth drivers

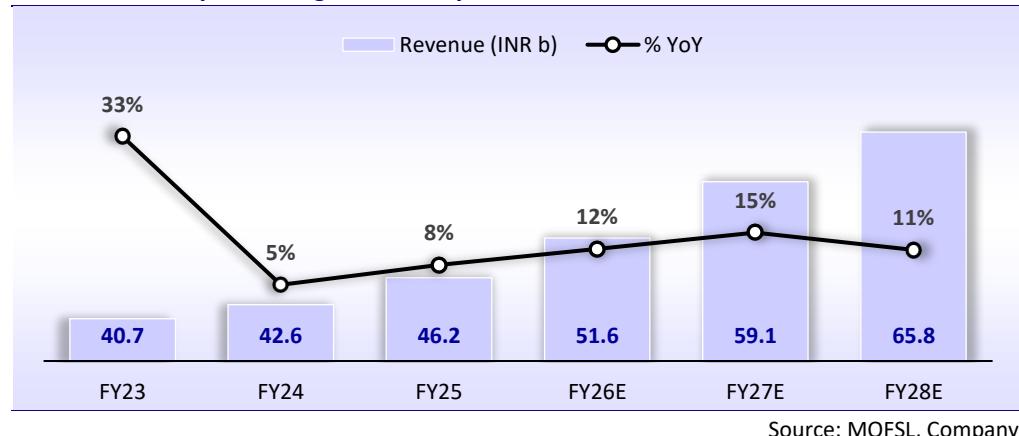
Brands	Footwear	Kids Wear	Innerwear	Luggage/ Handbags	Accessories	Women's Wear
USPA	✓	✓	✓	✓	✓	✓
Tommy Hilfiger	✓	✓	✓	✓	✓	✓
Calvin Klein	✓	✓	✓	✓	✓	✓
Arrow	✓	✓			✓	✓
Flying Machine	✓	✓		✓	✓	✓

Source: Company, MOFSL

AFL's management aims to deliver 12-15% annual revenue growth, driven by portfolio strength, scaling adjacencies and disciplined execution. Focus remains on asset-light FOFO expansion, higher full-price sell-through, and scale-up of adjacencies.

- **USPA** remains AFL's core growth engine, targeting double-digit growth through Tier 2/3 expansion, flagship store formats, and higher contribution from adjacencies. With strong operating profile, USPA is expected to converge toward PVH's profitability metrics.
- **Tommy and CK** are expected to sustain double digit growth with stable margins, backed by strong performance in the premium categories, category diversification, and omni-channel expansion.
- **Arrow's** turnaround remains on track, supported by refreshed product architecture (Arrow Sport, 1851 line), sharper positioning in smart casuals, and expanded distribution. These efforts aim to restore pre-Covid revenue levels and drive meaningful operating leverage.
- **Flying Machine** is being redefined as a digital-first youth brand, leveraging its Flipkart partnership and category extensions. While subscale, management expects above-portfolio growth and steady margin improvement as the new positioning scales up.

Exhibit 23: Steady revenue growth led by USPA and Arrow



Owning the customer, owning the margin

AFL has undertaken a structural pivot toward D2C retail, driven by the inherent weaknesses in its legacy model. Heavy reliance on MBOs/LFS formats and B2B online channels fostered discount dependency, weakened brand equity, and elevated receivable risks. These challenges intensified during Covid, prompting AFL to realign its distribution strategy around profitability, consumer ownership, and tighter channel control, positioning direct channels as the core growth driver.

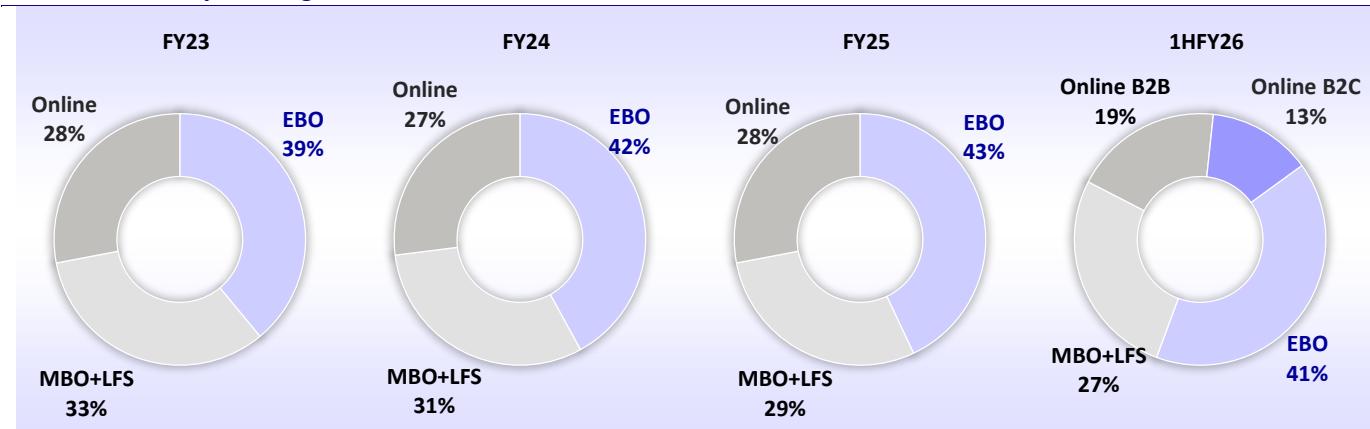
Retail: FOFO model fuels growth

As part of its D2C pivot, AFL scaled up its retail channel aggressively via the FOFO model, expanding to 977 stores (~1.2m sq. ft.) by FY25. Retail now contributes 43% of revenue (vs. 39% in FY23), with EBOs offering superior margins and better inventory control through a consignment model. Innovative formats like Club A and Stride deepen engagement and drive category extensions. While Tommy Hilfiger and select new formats remain under COCO, the rest of them are run via strong franchise partnerships. Looking ahead, AFL plans to add 150-200 EBOs annually, driving a ~10-12% CAGR in retail space and sustaining mid-single-digit SSSG. This trajectory is expected to lift direct retail's contribution to ~50%+ of revenue.

Online: Strategic pivot from B2B to B2C

AFL has transformed its digital strategy by moving from a wholesale-driven B2B model, where marketplaces controlled assortment and pricing, to a B2C marketplace and D2C approach. Through platforms like NNNow.com and brand sites (USPA, Megamart), AFL retains full control over inventory, pricing, and brand visibility. Consistent double-digit growth has positioned own websites/B2C online at ~13% of overall revenue in 1HFY26 and ~40% of the online mix. Investments in omni-channel stores, dedicated B2C warehouses, and online-only products strengthen operations and boost customer engagement.

Exhibit 24: Steadily evolving channel mix



Source: MOFSL, Company

Structural levers driving margin expansion

- AFL's medium-term thesis rests on structurally improving profitability, with a clear roadmap toward double-digit pre-Ind AS EBITDA margins. It has already delivered tangible results, with FY25 recording its highest ever pre-IND AS EBITDA margins of 7.9%.
- In recent years, AFL has shifted from an outright/SoR model to a consignment-led structure, wherein revenue is booked at full value and franchisee payouts are classified under operating expenses (earlier netted off against revenue). This transition has technically lifted both reported gross margins and commission costs by ~5-6ppcts. On a normalized basis, gross margins have expanded by 450bp since FY23, reaching 46.4% in FY25, driven by disciplined pricing, sharper assortments, portfolio premiumization, and tighter inventory turns. These improvements, alongside operating leverage, have supported operating margin expansion.

Exhibit 25: Summary of operating profile

(INR b)	FY20	FY21	FY22	FY23	FY24	FY25
Revenue Reported	36.1	19.1	30.6	40.7	42.6	46.2
Commissions & Brokerage	2.7	1.4	2.4	5.1	5.6	6.1
% of Sales	7.4	7.5	7.8	12.6	13.1	13.2
Net Revenue	33.5	17.7	28.2	35.6	37.0	40.1
Adj Gross Profit (INR b)	13.5	6.5	11.1	14.9	16.7	18.6
% Adj Gross margin	40.4	36.8	39.3	41.9	45.0	46.4
% Reported GM	44.9	41.5	44.1	49.2	52.2	53.5
% Employee Costs	9.4	11.6	8.4	6.9	7.0	6.7
% Outsource Services	4.9	6.1	5.0	4.7	5.4	5.9
% Rent	8.8	3.4	4.0	5.5	5.4	5.9
% Royalty	3.8	4.7	5.0	5.1	4.8	4.7
% A&P	4.1	3.4	3.8	3.5	4.6	4.5
% Freight & Warehousing	1.9	3.2	3.0	3.0	3.4	3.1
% Others	8.8	7.9	7.8	7.0	5.9	6.6
% Cost of Retailing (ex-Commissions)	41.6	40.2	36.9	35.5	36.6	37.3
Adj Pre-IND AS EBITDA	(0.4)	(0.6)	0.8	2.4	3.1	3.7
% Adj margin	-1.1	-3.5	2.7	6.8	8.5	9.2
% Reported	-1.0	-3.2	2.5	6.0	7.4	7.9

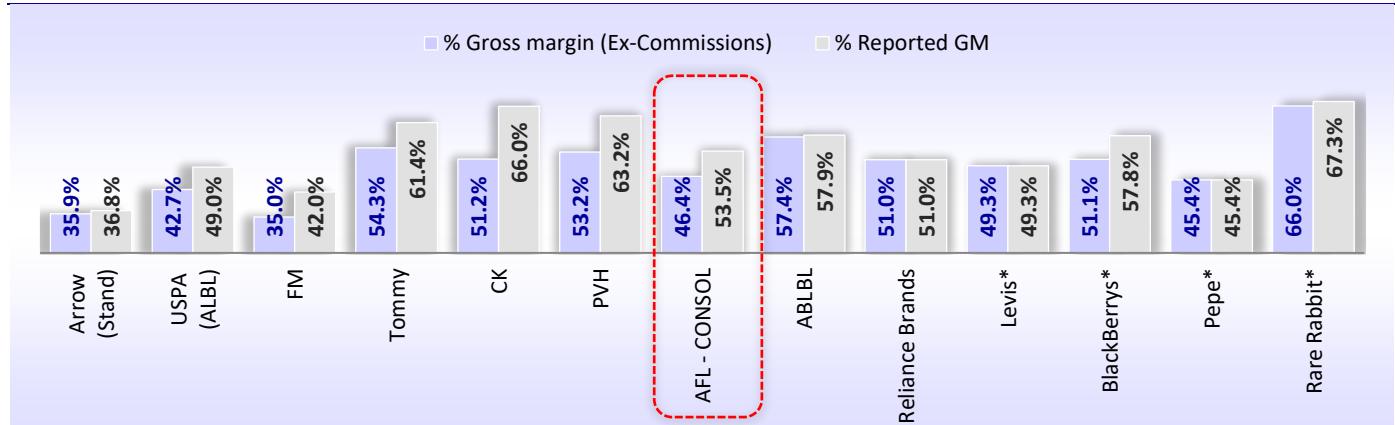
Source: Company, MOFSL

- AFL's margin profile is anchored to its premium portfolio. Tommy Hilfiger delivers the highest adjusted gross margins of ~54.3%, while CK operates at ~51% due to higher commission payouts. The combined PVH portfolio now generates ~53.2% adjusted margins, up ~300bp since FY23, supported by premiumization and tighter pricing discipline.
- Within mid-premium brands, Arrow and USPA have driven the most meaningful improvement, with ~650bp adjusted margin expansion over the past two years. Yet, at 36-42%, they continue to lag peers operating in the 45-50% range. Flying Machine has yet to demonstrate any material margin gains.

Exhibit 26: Operating profile of group companies in FY25

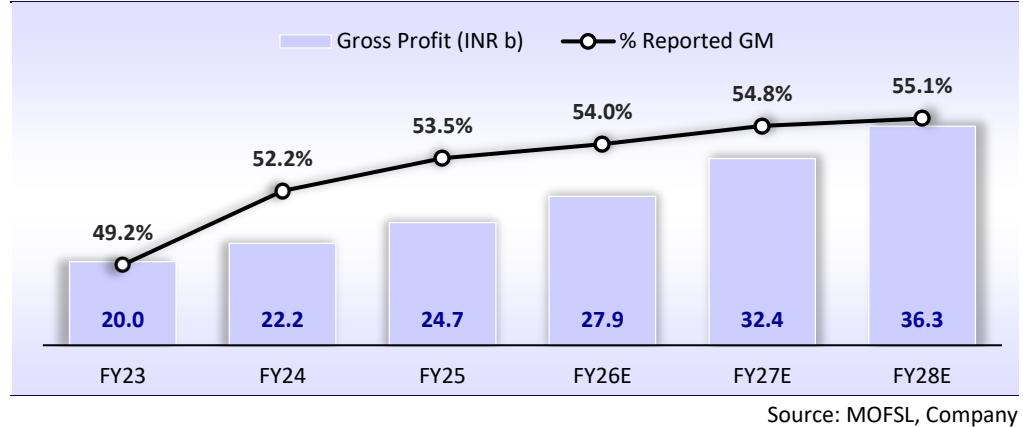
INR b	AFL - Stand		FM		ALBL		PVH		AFL - CONSOL	
	FY23	FY25	FY23	FY25	FY23	FY25	FY23	FY25	FY23	FY25
Revenue	7.4	6.7	4.7	4.3	22.0	23.9	10.2	14.0	40.7	46.2
Commission & Brokerage	0.0	0.1	0.9	0.5	2.4	2.6	1.9	3.0	5.1	6.1
as a % of sales	0.4	1.4	18.6	10.7	11.1	11.0	18.9	21.4	12.6	13.2
Net Revenue	7.4	6.6	3.8	3.9	19.5	21.3	8.3	11.0	35.6	40.1
Adj Gross Profit	2.2	2.4	1.3	1.4	7.1	9.1	4.2	5.9	14.9	18.6
% margin	29.4	35.9	34.7	35.0	36.6	42.7	50.3	53.2	41.9	46.4
% Rent (incl of lease)	0.6	1.9	4.2	5.9	6.2	7.4	4.0	4.4	5.5	5.9
% Freight & Warehousing	1.2	0.9	3.2	2.2	3.7	3.9	1.6	1.5	3.0	3.1
% A&P	3.6	2.7	4.0	4.3	3.2	5.2	2.5	3.1	3.5	4.5
% Royalty	6.1	4.9	-	-	4.0	3.5	7.9	7.5	5.1	4.7
% Outsource Services	3.3	5.5	11.2	17.5	4.0	4.7	4.6	6.0	4.7	5.9
% Employee Costs	7.7	8.7	4.7	4.1	5.3	6.0	5.7	5.0	6.9	6.7
% Others	4.6	6.3	6.2	1.0	5.8	6.0	6.8	6.5	6.5	6.5
% Cost of retailing (Ex- Comm)	27.0	30.7	33.5	35.0	32.1	36.7	33.1	33.9	35.1	37.3
Adj Pre-IND AS EBITDA	0.2	0.3	0.0	0.0	0.9	1.3	1.4	2.1	2.4	3.7
% Margin	2.4	5.2	1.2	0.0	4.4	6.0	17.1	19.3	6.8	9.2
% Reported Margin	2.4	5.1	1.0	0.0	4.0	5.3	13.9	15.1	6.0	7.9

Source: MOFSL, Company

Exhibit 27: Further margin expansion would be led by Arrow and USPA


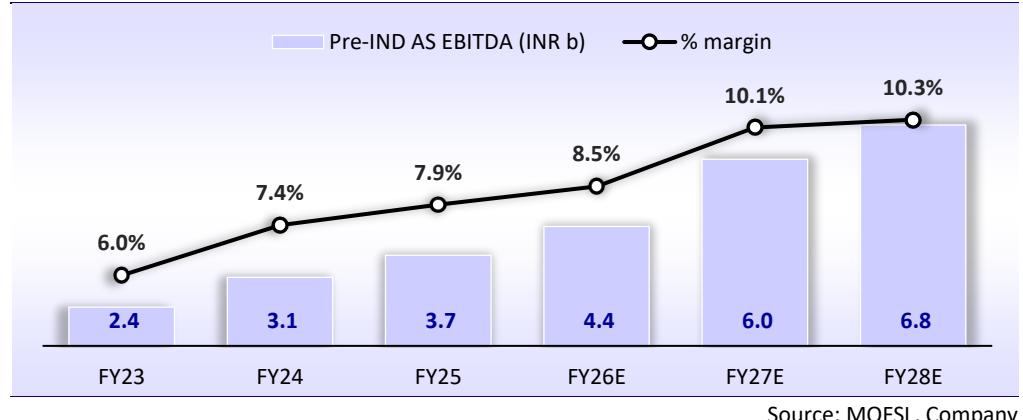
Source: Company, MOFSL, *P&L values are for FY24

- Future Drivers:** Premium brands are already operating at industry-leading levels, leaving limited room for further expansion. However, the real upside lies in Arrow, Flying Machine, and USPA. With scale benefits, stronger full-price sell-through, and disciplined discounting, Arrow can lift profitability meaningfully over the next 2-3 years. USPA also retains untapped potential, as adjacent categories such as innerwear and footwear build scale. Together, these levers position AFL to not just sustain but steadily expand blended margins, gradually narrowing the gap with peers.
- Overall, GMs increased ~430bp over FY23-25 at the consol level and are currently at the highest level of 53.5% (40.3% adj. for commissions). **We build in ~100bp GM expansion over FY26-28E to 55.1%.**

Exhibit 28: Steady Gross margin expansion over FY26-28E


Source: MOFSL, Company

- AFL's gross margins, adj for commissions expanded ~450bp over FY23-25, though its pre-IND AS operating margins rose only ~230bp as incremental gains were consciously reinvested into A&P and retail expansion to strengthen brand equity and scale up adjacencies. This limited near-term margin flow-through but strengthened the foundation for sustainable growth. As retail productivity improves and scale benefits from adjacencies materialize, incremental margins are likely to accrue more meaningfully to profit despite continued marketing intensity.
- **We build in pre-IND AS EBITDA margin expansion of ~190bp over FY26-28E to 10.3%, outpacing the ~100bp gross margin uplift.**

Exhibit 29: Steady GM expansion and operating leverage to take operating margins to 10% by FY27E


Source: MOFSL, Company

Detailed comparison of Indian top branded players

- Indian retailers follow different revenue-recognition practices depending on whether they act as a principal or an agent under Ind AS 115. When the retailer controls pricing and bears inventory or credit risk, revenue is recorded on a **gross basis and commissions are treated as expenses**. When the retailer merely earns a fee without taking these risks, it reports net revenue.
- For AFL, this assessment generally positions the company as the **principal** across most of its channels because it controls pricing and bears both inventory and credit risk. This results in gross revenue recognition, with franchisee commissions recorded as operating expenses rather than netted off revenue. In consignment and sale-or-return arrangements, AFL continues to hold control of inventory until the final consumer sale, requiring the company to recognize refund liabilities for expected returns and corresponding returnable assets on the balance sheet.

Exhibit 30: Commissions as a % of revenues

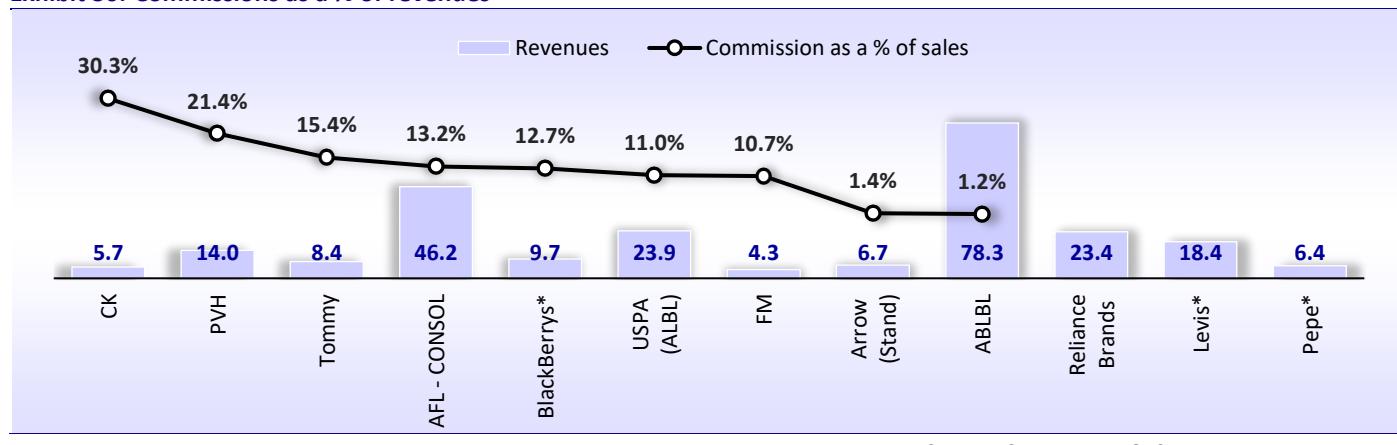
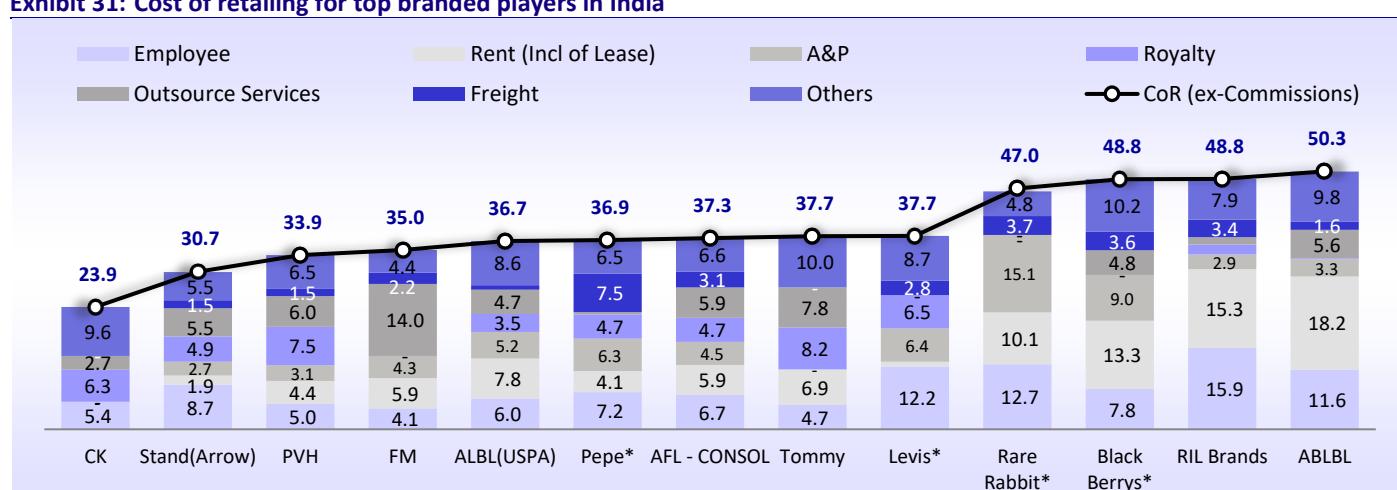


Exhibit 31: Cost of retailing for top branded players in India

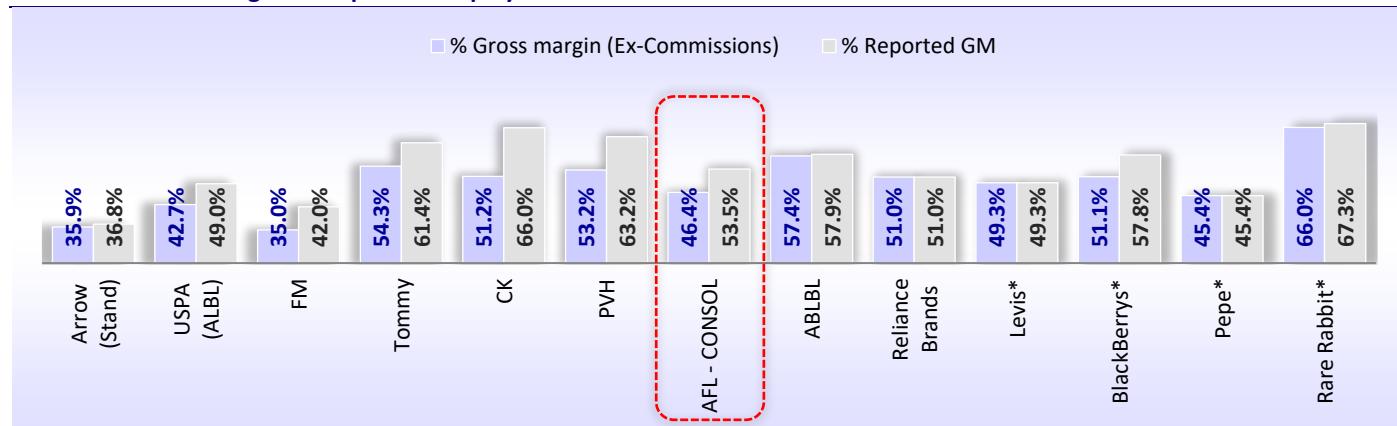


*P&L values are for FY24, Assumed full PVH rent under Tommy, as the format is entirely COCO even though several stores also house CK.

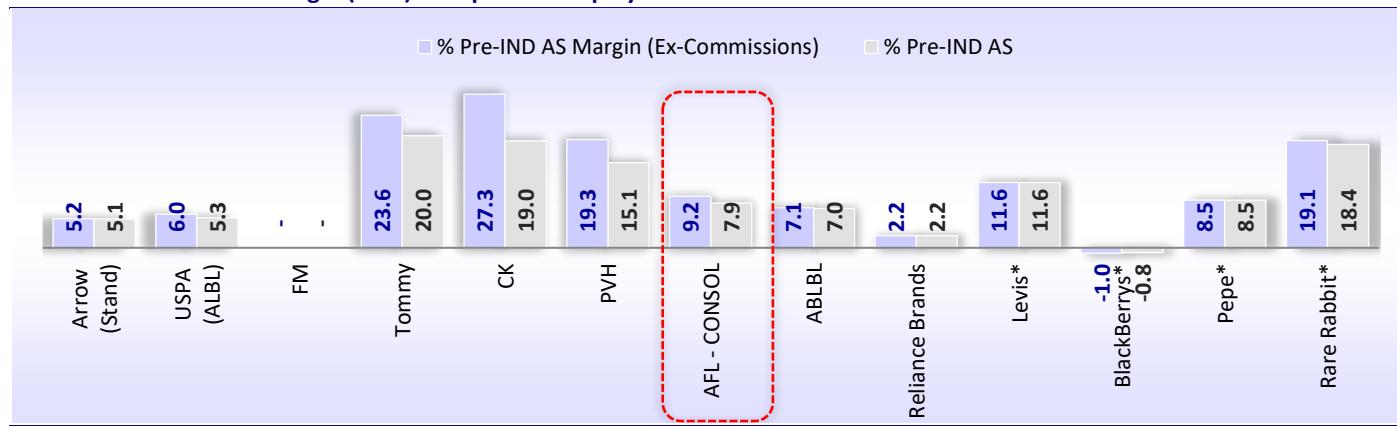
Exhibit 32: Operating margin profile of top major branded players in India

	Arrow (Stand)	USPA (ALBL)	FM	Tommy	CK	PVH	AFL - CONSOL	ABLBL	Reliance Brands	Levis*	BlackBerrys*	Pepe*	Rare Rabbit*
Revenues	6.7	23.9	4.3	8.4	5.7	14.0	46.2	78.3	23.4	18.4	10.0	6.4	6.4
Commission (%)	1.4	11.0	10.7	15.4	30.3	21.4	13.2	1.2	-	-	13.6	-	3.6
Net Revenues	6.6	21.3	3.9	7.1	4.0	11.0	40.1	77.4	23.4	18.4	8.6	6.4	6.1
Adj Gross Profit	2.4	9.1	1.4	3.8	2.0	5.9	18.6	44.4	11.9	9.1	4.4	2.9	4.1
% Gross margin (Ex-Comm)	35.9	42.7	35.0	54.3	51.2	53.2	46.4	57.4	51.0	49.3	51.1	45.4	66.0
% Reported GM	36.8	49.0	42.0	61.4	66.0	63.2	53.5	57.9	51.0	49.3	57.8	45.4	67.3
% Rent (Incl of Lease)	1.9	7.8	5.9	6.9		4.4	5.9	18.2	15.3	1.0	13.3	4.1	10.1
% Freight	1.5	0.9	2.2			1.5	3.1	1.6	3.4	2.8	3.6	7.5	3.7
% A&P	2.7	5.2	4.3			3.1	4.5	3.3	2.9	6.4	9.0	6.3	15.1
% Royalty	4.9	3.5		8.2	6.3	7.5	4.7	0.2	1.9	6.5		4.7	
% Outsourcing	5.5	4.7	14.0	7.8	2.7	6.0	5.9	5.6	1.4		4.8	0.5	
% Employee	8.7	6.0	4.1	4.7	5.4	5.0	6.7	11.6	15.9	12.2	7.8	7.2	12.7
% Others	5.5	8.6	4.4	10.0	9.6	6.5	6.6	9.8	7.9	8.7	10.2	6.5	4.8
% CoR	30.7	36.7	35.0	37.7	23.9	33.9	37.3	50.3	48.8	37.7	48.8	36.9	47.0
Reported EBITDA	0.5	2.9	0.2	1.7	1.1	2.6	6.0	11.9	2.7	2.1	1.2	0.7	1.2
% margin	7.1	13.8	6.0	23.6	27.3	23.7	15.0	15.4	11.8	11.6	14.0	10.5	19.1
Pre-IND AS EBITDA	0.3	1.3	0.0	1.2	1.1	2.1	3.7	5.5	0.5	2.1	0.2	0.5	1.2
% Margin	5.2	6.0	0.0	16.7	27.3	19.3	9.2	7.1	2.2	11.6	2.3	8.5	19.1
% Reported	5.1	5.3	0.0	14.1	19.0	15.1	7.9	7.0	2.2	11.6	2.0	8.5	18.4

Source: MOFSL, Company. *P&L values are for FY24

Exhibit 33: Gross Margins of top branded players in India


Source: Company, MOFSL, *P&L values are for FY24

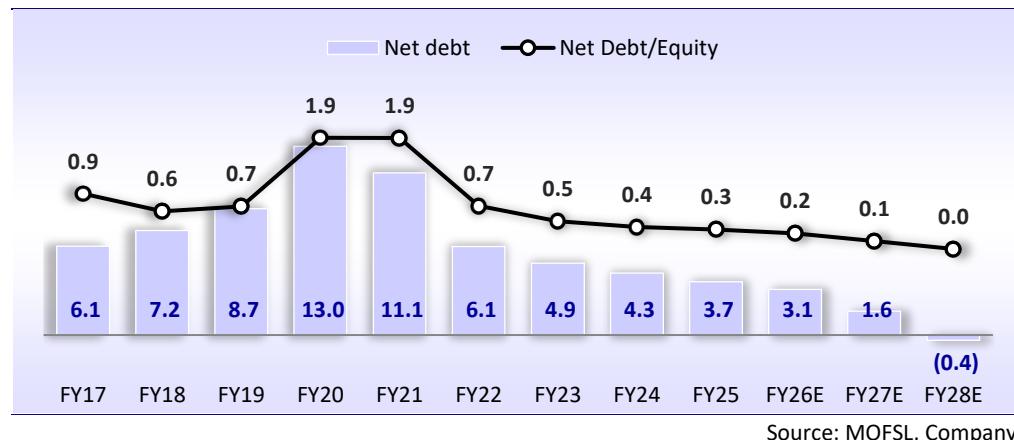
Exhibit 34: Pre-IND AS Margin (calc.) of top branded players in India


Source: MOFSL, Company, *P&L values are for FY24

Strong balance sheet and improving return ratios

AFL has materially strengthened its balance sheet, reducing net debt-to-equity from 2x pre-Covid to 0.3x in FY25. Gross borrowings fell from a peak of INR13b to INR5b, with a cash balance of INR1.6b, supported by equity infusions (INR10b across FY20-22) and stake sales in non-core assets (~INR7b across Flying Machine, Unlimited, and Sephora). With steady growth in profitability, debt levels will decline steadily further, with the company becoming net cash by FY28E.

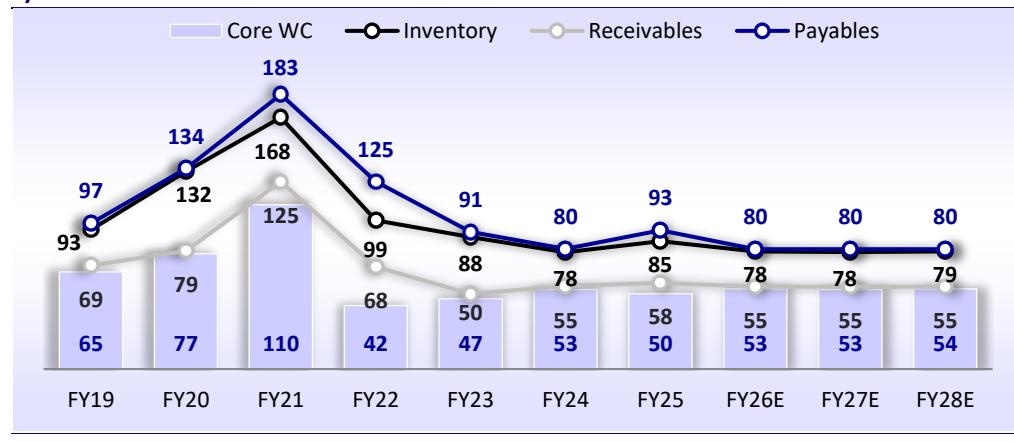
Exhibit 35: Debt levels to decline further



Source: MOFSL, Company

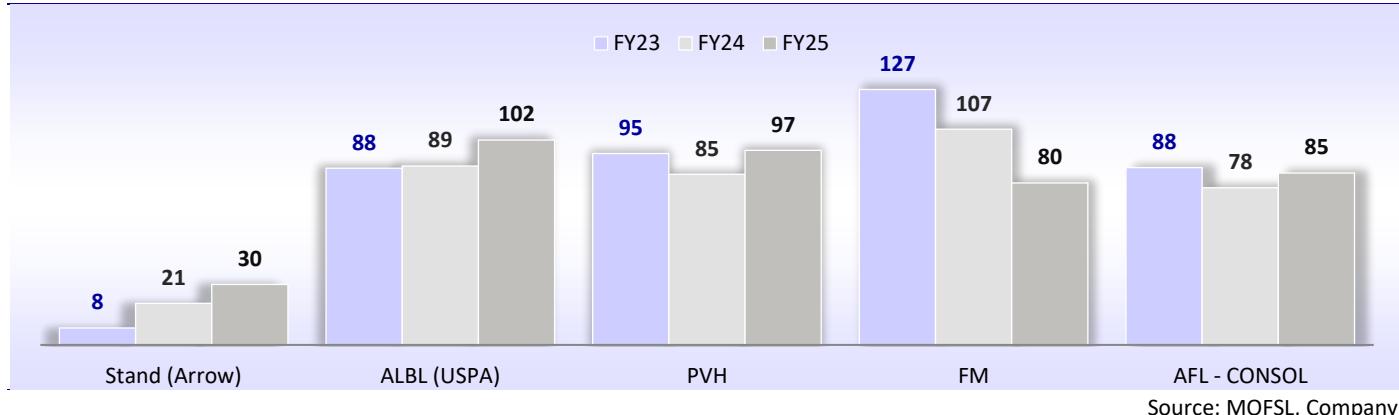
- Inventory efficiency improved consistently, with days reducing from 90-95 days before Covid to 80-85 days currently, driven by shorter lead times, phased buying, and auto-replenishment that preserved freshness while curbing discounting. A shift **from SoR to a consignment-led** model tightened control over franchisee inventory, improved cash realization, and lowered receivable days. In parallel, omni-channel integration enhanced stock productivity by aligning offline and online demand.
- While a further reduction in working capital intensity appears limited, continued focus on inventory discipline and assortment freshness should help AFL sustain limited discounting, thus boosting gross margins. We model moderate working capital improvements over FY26-28E, with incremental margin expansion driven by operating leverage and mix improvements rather than cash cycle gains.

Exhibit 36: Inventory freshness and consignment model drive productivity rather than cash cycle



Source: MOFSL, Company

Exhibit 37: Inventory days across the operating companies



- The renewed operational discipline has driven a material improvement in cash generation and capital efficiency. Over FY23-25, it delivered **pre-Ind AS operating cash flows** of ~INR6b, reflecting tighter working capital control and improved store-level profitability.
- On the expansion front, the company adopted a franchise-led model for most new store additions, thereby limiting annual capex outgo. Simultaneously, it pursued a selective COCO expansion strategy focused on high-IRR brands such as Tommy Hilfiger. This disciplined approach enabled the generation of robust FCFF of INR4b, supporting deleveraging and self-funded expansion without external equity dilution.

Exhibit 38: Operating discipline underpins strong FCF (INR b)

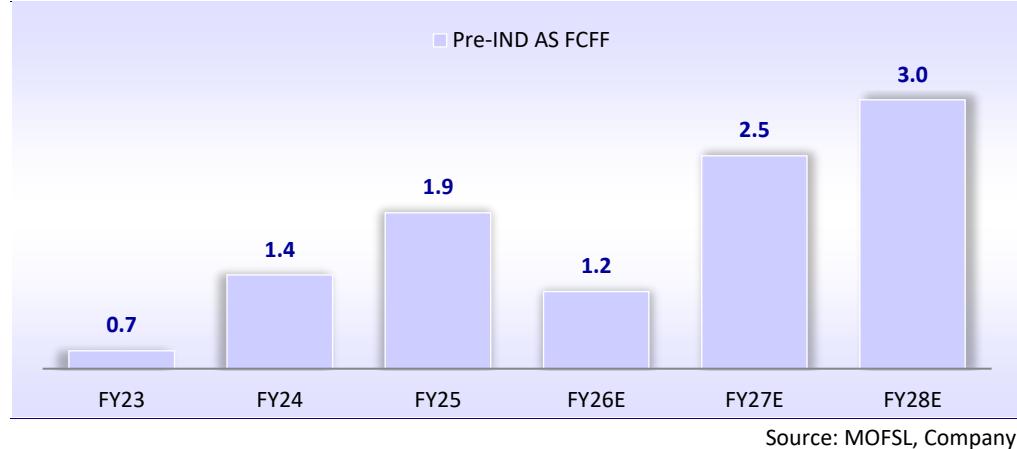
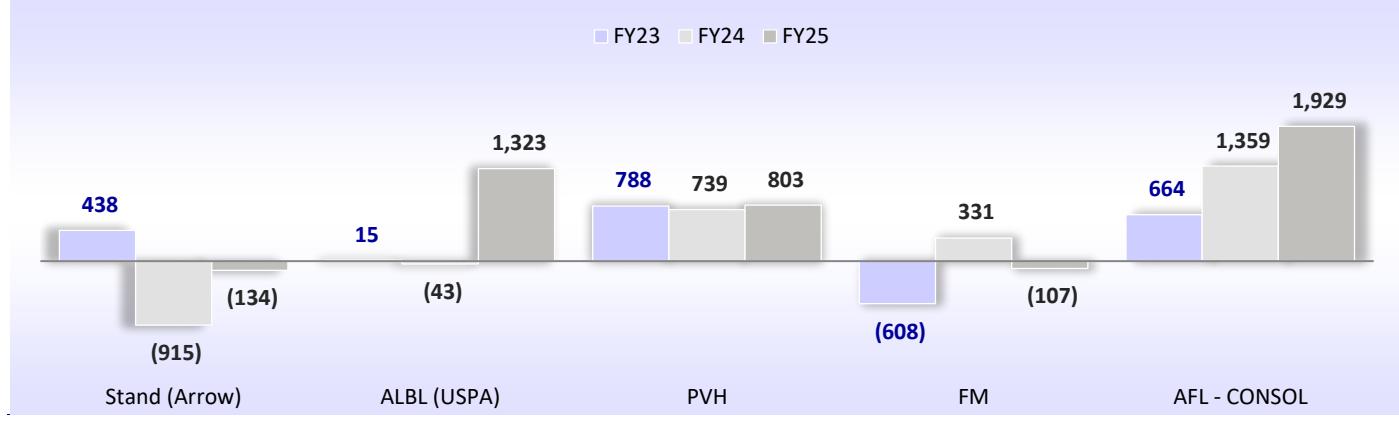
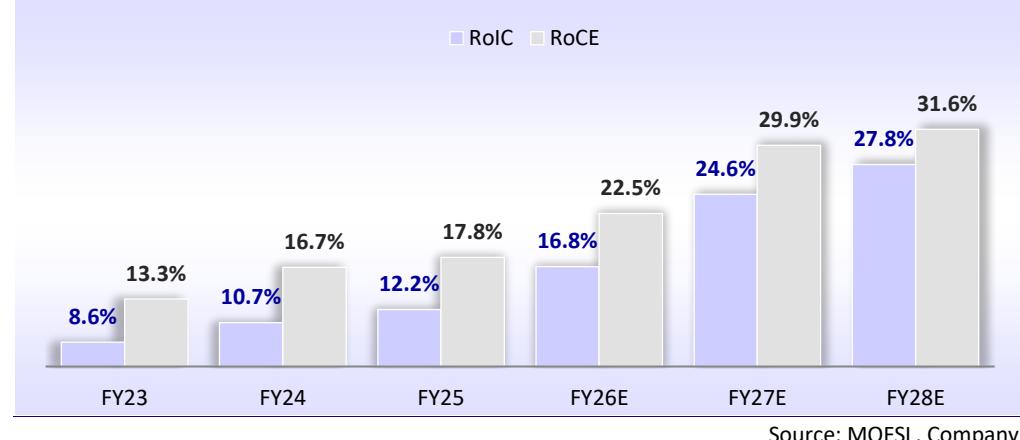


Exhibit 39: FCF generation (INR m) is primarily driven by Lifestyle (100% subsidiary) and its PVH joint venture (50% stake)



As a result, return metrics improved meaningfully, with **RoCE** increased to 18% (from 8% before Covid), while **RoIC** expanded to 12% in FY25, reflecting sharper, capital-efficient growth. With further improvement in profitability, we expect these gains to further materialize, with **RoCE/RoIC** surpassing 27%+ by FY28E, while **RoE** inches up to 25%.

Exhibit 40: Profitability gains translate into superior return profile



We initiate coverage with a BUY rating and SoTP-based Dec'27 TP of INR725, implying 38x Dec'27 EPS.

Initiating coverage with a BUY rating

- AFL stands at an inflection point, transitioning from consolidation to a profitable scale-up with a focus on five power brands. This phase of growth is driven by scaling core brands, expanding adjacencies profitably, and driving operating leverage. USPA is evolving into a full lifestyle brand, with a third of its revenue coming from non-apparel, while Tommy and CK are strengthening premium positioning with mid-teen EBITDA margins. Arrow and Flying Machine are entering a scale-up phase through sharper brand positioning and modern retail formats. Collectively, **these initiatives are expected to drive ~13% revenue CAGR and 190bp margin expansion, taking pre-Ind AS EBITDA to 10.3% by FY28E.**
- AFL enters this phase with a strong balance sheet and disciplined working capital. Capex will remain limited to high-visibility flagship stores, with the majority of retail expansion pursued through an asset-light FOFO model, enhancing capital efficiency and return ratios. This strategy is expected to drive cumulative FCFF generation of ~INR6.6b over FY26-28E and lift RoCE to ~32% by FY28E.
- With improving earnings visibility, sustainable margin expansion, and rising return ratios, AFL is well positioned as a high-quality compounding story in India's branded fashion space. Its balanced portfolio, scalable model, and strengthening financial metrics offer a compelling risk-reward profile.
- We value AFL on an SOTP basis, with **Lifestyle (USPA)** at 11x EV/EBITDA and **PVH** at 20x contributing the majority of value, reflecting improving margins and superior profitability, while **Standalone (Arrow)** at 8x and **Flying Machine** at 5x are assigned conservative multiples amid ongoing restructuring.
- **We initiate coverage with a BUY rating and SoTP-based Dec'27 TP of INR725, implying 38x Dec'27 EPS.**

Exhibit 41: SoTP-based Dec'27 valuation

Valuation		FY25-27 CAGR		FY25	FY26	FY27	FY28		Dec-27
Entity	Ownership (%)	Revenue (%)	Pre IND AS EBITDA (%)	EBITDA (INR m)				EV/EBITDA (x)	EV (INR m)
Standalone (Arrow Wholesale)	100	12	22	463	549	695	802	8	6,202
Lifestyle (USPA + Arrow)	100	14	26	2,858	3,410	4,430	5,032	11	54,185
FM	69	7	374	230	180	346	427	5	1,455
PVH	50	12	12	2,612	2,927	3,343	3,684	20	35,990
CONSOL									97,831
Net Debt									-1,271
Equity Value									96,560
Per Share									725
CMP									496
Upside (%)									46

Source: Company, MOFSL

Industry growth expected to remain robust

Indian apparel market to reach INR14.4t by FY30 at ~9% CAGR over FY25-30

The apparel market in India posted 11% CAGR over FY19-25 to reach an estimated INR9.3t and is projected to clock a CAGR of ~9% over FY25-30 to reach INR14.4t by FY30. This growth is expected to be driven by factors such as an increasing disposable income, rising working population, rapid urbanization, greater brand consciousness, increasing digitization and the expansion of organized retail and e-commerce, particularly in Tier-II and Tier-III cities.

Exhibit 42: Indian apparel market to see robust growth to reach INR14.4t by FY30 (INR t)



Branded apparels to clock higher ~12% CAGR over FY25-30

The branded apparel market in India is estimated at INR 4.9t in FY25, accounting for 53% of the overall apparel market. This segment is projected to record a higher CAGR of 12% to reach INR8.8t by FY30. The growth is likely to be driven by the entry of international brands, the expanding footprint of organized retail in Tier II and smaller cities, and the rapid rise of e-commerce, all of which are accelerating the shift toward branded offerings. The mix is likely to shift in favor of branded players, with their contribution projected to rise to 61% by FY30 (from 53% in FY25).

Exhibit 43: Mix to shift in favor of branded players

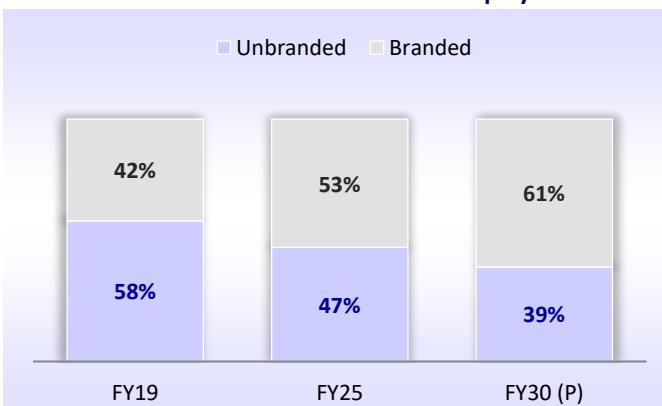
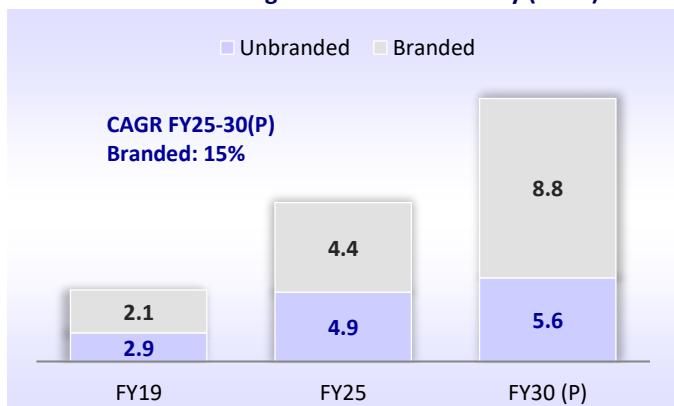


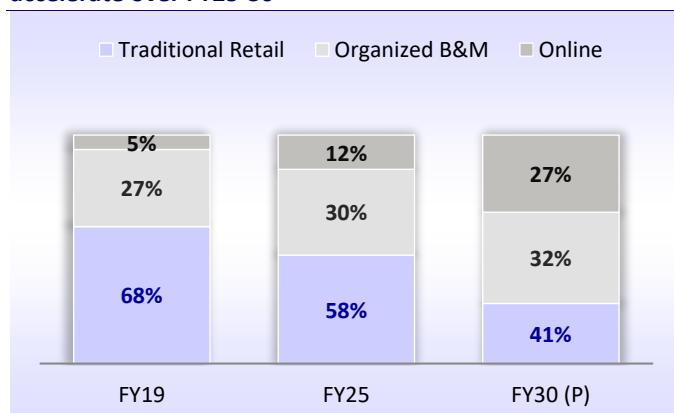
Exhibit 44: Branded to grow ahead of industry (INR t)



Organized apparel retailers to overtake traditional unorganized retail by FY30

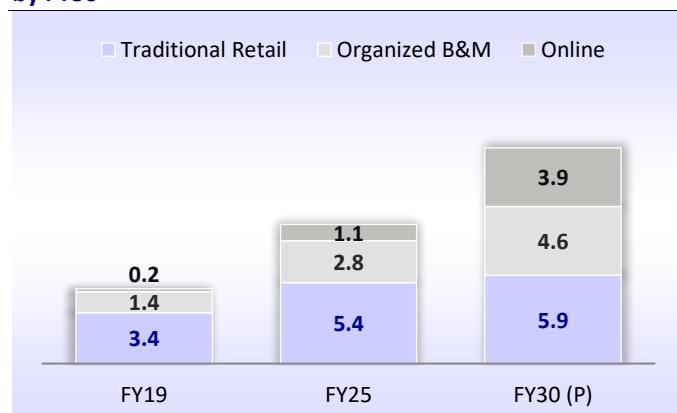
- Over the past two decades, India's apparel market has evolved significantly, marked by the rise of fashion brands, retailers, private labels, and emergence of organized retail with formats such as EBOs, LFS and MBOs. Further, India's fashion landscape evolved with the segmentation of fashion into categories such as formal, casual, ethnic wear, and footwear. Organized retail, including both offline and online channels, is steadily overtaking traditional trade formats like mom-and-pop stores, especially in Tier II+ cities, and it is expected to overtake traditional retail by FY30, driven by development of capabilities in product design, sourcing, merchandising and retail.
- Traditional retail, currently valued at INR5.4t (58% share), is expected to record modest ~2% CAGR to INR5.9t by FY30. In contrast, the online apparel segment, currently valued at INR1.1t (~12% share), is projected to clock a robust 28% CAGR to reach INR3.9t by FY30, driven by vertical e-commerce players, D2C brands, and emerging formats like quick commerce. The organized brick and mortar channel is expected to deliver 10% CAGR over FY25-30 to reach ~INR4.6t by FY30, accounting for ~32% share.

Exhibit 45: Shift from unorganized to organized retail to accelerate over FY25-30



Source: MOFSL, Company

Exhibit 46: Organized apparel retail to account for ~INR8.5t by FY30

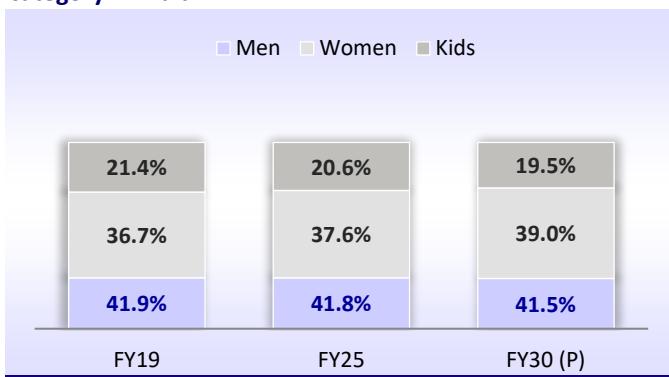


Source: MOFSL, Company

Menswear largest category, but women's wear growing at faster pace

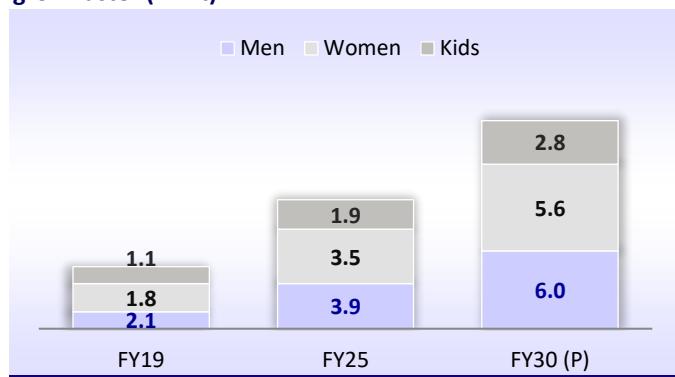
- In FY25, the menswear market in India is estimated at INR3.9t, contributing ~42% to the overall apparel market. It is projected to clock a CAGR of 9%, reaching INR6t by FY30. Unlike global trends where women's apparel dominates, India's higher share of menswear is driven by strong demand for professional clothing and the growing cultural acceptance of grooming and styling among men.
- However, the women's wear segment is gaining momentum and is expected to post a higher ~10% CAGR over FY25-30 to reach ~INR5.6t by FY30, supported by rising female workforce participation, higher disposable incomes, and shifting fashion preferences. Kids' wear accounts for ~21% of the overall apparel market share and is expected to remain in the similar ballpark with ~8% CAGR over FY25-30.

Exhibit 47: Unlike global trends, men's apparel is the larger category in India...



Source: MOFSL, Company

Exhibit 48: ... however, women's wear segment is likely to grow faster (INR t)

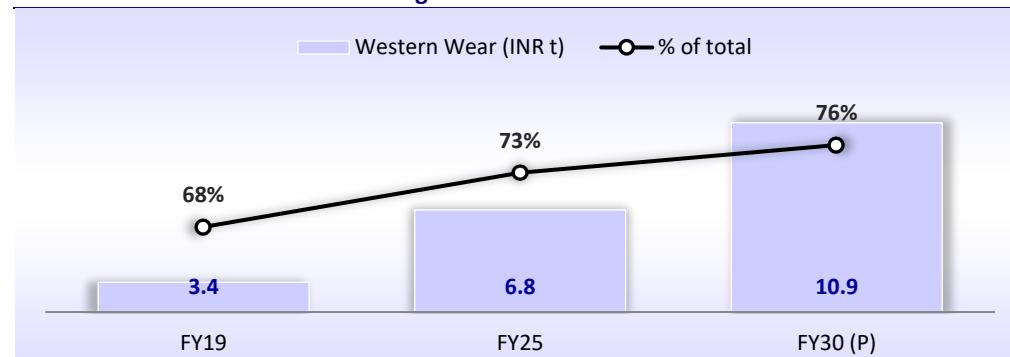


Source: MOFSL, Company

Western wear market dominates the Indian apparel market

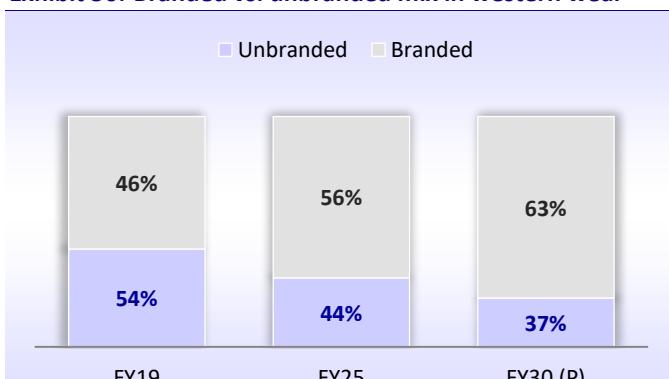
The western wear market in India is estimated at INR6.8t in FY25 and is expected to record a CAGR of 10% to reach INR10.9t by FY30, accounting for 75%+ of the overall apparel market in India. This growth is likely to be fueled by increasing exposure to global fashion trends via social media, rapid urbanization, a growing middle class, and rising disposable incomes. Within this, the branded western wear market accounts for INR3.8t (~56%) in FY25 and is projected to post a CAGR of ~13%, reaching INR6.9t by FY30 (for ~63% share). Segment-wise, formal western wear is estimated at INR1.9t (28% share) in FY25 and is expected to clock a CAGR of 7% to INR2.6t by FY30, with its share declining to ~24%. In contrast, casual western wear, including categories like t-shirts, denim, and athleisure, is significantly larger at INR4.9t (72% share) in FY25 and is set to post a CAGR of 11% to reach INR8.3t by FY30. The casualization of fashion is not unique to India and is driven by a global phenomenon.

Exhibit 49: Western wear market to grow at 10% CAGR over FY25-30E



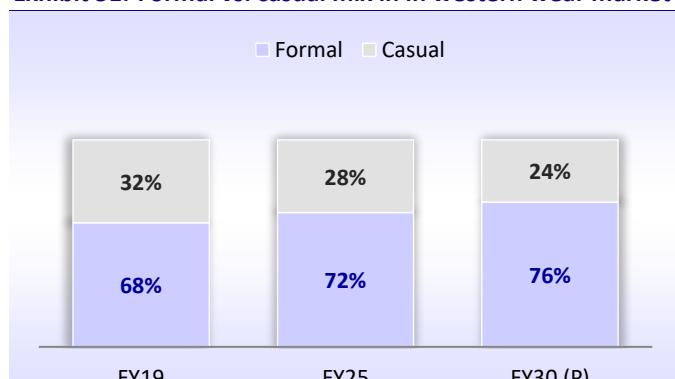
Source: MOFSL, Company

Exhibit 50: Branded vs. unbranded mix in western wear



Source: MOFSL, Company

Exhibit 51: Formal vs. casual mix in western wear market



Source: MOFSL, Company

Key risks

- **Dependence on licensed global brands:** AFL's business model is built around licensed global brands, like Tommy, CK, Arrow and USPA. This concentration exposes the company to the terms and continuity of licensing contracts. These agreements require minimum sales performance, defined marketing commitments and royalty payouts that typically range between 4% and 5% of sales. Such obligations limit margin expansion and raise the financial cost of underperformance. Any disruption, renegotiation or non-renewal of these contracts would directly affect AFL's revenue visibility and overall profitability.
- **Import-led supply chain volatility:** AFL's premium assortment depends on imported merchandise, which creates exposure to global freight volatility, geopolitical events and currency fluctuations. These factors raise landed costs, complicate planning cycles and reduce pricing flexibility. The company is increasing domestic and near-shore sourcing, but this transition requires new vendor development, adjustment to different lead-time structures and quality assurance processes. Import dependence remains a material risk for gross margins, especially in categories where the ability to pass on higher costs is limited.
- **Sales returns and secondary-sales visibility risk:** The legacy wholesale model created limited visibility into secondary sales, which resulted in periodic channel-stuffing and higher sales returns. The sharp correction during FY21 highlighted the vulnerability of this model when demand weakens. Although AFL has reduced exposure to primary billing, the issue remains relevant for Arrow and Flying Machine, where profitability is modest and return cycles can have an immediate impact on margins. Any renewed inventory imbalance in multi-brand outlets would adversely affect cash conversion and profit quality.
- **Franchisee execution dependence:** AFL's retail footprint is heavily dependent on franchisees, making store performance sensitive to the operating capability of external partners. Variability in service quality, merchandising discipline and adherence to brand standards can weaken brand perception and reduce customer conversion. The adoption of the consignment model improves assortment control but increases inventory responsibility for AFL. Rising real-estate costs and uneven franchisee economics make the success of new store openings less predictable and add pressure on the scalability of the retail network.
- **Competitive pressure and unpredictability in fashion:** Fashion market is characterized by rapid trend shifts, aggressive online discounting and strong competition from global fast-fashion players. Forecasting errors or assortment mismatches quickly lead to margin pressure and elevated working capital. AFL's deliberate focus on full-price sell-through supports profitability but can limit volume growth in an environment where consumers have become accustomed to early-season discounts. The shift to a marketplace-led online model improves pricing control, yet competitive intensity continues to challenge AFL's ability to deliver steady and profitable growth.

Bull and bear cases



Bull case

- ❖ In our **bull case**, we model a robust performance trajectory with ~14% revenue CAGR over FY26-28E, broadly in line with the base case, driven by stronger brand mix and higher full-price sales.
- ❖ We anticipate a notable margin expansion, with EBITDA margin improving to 16.6% by FY28E (vs. 15% in the base case), largely led by operating leverage and superior profitability in the USPA portfolio.
- ❖ Consequently, PAT margins (post minority interest) are expected to reach 5.4% by FY28E (vs. 4.1% in base case), reflecting improved cost absorption and better working capital efficiency.
- ❖ Factoring in a premium **valuation multiple of 40x Dec'27E EPS (vs. 38x in the base case)** to capture the higher growth visibility and brand momentum, we derive a bull case TP of INR1,065, implying an upside potential of ~114% from current levels.



Bear case

- ❖ In our **bear case**, we build in a slower recovery framework, assuming ~10% revenue CAGR over FY25-28E vs. 13% in the base case, primarily reflecting muted single-digit growth in USPA and a slower turnaround in Arrow.
- ❖ Profitability is also expected to moderate, with EBITDA margin at 13.5% (vs. 15% in the base case), weighed down by weak operating leverage and sluggish mix improvement.
- ❖ Accordingly, PAT margins (post minority interest) are estimated at 3.6% by FY28E (vs. 4.1% in the base case).
- ❖ Applying a lower target multiple of 25x Sep'27E EPS (vs. 38x in the base case) to factor in reduced growth visibility and delayed recovery, we arrive at a bear case TP of INR393, implying a downside potential of ~21% from current levels.

Exhibit 52: Scenario analysis – Risk-reward appears favorable (INR b)

INR b	Bull			Base			Bear		
Scenario Analysis	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	52.4	60.7	68.6	51.6	59.1	65.8	50.5	56.1	61.4
% YoY growth	13	16	13	12	15	11	9	11	9
EBITDA	7.4	9.6	11.4	7.0	8.8	9.9	6.7	7.4	8.3
% Margins	14.1	15.8	16.6	13.6	14.8	15.0	13.2	13.2	13.5
PAT	2.4	4.1	4.8	2.2	3.1	3.8	2.2	2.9	3.3
% Margins	4.6	6.7	7.0	4.2	5.2	5.8	4.4	5.2	5.3
PAT(after minority)	1.6	3.0	3.7	1.3	2.1	2.7	1.4	1.8	2.2
% Margins	3.0	5.0	5.4	2.6	3.5	4.1	2.7	3.3	3.6
Dec'27E P/E (x)	40			38			25		
Equity value	142			92			52.4		
TP (INR/sh)	1,065			725			393		
CMP (INR/sh)	496			496			496		
% Return potential	114			46			-21		

Source: MOFSL, Company

ESG Initiatives



Environment

- AFL is shifting toward cleaner operations with ~20% renewable energy use and a 40% drop in energy consumption YoY.
- Warehouses are being decarbonized through solar transitions, LED motion sensors, and IGBC Platinum certification.
- Product sustainability is embedded through recycled polyester, organic cotton, compostable polybags, and tree-free packaging.
 - 100% warehouse waste recycling and EPR compliance reinforce circularity and responsible material use.

Social

- Sourcing is structurally inclusive with 77% domestic procurement and 38% from MSMEs, reinforcing local manufacturing strength and economic participation.
- All value-chain partners are assessed and trained on ethical, labor, health, and safety standards, ensuring responsible sourcing integrity.
- AFL prioritizes employee welfare through flexible work policies, wellness programs, and digital engagement platforms like “*Apna Arvind*”, but attrition remains elevated at 26.4% in FY24, reflecting retention pressure typical of retail.

Governance

- A majority of directors on AFL's board are independent directors with a clear separation of Chairman and CEO roles, ensuring strong oversight and strategic accountability.
- Governance structures are reinforced by a dedicated Risk Management Committee that explicitly covers ESG, cyber, operational, and financial risks.
- Robust internal controls, unmodified auditor opinion, whistle-blower mechanisms, and full Board/KMP compliance training underscore AFL's commitment to transparency and ethical conduct.

SWOT Analysis

- Strong diversified portfolio, spanning across price points
- Experienced senior management having vast experience in retailing
- Strong margin recovery and growing free cash flow



- Margin pressure risk from historical discounting and over-reliance on wholesale channels.
- Frequent brand exits reflect earlier portfolio missteps



- Adjacent engines (footwear, kidswear, innerwear, women's) scaling fast and underpenetrated.
- Operating leverage tailwinds as scale builds and inventory cycles shorten.



- Reliance on licensed global brands creates renewal and royalty risks
- Rapidly changing fashion trends and fast-fashion competition



Key Managerial Personnel

Exhibit 53: Senior Management Team

Leader	Role	Experience
Mr. Amitabh Suri	CEO – U.S. Polo Assn. & Flying Machine	❖ With over 20 years of experience in lifestyle retail, he previously served as President – Exclusive Brands at Shoppers Stop. He is an alumnus of Delhi University and NIFT.
Mr. Anand Aiyer	CEO – Arrow	❖ Bringing 24 years of fashion retail expertise, he has been CEO of Easybuy (Landmark Group) and Business Head at Louis Philippe. He holds a degree in Business Administration.
Mr. Nitesh Kumar Kanchan	CEO – AFL Digital (NNNow.com)	❖ With extensive experience across premium fashion and retail, he has worked at Tommy Hilfiger, Calvin Klein, and Pantaloons. He is a B.Tech graduate from IIT Delhi.
Mr. Anurag Pandey	CEO – Footwear Division	❖ With 20 years in footwear and retail, he has held leadership roles at Bata, ALDO, and Hush Puppies. He holds a degree in Business & Retail Management.
Mr. Rajat Arora	SVP – Supply Chain	❖ With 22 years of supply chain leadership, he has worked at ABFRL, VIP Industries, and Pidilite. He is an alumnus of NIFT Delhi.
Mr. Lal Sudhakaran	Chief Sourcing Officer	❖ Bringing 29 years of sourcing and product expertise, he has served at FabIndia and ABFRL. He holds an engineering degree from CET Trivandrum.
Mr. Mallikarjuna Yarabolu	Chief Revenue Officer	❖ With over 20 years across consumer and retail, he has worked at Nestlé, Aditya Birla Group, and Walmart. He holds an MBA from INSEAD.
Mr. Girdhar Kumar Chitlangia	Chief Financial Officer	❖ With 30 years in finance leadership, he has worked at Coca-Cola, More Retail, and SuperMax. A Chartered Accountant with executive programs from Harvard and Oxford.
Mr. Rohith Kumar A	Chief Human Resources Officer	❖ With 16 years in HR, he has worked with Hardcastle Restaurants, Landmark Group, and ABFRL. He holds an MBA in HR from Alliance Business School.

Source: MOFSL, Company

Exhibit 54: Board of Directors

Name	Role	Brief Profile
Mrs. Amisha Jain	MD & CEO (Executive Director)	❖ With over 25 years of experience across technology, consumer, and retail sectors, she has led growth and transformation at Levi Strauss & Co., Zivame, Nike India, McKinsey, and Motorola. She most recently served as Managing Director & SVP for South Asia, Middle East, Africa, and Eastern Europe at Levi's, where she drove high-teens growth and built the brand to #1 in India.
Mr. Sanjay Lalbhai	Chairman (Non-Executive Director)	❖ Chairman of Arvind Group, overseeing textiles, engineering, and real estate businesses >USD 1.7 bn. Recognized for leadership in innovation, sustainability, and education. Senior industrialist with deep governance experience.
Mr. Kulin Sanjay Lalbhai	Vice Chairman (Non-Executive Director)	❖ Leads digital and consumer initiatives across AFL, SmartSpaces, and telecom. Key driver of portfolio expansion and digital-first formats. MBA – Harvard Business School; BSc in Electrical Engineering – Stanford University.
Mr. Punit Sanjay Lalbhai	Non-Executive Director	❖ Heads Advanced Materials, Technical Textiles, and ESG at Arvind Ltd., with a focus on sustainability-led innovation. MBA – INSEAD; Master's in Environmental Science – Yale University.
Mr. Suresh Jayaraman	Non-Executive Director	❖ Former MD & CEO of AFL, strengthened operational discipline and turnaround strategy. Earlier held leadership roles at HUL and MTR Foods. MBA – IIM Bangalore.
Mr. Nagesh Pinge	Independent Director	❖ Former Chief of Internal Audit, Risk & Ethics at Tata Motors with 35+ years in governance, compliance, and ethics. Chartered Accountant and Law Graduate.
Mr. Nilesh Shah	Independent Director	❖ MD of Kotak AMC with 30+ years in capital markets and asset management. Advises on capital allocation and shareholder value. Chartered Accountant and Cost Accountant.
Mr. Manoj Nakra	Independent Director	❖ Co-founder of SCIP, former CEO of Waterbase and Jashanmal (UAE). Specialist in retail digitization and scaling consumer businesses. B.Tech – IIT Delhi; MBA – IIM Bangalore; DBA – Case Western Reserve University.
Mr. Achal Bakeri	Independent Director	❖ CMD of Symphony Ltd., built it into the world's largest air-cooler company. Expert in consumer product strategy and design-led innovation. MBA – University of Southern California.
Ms. Ananya Tripathi	Independent Director	❖ MD at Brookfield Real Estate Group; former CEO of WhiteHat Jr. and ex-Director at KKR Capstone India. Deep experience in digital strategy and operating transformation. MBA – IIM Kozhikode.
Mr. Govind Shrikhande	Independent Director	❖ Former MD of Shoppers Stop with 38 years across retail and consumer brands including Arvind, Bombay Dyeing, and J&J. Expert in retail strategy and brand marketing. B.Text – VJTI; MBA – Symbiosis Institute of Management.

Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement									
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	(INR m) FY28E
Total Income from Operations	36,136	19,119	30,560	40,695	42,591	46,198	51,550	59,128	65,842
Change (%)	-55.5	-47.1	59.8	33.2	4.7	8.5	11.6	14.7	11.4
Raw Materials	19,923	11,182	17,098	20,667	20,371	21,495	23,695	26,743	29,590
Employees Cost	3,131	2,047	2,368	2,440	2,601	2,687	3,093	3,548	3,951
Other Expenses	10,505	5,906	9,293	13,358	14,514	15,997	17,749	20,082	22,422
Total Expenditure	33,558	19,135	28,759	36,465	37,486	40,178	44,537	50,373	55,962
% of Sales	92.9	100.1	94.1	89.6	88.0	87.0	86.4	85.2	85.0
EBITDA	2,578	-16	1,802	4,230	5,105	6,020	7,014	8,755	9,880
Margin (%)	7.1	-0.1	5.9	10.4	12.0	13.0	13.6	14.8	15.0
Pre-IND AS EBITDA	3,104	-611	773	2,430	3,143	3,672	4,363	5,975	6,800
Margin (%)	8.6	-3.2	2.5	6.0	7.4	7.9	8.5	10.1	10.3
Depreciation	4,207	2,378	2,330	2,031	2,301	2,557	2,789	3,444	3,667
EBIT	-1,629	-2,394	-528	2,199	2,805	3,463	4,225	5,311	6,213
Int. and Finance Charges	2,736	1,803	1,239	1,210	1,442	1,558	1,353	1,374	1,486
Other Income	598	1,087	669	503	337	346	215	197	362
PBT bef. EO Exp.	-3,766	-3,110	-1,099	1,493	1,700	2,251	3,087	4,134	5,089
EO Items/Share of Associates	-607	-452	0	0	-62	-1,047	-	-	-
PBT after EO Exp.	-4,373	-3,562	-1,099	1,493	1,638	1,204	3,087	4,134	5,089
Total Tax	-774	419	-58	401	573	860	905	1,042	1,282
Tax Rate (%)	17.7	-11.8	5.3	26.8	34.9	71.4	29.3	25.2	25.2
Reported PAT	-3,599	-3,980	-1,041	1,093	1,066	344	2,182	3,092	3,806
PAT (after minority)	-2,825	-4,399	-983	692	501	-356	1,316	2,081	2,715
Change (%)	NA	12.1	-70.1	-205.0	1.2	-41.8	-470.0	58.2	30.5
Margin (%)	-8.6	-18.2	-3.4	2.7	2.6	1.4	2.6	3.5	4.1

Source: MOFSL, Company

Consolidated - Balance Sheet									
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	235	424	530	531	532	533	533	533	533
Minority Interest	889	694	1,002	1,826	1,891	2,074	2,178	2,286	2,479
Total Reserves	5,750	4,796	6,973	8,565	9,501	9,038	9,959	11,416	13,317
Net Worth	6,874	5,914	8,504	10,922	11,924	11,645	12,671	14,236	16,329
Total Loans	12,104	9,034	4,607	5,569	4,463	3,896	3,156	3,600	4,036
Lease Liability	9,183	8,119	4,560	6,673	6,818	7,672	9,406	11,395	12,169
Other long Term Liabilities	989	2,304	2,535	1,376	1,480	1,417	1,417	1,417	1,417
Capital Employed	29,150	25,370	20,207	24,540	24,684	24,629	26,649	30,647	33,951
Gross Block	8,289	8,751	5,160	5,354	5,154	5,941	6,841	7,841	8,941
Less: Accum. Deprn.	4,188	5,646	2,914	3,191	2,800	3,149	3,820	4,591	5,472
Net Fixed Assets	4,101	3,105	2,245	2,163	2,353	2,791	3,020	3,250	3,469
Right to use Assets	7,337	6,645	3,879	6,080	6,252	6,920	7,570	7,924	7,119
Capital WIP	14	4	0	21	39	11	11	11	11
Total Investments	7,449	6,699	6,145	5,686	5,553	4,076	4,076	4,076	4,076
Curr. Assets, Loans&Adv.	25,611	20,559	20,360	22,771	21,872	24,293	25,390	30,776	36,414
Inventory	13,058	8,796	8,308	9,819	9,094	10,801	11,083	12,648	14,175
Account Receivables	7,814	6,553	5,717	5,595	6,468	7,294	7,768	8,910	9,921
Cash and Bank Balance	116	189	1,050	2,003	1,680	1,647	1,438	3,371	5,807
Loans and Advances	4,623	5,022	5,285	5,353	4,630	4,551	5,100	5,847	6,510
Curr. Liability & Prov.	15,363	11,642	12,422	12,180	11,385	13,462	13,417	15,389	17,137
Account Payables	13,253	9,598	10,479	10,195	9,363	11,720	11,299	12,959	14,431
Other Current Liabilities	2,110	2,044	1,943	1,985	2,022	1,743	2,119	2,430	2,706
Net Current Assets	10,248	8,917	7,937	10,591	10,487	10,830	11,972	15,387	19,277
Appl. of Funds	29,150	25,370	20,207	24,540	24,684	24,629	26,650	30,648	33,952

Source: MOFSL, Company

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS (post minority)	-23.3	-26.1	-7.8	8.2	8.3	4.8	9.9	15.6	20.4
Cash EPS	18.9	-10.3	9.7	23.5	25.6	24.1	30.9	41.6	48.0
BV/Share	117.1	55.8	64.2	82.2	89.7	87.6	95.3	107.1	122.8
DPS	0.0	0.0	0.0	1.0	1.3	1.6	3.0	4.7	6.1
Payout (%)	0.0	0.0	0.0	12.2	15.6	62.0	18.1	20.2	21.4
Valuation (x)									
P/E	-23.6	-4.7	-27.9	36.3	44.0	103.1	50.2	31.8	24.3
Cash P/E	29.1	-11.7	22.4	12.7	14.3	20.7	16.1	11.9	10.3
P/BV	4.7	2.2	3.4	3.6	4.1	5.7	5.2	4.6	4.0
EV/Sales	1.2	1.1	1.1	1.1	1.2	1.5	1.3	1.1	1.0
EV/EBITDA	17.1	NA	18.0	10.2	10.1	11.4	9.7	7.6	6.5
Dividend Yield (%)	0.0	0.0	0.0	0.3	0.3	0.3	0.6	0.9	1.2
FCF per share	28.5	26.8	40.0	25.1	30.1	31.1	28.9	39.3	45.3
Return Ratios (%)									
RoE	NA	NA	NA	11.2	9.3	2.9	17.9	23.0	24.9
RoCE	NA	NA	NA	13.3	16.7	17.8	22.5	29.9	31.6
RoIC	NA	NA	NA	8.6	10.7	12.2	16.8	24.6	27.8
Working Capital Ratios									
Fixed Asset Turnover (x)	4.4	2.2	5.9	7.6	8.3	7.8	7.5	7.5	7.4
Asset Turnover (x)	1.2	0.8	1.5	1.7	1.7	1.9	1.9	1.9	1.9
Inventory (Days)	132	168	99	88	78	85	78	78	79
Debtor (Days)	79	125	68	50	55	58	55	55	55
Creditor (Days)	134	183	125	91	80	93	80	80	80
Leverage Ratio (x)									
Current Ratio	1.7	1.8	1.6	1.9	1.9	1.8	1.9	2.0	2.1
Interest Cover Ratio	-0.6	-1.3	-0.4	1.8	1.9	2.2	3.1	3.9	4.2
Net Debt/Equity	1.7	1.5	0.4	0.3	0.2	0.2	0.1	0.0	-0.1

Source: MOFSL, Company

Consolidated - Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	(4,373)	(3,562)	(1,099)	1,493	1,638	2,251	3,087	4,134	5,089
Depreciation	4,375	3,341	2,609	2,387	2,492	2,557	2,789	3,444	3,667
Interest & Finance Charges	2,891	2,357	1,369	1,384	1,519	1,558	1,353	1,374	1,486
Direct Taxes Paid	(112)	112	(118)	(433)	(627)	(433)	(905)	(1,042)	(1,282)
(Inc)/Dec in WC	213	1,078	2,435	(955)	(31)	(613)	(1,351)	(1,481)	(1,454)
CF from Operations	2,994	3,326	5,197	3,876	4,992	5,320	4,973	6,429	7,505
Others	(26)	(24)	(70)	(157)	(163)	(215)	(215)	(197)	(362)
CF from Operating incl EO	2,968	3,302	5,127	3,719	4,829	5,105	4,758	6,232	7,143
(Inc)/Dec in FA	(1,298)	(464)	166	(380)	(823)	(958)	(900)	(1,000)	(1,100)
Free Cash Flow	1,670	2,838	5,293	3,339	4,006	4,147	3,858	5,232	6,043
(Pur)/Sale of Investments	26	24	70	140	1,102	-	215	197	362
Others	-2	-48	-321	-65	18	160	-	-	-
CF from Investments	-1,274	-488	-85	-305	297	-798	-685	-803	-738
Issue of Shares	8	4,993	4,948	54	23	53	-	-	-
Inc/(Dec) in Debt	4,181	-2,990	-4,413	959	-1,316	-761	-740	444	436
Interest Paid	-3,753	-3,211	-1,371	-1,438	-1,417	-1,566	-1,353	-1,374	-1,486
Dividend Paid	0	0	0	0	-133	-167	-395	-624	-815
Others	-1,289	2,336	-1,256	-1,552	-2,070	-2,119	-1,794	-1,943	-2,104
CF from Fin. Activity	-853	1,128	-2,092	-1,977	-4,912	-4,560	-4,282	-3,496	-3,969
Inc/Dec of Cash	841	3,942	2,950	1,438	214	-253	-209	1,933	2,436

Source: MOFSL, Company

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

NOTES

RECENT INITIATING COVERAGE REPORTS

Prvi Speciality Chemicals
November 2025
Initiating Coverage | Sector: Chemicals

Reinventing the aroma chemicals landscape

Research Analyst: Suman Kumar (Suman.Kumar@MotilalOswal.com) | Yash Darak (Yash.Darak@MotilalOswal.com)
Research Analyst: Meenal Jain (Meenal.Jain@MotilalOswal.com) | Neelvi Patel (Neelvi.Patel@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional Equities, Bloomberg, Thomson Reuters, FactSet and S&P Capital.

Blue Star
November 2025
Initiating Coverage | Sector: Consumer Durable

Crafting perfect climates!

Research Analyst: Sangeet Kumar Singh (Sangeet.Kumar.Singh@MotilalOswal.com)
Research Analyst: Meenal Jain (Minal.Jain@MotilalOswal.com) | Aditiwaa Patel (Aditiwaa.Patel@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional Equities, Bloomberg, Thomson Reuters, FactSet and S&P Capital.

Waaree Energies
November 2025
Initiating Coverage | Sector: Utilities

Bellwether solar manufacturing play

Abhishek Nigam - Research Analyst (Abhishek.Nigam@MotilalOswal.com)
Prachi Daga - Research Analyst (Prachi.Daga@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional Equities, Bloomberg, Thomson Reuters, FactSet and S&P Capital.

Rubicon Research
October 2025
Initiating Coverage | Sector: Healthcare

Gains in the gale

Tushar Manohare - Research Analyst (Tushar.Manohare@MotilalOswal.com)
Research Analyst: Vigul Mehta (Vigul.Mehta@MotilalOswal.com) | Eshita Jain (Eshita.Jain@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional Equities, Bloomberg, Thomson Reuters, FactSet and S&P Capital.

LG Electronics India
October 2025
Initiating Coverage | Sector: Consumer Durable

Beyond gadgets – building lifestyles!

Sangeet Kumar Singh - Research Analyst (Sangeet.Kumar.Singh@MotilalOswal.com)
Research Analyst: Meenal Jain (Minal.Jain@MotilalOswal.com) | Aditiwaa Patel (Aditiwaa.Patel@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional Equities, Bloomberg, Thomson Reuters, FactSet and S&P Capital.

Sri Lotus Developers and Realty
September 2025
Initiating Coverage | Sector: Real Estate

Proxy to Mumbai's redevelopment story

Abhishek Ladha - Research Analyst (Abhishek.Ladha@MotilalOswal.com)
Yatin Rathore - Research Analyst (Yatin.Rathore@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional Equities, Bloomberg, Thomson Reuters, FactSet and S&P Capital.

NSDL
September 2025
Initiating Coverage | Sector: Financials - Capital Market

Shaping Tomorrow's Capital Markets

Research Analyst: Pradeep Agarwal (Pradeep.Agarwal@MotilalOswal.com)
Research Analyst: Meenal Jain (Minal.Jain@MotilalOswal.com) | Aditiwaa Patel (Aditiwaa.Patel@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional Equities, Bloomberg, Thomson Reuters, FactSet and S&P Capital.

Bajaj Housing Finance
September 2025
Initiating Coverage | Sector: NBFC

Beyond brick and mortar: Playing the major league

Aditya Thakur - Research Analyst (Aditya.Thakur@MotilalOswal.com)
Research Analyst: Nitin Agarwal (Nitin.Agarwal@MotilalOswal.com) | Raghav Khanna (Raghav.Khanna@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional Equities, Bloomberg, Thomson Reuters, FactSet and S&P Capital.

Ellenbarrie Industrial Gases
September 2025
Initiating Coverage | Sector: Chemicals

Industrial Gases: Building Scale, Driving Profitability

Research Analyst: Suman Kumar (Suman.Kumar@MotilalOswal.com) | Meenal Jain (Minal.Jain@MotilalOswal.com)
Research Analyst: Nitin Agarwal (Nitin.Agarwal@MotilalOswal.com) | Raghav Khanna (Raghav.Khanna@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional Equities, Bloomberg, Thomson Reuters, FactSet and S&P Capital.

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

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

Disclosures

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

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

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

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

<https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

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

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

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

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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

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

Analyst Certification

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

Terms & Conditions:

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

Disclaimer:

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

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

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

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

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

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

Grievance Redressal Cell:

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI:

ARN.: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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