19 August 2026
Annual Report Update | Sector: Retail

Arvind Fashions

BSE SENSEX	S&P CNX
76,910	24,078



Bloomberg	ARVINDFA IN
Equity Shares (m)	134
M.Cap.(INRb)/(USDb)	57.6 / 0.6
52-Week Range (INR)	579 / 366
1, 6, 12 Rel. Per (%)	-7/-3/-13
12M Avg Val (INR M)	145
Free float (%)	64.9

Financials & Valuations (INR b)

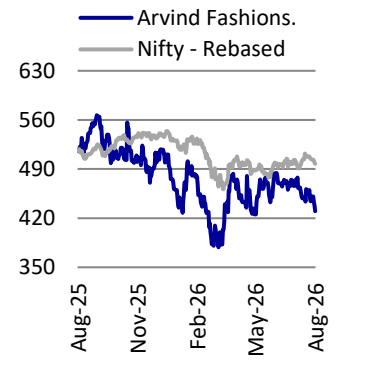
Y/E March	FY27E	FY28E	FY29E
Sales	58.9	66.0	73.6
EBITDA	5.2	6.1	7.1
Adj. PAT	1.6	2.3	3.0
EBITDA Margin (%)	8.8	9.3	9.6
Adj. EPS (INR)	12.0	17.2	22.6
EPS Gr. (%)	8.7	44.0	31.0
BV/Sh. (INR)	98.1	113.8	134.3
Ratios			
Net D:E	0.1	0.0	-0.4
RoE (%)	13.0	16.3	18.3
RoCE (%)	20.0	24.8	28.7
Valuations			
P/E (x)	36.0	25.0	19.1
EV/EBITDA (x)	15.2	12.0	9.9
EV/Sales (X)	1.0	0.9	0.7

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	35.1	35.1	35.1
DII	25.0	24.6	23.6
FII	12.2	12.0	9.4
Others	27.8	28.3	31.9

FII includes depository receipts

Stock Performance (1-year)



CMP: INR430 TP: INR680(+58%) Buy

Better growth, higher returns, and lower valuation

We have reviewed Arvind Fashions' (AFL) annual report; below are the key takeaways:

- FY26 marked a meaningful improvement in AFL's earnings quality, with revenue growing 14% to INR52.7b, Pre-Ind AS EBITDA rising 23% to INR4.5b, and RoIC improving to **24.1%**.
- Growth was led by **USPA, with revenue growing 20% to INR28.8b** and NSV crossing INR25b**,** while the PVH portfolio grew 7% to INR15.0b. Arrow also grew 7% despite the ongoing reset.
- Operating model is increasingly shifting toward direct channels and adjacencies, with D2C contributing **56% to revenue (+300bp YoY)** and adjacent categories reaching **24% of sales (+18% YoY)**.
- This progress came with higher reinvestment, with pre-IND AS **CFO/FCFF declining to INR1.4b/INR0.3b**, while core working capital increased 18% to INR7.5b, led by Lifestyle (INR6.7b, +18%) and PVH (INR3.2b, +57%).
- **AFL outpaced ABLBL** on growth, with revenue rising 14% vs. 7%**,** while also delivering higher RoIC (24.1% vs. 17.3%) and Pre-Ind AS EBITDA margin (8.6% vs. 7.7%)**,** despite a ~500bp lower gross margin and a 4.2% royalty burden**,** highlighting improved cost absorption and capital efficiency.
- Despite the stronger earnings profile, **AFL trades at ~11x EV/EBITDA and 26x FY28E EPS, a 20-30% discount to ABLBL (14x/37x).** Unlike the earlier earnings profile, where profitability was largely supported by the PVH JV, USPA has now emerged as the primary growth and profitability driver. We believe the current valuation does not fully reflect this shift.
- We model **12%/16%/27% revenue/EBITDA/PAT CAGR over FY26-29E** and reiterate our **BUY** rating with an **SOTP-based TP of INR680**.

Earnings quality continues to improve

- FY26 marked a step-up in AFL's earnings quality, with revenue growing 14% YoY to INR52.7b, gross margin expanding 91bp to 54.4%, and Pre-Ind AS EBITDA increasing 23% YoY to INR4.5b. **PAT nearly doubled to INR1.5b, while RoCE improved to 24.1%,** reflecting stronger operating leverage and capital productivity.
- **USPA** remained AFL's primary growth and earnings engine, with Lifestyle revenue increasing 20% YoY to INR28.8b and NSV crossing INR25b. Gross margin expanded to 50.3%, while **Pre-Ind AS EBITDA doubled to INR2.6b,** demonstrating the scalability of the franchise.
- **PVH portfolio** delivered resilient premium growth, with revenue increasing 7% YoY to INR15.0b despite GST-related disruption. **Tommy** grew 8%, while Calvin Klein (+6%) maintained industry-leading profitability (68.4% gross margin, +240bp YoY), reinforcing AFL's premium positioning.
- **Arrow and Flying Machine** remained in investment mode, prioritizing portfolio repositioning over near-term profitability. Arrow reported 7% revenue growth with INR54m operating loss, while Flying Machine's integration following full ownership is expected to improve long-term strategic flexibility.
- Business quality continued to improve across the portfolio, with direct channels contributing 56% of revenue (+300bp YoY), adjacent categories reaching 24% of sales (+18% YoY), and over 85% of inventory aged below one year, supporting structurally higher full-price sell-through.

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

Funding the next phase of growth

- USPA and the PVH portfolio continued to generate the majority of AFL's earnings and operating cash flows, enabling the company to fund investments across Arrow, Flying Machine, technology, and retail expansion through internal accruals rather than relying on external capital.
- Despite **23% YoY growth in Pre-Ind AS EBITDA to INR4.5b**, Pre-Ind AS CFO declined **52% YoY to INR1.4b** and FCFF reduced to **INR0.3b**, as AFL accelerated investments in inventory to support D2C expansion, adjacent categories, and larger retail formats.
- Core working capital increased **18% YoY to INR7.5b**, largely driven by the Lifestyle (**INR6.7b; +58% YoY**) and PVH (**INR3.2b; +57% YoY**) businesses as inventory ownership shifted toward the D2C model.
- Capital deployment during FY26 remained focused on strengthening the long-term earnings base, with AFL acquiring Flipkart's remaining stake in FM while continuing investments across technology, sourcing, and the integration of Arrow's wholesale and retail operations.
- Net debt increased to **INR4.7b** (vs INR2.3b), reflecting higher working capital and strategic investments during the year. As inventory productivity improves and recent investments mature, we expect cash conversion and balance sheet strength to improve.

AFL vs ABLBL: Better capital productivity; weaker cash conversion

- AFL outpaced ABLBL on revenue growth in FY26, growing 14% YoY vs. 7%, reflecting stronger execution across its brand portfolio and D2C-led expansion. Growth was led by USPA, which grew 20% despite a softer discretionary environment, indicating market share gains.
- Despite a ~500bp lower gross margin and a 4.2% royalty burden, **AFL delivered a 90bp higher Pre-Ind AS EBITDA margin (8.6% vs. 7.7%)** and RoIC of 24.1% vs. 17.3%. This advantage points to better cost absorption and capital productivity through AFL's operating model.
- AFL's lower cash generation reflects higher reinvestment, with Pre-Ind AS CFO/FCFF at INR1.4b/INR0.3b vs. ABLBL's INR5.2b/~INR2.0b, as AFL increased inventory and acquired Flying Machine for INR1.35b. The key monitorable is cash conversion as these investments mature.

Valuation and view

- AFL is delivering steady operating momentum, with performance reflecting strong execution across retail, online, and brand portfolios despite a subdued demand environment.
- Growth is increasingly led by direct channels, improving mix, and supporting margin expansion through better sell-through and tighter inventory control.
- AFL outpaced ABLBL on growth, with revenue rising 14% vs. 7%, while also delivering higher RoIC (24.1% vs. 17.3%) and Pre-Ind AS EBITDA margin (8.6% vs. 7.7%), despite a ~500bp lower gross margin and 4.2% royalty burden, highlighting better cost absorption and capital efficiency.
- Despite the stronger earnings profile, AFL trades at ~11x EV/EBITDA and 26x FY28E EPS, a 20–30% discount to ABLBL (14x/37x). Unlike the earlier earnings profile, where profitability was largely supported by the PVH JV, USPA has now emerged as the primary growth and profitability driver. We believe the current valuation does not fully reflect this shift.
- We model **12%/16%/20% revenue/EBITDA/PAT CAGR over FY26-29E** and reiterate our **BUY** rating with an **SOTP-based TP of INR680**.

Exhibit 1: SoTP-based TP of INR680

FY28E	(INR mn)	Value	Multiple	EV	Equity	Per Share
USPA	Pre-IND AS EBITDA	3,393	20	68,237	60,122	450
PVH (50%)	Pre-IND AS EBITDA	1,320	15	19,802	19,649	147
Arrow	Sales	9,076	1	9,076	7,132	53
FM	Sales	5,213	1	5,213	3,922	29
Total		**19,003**	**37**	**102,329**	**90,825**	**680**
Shares (m)					133.7	
Target Price					**680**	
CMP					430	
Upside					**58%**	

Source: MOFSL, Company

Exhibit 2: Valuation post adjusting PVH's stake

INR mn	FY26	FY27	FY28	FY29
EBITDA	5,854	6,839	7,938	8,625
Pre-IND AS EBITDA	3,487	4,313	5,276	6,095
PAT	1,471	1,598	2,301	3,014
EV/EBITDA	11.8	10.2	8.5	7.5
Pre-IND AS EV/EBITDA	17.5	13.8	10.8	8.9
P/E (after minority)	**39.1**	**36.0**	**25.0**	**19.1**

Source: MOFSL, Company

Exhibit 3: Relative valuation

FY26-28E CAGR (%)	M.Cap	MOSL			P/E (X)		EV/EBITDA (x)		EV/Sales (X)		RoE (%)	
	INR b	Sales	EBITDA	PAT	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
VMM	516	19.1	24.8	26.6	48.8	38.4	31.1	24.4	3.2	2.6	13.3	14.7
V-Mart	65	18.7	27.5	33.9	43.4	29.0	22.5	16.7	1.4	1.2	14.6	18.5
Value Retailers		**18.9**	**26.2**	**30.2**	**46.1**	**33.7**	**26.8**	**20.5**	**2.3**	**1.9**	**13.9**	**16.6**
D-Mart	2,645	16.7	16.1	16.3	76.3	65.8	46.8	40.3	3.3	2.8	13.7	13.7
Trent	1,600	20.3	25.9	23.4	76.1	60.3	46.1	36.3	6.6	5.4	27.6	27.8
Lenskart	1,025	25.9	44.1	47.3	124.0	88.5	64.5	47.5	8.8	7.0	8.9	11.3
ABLBL	112	8.3	12.3	20.3	42.3	37.1	17.1	14.0	1.3	1.2	17.4	17.5
Vedant fashions	127	5.3	11.1	6.7	32.6	29.5	23.5	20.2	7.4	6.8	20.1	20.7
Arvind Fashion	**60**	**12.0**	**23.0**	**36.4**	**37.5**	**26.0**	**13.4**	**11.3**	**1.0**	**0.9**	**15.8**	**19.5**
Traditional retailers		**12.9**	**20.7**	**23.3**	**55.5**	**43.3**	**29.2**	**23.3**	**3.8**	**3.2**	**14.3**	**15.6**
Metro	259	14.5	15.3	12.7	55.7	49.1	36.8	31.8	7.4	6.5	21.7	21.3
Relaxo	105	5.9	6.8	9.4	48.6	46.0	27.9	26.5	3.5	3.3	9.5	9.5
Bata	90	5.4	19.0	22.1	39.3	29.4	17.5	14.4	2.1	1.9	13.9	17.1
Campus	67	13.4	19.3	20.2	37.4	30.8	21.7	17.7	3.2	2.8	18.4	19.4
Footwear		**9.8**	**15.1**	**16.1**	**45.2**	**38.8**	**26.0**	**22.6**	**4.1**	**3.6**	**15.9**	**16.8**

Source: MOFSL, Company

From turnaround to scaling a higher-quality growth platform

- FY26 marked an important strategic inflection for AFL, with the company transitioning from an operational turnaround story to building a higher-quality, portfolio-led consumer platform. Pre-Ind AS EBITDA increased **23% YoY to INR4.5b**, while **RoIC improved to 24%**, reflecting continued operating leverage and improving capital efficiency. More importantly, management accelerated investments in capabilities that should support the next phase of growth, including D2C, adjacent categories, technology, sourcing, and retail infrastructure.
- AFL's portfolio model is becoming increasingly evident. **USPA and the PVH portfolio generated a combined Pre-Ind AS EBITDA of ~INR4.7b** (vs INR3.4b YoY), funding investments across the portfolio, including the ongoing turnaround of Arrow and Flying Machine. Direct channels increased to **56% of revenue (+300bp YoY)**, adjacent categories expanded to **24% of sales (+18% YoY),** and inventory quality improved, with **over 85% of inventory aged below one year**, supporting higher full-price sell-through and structural gross margin expansion.
- The company's capital allocation priorities also became clearer during FY26. Operating cash generation was largely reinvested into working capital for the expanding D2C business, technology and sourcing capabilities, retail infrastructure, and the **INR1.35b acquisition of Flipkart's remaining stake in Flying Machine**, limiting near-term deleveraging but strengthening AFL's long-term growth platform.
- The next phase of value creation will be determined by the company's ability to monetize its investments through sustainable earnings growth, improved cash generation, and higher returns on capital. This report evaluates AFL across four dimensions: portfolio strategy, capital allocation, operating transformation, and earnings quality.

Exhibit 4: Key operating metrics

INR mn	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**40,695**	**42,591**	**46,198**	**52,662**	**58,945**	**66,019**	**73,631**
% YoY Growth	33.2	4.7	8.5	14.0	11.9	12.0	11.5
Gross Profit	**20,028**	**22,220**	**24,703**	**28,637**	**32,841**	**37,230**	**41,842**
% Reported	49.2	52.2	53.5	54.4	55.7	56.4	56.8
Employee	6.0	6.1	5.8	6.1	6.0	5.9	5.9
Royalty	4.4	4.2	4.1	4.2			
Outsourced	4.1	4.7	5.1	5.2			
A&P	3.0	4.0	3.9	4.0			
Rent	4.8	4.7	5.1	4.8			
Others	8.7	8.1	8.4	8.4			
Commissions	12.6	13.1	13.2	13.1			
Pre-IND AS EBITDA	**2,430**	**3,143**	**3,672**	**4,518**	**5,185**	**6,125**	**7,089**
% Reported	6.0	7.4	7.9	8.6	8.8	9.3	9.6
PAT (after minority)	**692**	**501**	**692**	**1,471**	**1,598**	**2,301**	**3,014**
Net Debt	7,869	7,946	6,879	7,149	7,115	7,001	6,751
CWC	5,219	6,199	6,375	7,541	7,996	8,431	9,403
Pre-IND AS CFO	**1,044**	**2,182**	**2,887**	**1,380**	**4,404**	**4,209**	**4,332**
FCFF	664	1,359	1,929	290	3,404	3,209	3,332
% RoIC	**13.3**	**16.7**	**17.8**	**24.1**	**23.4**	**25.6**	**27.5**

Source: Company, MOFSL

** All values are after Pre-IND AS adjustments*

Strategic priorities: Execution, outcomes, and the road ahead

FY26 demonstrated tangible progress across AFL's key strategic initiatives, with higher D2C penetration, improving inventory quality, stronger margins, and better returns on capital validating the company's operating transformation. While increased investments in working capital moderated cash conversion, management's focus has shifted toward building a more scalable growth platform. The key monitorable in FY27 is whether these investments translate into sustained earnings growth, stronger cash generation, and higher returns on capital.

Exhibit 5: Strategic priority

	FY26 Execution & Outcome	What to Monitor in FY27
Accelerate Direct-to-Consumer (D2C)	❖ Direct channels increased to **56% of revenue** (+300bp YoY), supported by strong growth in online B2C and continued shift away from online B2B. The higher D2C mix strengthened pricing control, consumer engagement, and gross margins.	❖ Progress toward the **65% D2C mix** target, rollout of dedicated dotcoms/apps for each core brand, and improvement in omnichannel productivity.
Expand and premiumize the retail network	❖ Expanded to **1,025 EBOs,** with **~143K sq. ft.** of net additions while pruning lower-productivity stores. Continued rollout of larger experiential formats such as **Club A** and **Stride**.	❖ Productivity of new stores, like-for-like growth, conversion rates, and returns from larger store formats rather than absolute store additions.
Strengthen brand portfolio and premium positioning	❖ USPA crossed **INR25b NSV**, while Tommy and CK maintained resilient premium positioning despite a softer demand environment.	❖ Sustaining USPA's growth trajectory, improving profitability of Arrow and Flying Machine, and maintaining premium positioning across the PVH portfolio.
Scale adjacent categories	❖ Adjacent categories expanded to **~24% of revenue**, growing **18% YoY** faster than the core business and increasing wallet share with limited incremental investment.	❖ Scaling adjacencies across brands beyond USPA while maintaining healthy returns on capital and store productivity.
Build an agile sourcing and inventory platform	❖ Increased domestic sourcing to **75%**, expanded procurement from Indian MSMEs, improved inventory freshness (**85%+ inventory under one year**), and strengthened replenishment capabilities through shorter sourcing cycles.	❖ Inventory productivity, normalization of working capital, and continued reduction in markdown intensity through faster replenishment.
Improve profitability through operating leverage	❖ Consolidated EBITDA grew **23% YoY to INR4.5b**, while gross margin expanded **90bp** through premiumization, lower discounting, and a richer D2C mix.	❖ Ability to sustain margin expansion through operating leverage as newer investments mature and the branded portfolio scales.
Allocate capital for long-term value creation	❖ Cash generated by mature brands was redeployed toward technology, retail expansion, working capital, and the **INR1.35b Flying Machine acquisition**, resulting in higher working capital but stronger long-term growth capabilities.	❖ Improvement in operating cash conversion, working capital efficiency, and gradual balance sheet deleveraging as growth investments begin to mature.
Embed technology and AI across operations	❖ Established a dedicated AI and analytics function to support merchandising, pricing, assortment planning, and supply chain decisions, while strengthening consumer analytics and omnichannel capabilities.	❖ Demonstrable improvements in inventory turns, full-price sell-through, markdown optimization, and overall capital productivity driven by technology investments.

Source: Company, MOFSL

U.S. Polo Assn. (USPA): AFL's primary growth and profitability engine

- USPA remained AFL's largest growth and earnings driver, with Lifestyle revenue increasing **20% YoY to INR28.8b** and **NSV crossing INR25b**, reinforcing its leadership in India's value-premium casualwear segment. Growth was supported by network expansion, premiumization, and a higher D2C mix.
- **FY26 marked a step-change in profitability.** Gross margin expanded **125bp to 50.3%** as discounting reduced by 70bp, while operating leverage drove **Pre-Ind AS EBITDA to INR2.6b (+100% YoY)** and EBITDA margin to **8.9% (+360bp YoY)**. PAT increased to **INR1.2b**, translating into a record **4.1% margin**.
- The higher D2C mix strengthened business quality but increased working capital intensity. CWC increased to **INR6.7b (85 days vs. 65 days)**, primarily due to higher inventory ownership and lower payable days. Consequently, **Pre-Ind AS CFO declined 30% YoY to INR1.3b**, despite materially stronger operating performance.
- Returns improved alongside profitability, with RoIC/RoCE increasing to 12.3%/17.7% (vs. 6.9%/10.9% in FY25), highlighting improving operating leverage despite elevated working capital investments.
- With a diversified presence across channels, continued expansion into adjacent categories, and significant whitespace in Tier-2/3 markets, USPA remains AFL's primary earnings and cash generation engine, funding investments across the broader portfolio while anchoring the group's long-term growth.

Exhibit 6: Financial performance of Lifestyle brands in FY26

INR mn	FY21	FY22	FY23	FY24	FY25	FY26
Revenue	**8,771**	**14,087**	**21,972**	**21,645**	**23,927**	**28,792**
COGS	66.2	57.8	56.4	51.8	51.0	49.7
Gross Profit	**2,961**	**5,941**	**9,586**	**10,438**	**11,725**	**14,472**
% Margin	33.8	42.2	43.6	48.2	49.0	50.3
Employee	12.0	7.4	4.7	4.9	5.4	5.0
Royalty	5.5	3.7	3.6	3.3	3.1	3.5
Outsourced	6.1	5.5	3.6	4.1	4.2	4.1
A&P	4.1	4.1	2.8	4.1	4.6	4.9
Rent	1.7	6.0	5.5	6.4	6.6	5.4
Commissions	8.4	10.1	11.1	11.4	11.0	10.0
Others	11.5	9.4	8.3	8.6	8.5	8.2
Pre-IND AS EBITDA	**-899**	**-667**	**868**	**1,106**	**1,277**	**2,551**
% Margin	-10.2	-4.7	4.0	5.1	5.3	8.9
PAT	**-2,460**	**-1,540**	**179**	**253**	**173**	**1,192**
Net Debt	6,091	4,400	4,847	5,493	4,959	7,878
Pre-IND AS CFO	-2,353	668	295	395	1,949	1,338
RoIC (%)	**-6.4**	**-8.6**	**4.5**	**5.8**	**6.9**	**12.3**
RoCE (%)	**-9.8**	**-11.3**	**6.0**	**8.0**	**10.9**	**17.7**

Source: Company, MOFSL

Tommy Hilfiger & Calvin Klein (PVH portfolio): Positioned to benefit from India's premiumization

- PVH portfolio remains AFL's premium growth platform, with revenue increasing **7% YoY to INR15.0b** despite a softer discretionary environment, GST-led demand disruption, and intermittent sourcing challenges. Both brands exited FY26 with double-digit growth, highlighting resilient demand across India's premium apparel segment.
- **Tommy Hilfiger** revenue grew **8% YoY to INR9.0b**, driven by network expansion and sustained demand in premium casualwear. Gross margin contracted 70bp to 60.7%, while higher commissions and operating expenses resulted in **Pre-Ind AS EBITDA declining 3% YoY to INR1.1b**.
- Calvin Klein delivered slower growth but maintained superior profitability. Revenue increased **6% YoY to INR6.0b**, while gross margin expanded **240bp to 68.4%**, resulting in **Pre-Ind AS EBITDA increasing 5% YoY to INR1.1b** and EBITDA margin remaining broadly stable at **18.9%**.

Exhibit 7: Growth moderates but premium fundamentals remain intact

INR mn	Tommy Hilfiger			Calvin Klein		
	FY24	FY25	FY26	FY24	FY25	FY26
Revenue	**7,524**	**8,351**	**9,006**	**4,863**	**5,680**	**6,028**
% YoY Growth	20.8	11.0	7.8	22.7	16.8	6.1
Gross Profit	**4,524**	**5,125**	**5,470**	**3,163**	**3,747**	**4,121**
% Margin	60.1	61.4	60.7	65.0	66.0	68.4
Employee	3.6	4.0	3.8	4.1	3.7	4.3
Royalty	7.3	6.9	6.7	4.5	4.4	4.3
Outsourced	5.8	6.6	6.7	1.5	1.9	2.8
A&P	2.6	2.4	2.5	2.6	2.4	2.5
Rent	5.5	5.9	5.7			
Others	-	0.2	0.7	4.0	4.2	4.1
Commissions	14.4	15.4	16.4	29.5	30.3	31.4
COR	38.6	41.4	42.4	46.2	46.9	49.5
Pre-IND AS EBITDA	**1,211**	**1,176**	**1,141**	**914**	**1,082**	**1,138**
% Reported	**16.1**	**14.1**	**12.7**	**18.8**	**19.0**	**18.9**

Source: Company, MOFSL

- At the portfolio level, **Pre-Ind AS EBITDA declined 3% YoY to INR2.1b**, with margins contracting **140bp to 13.7%** as higher commissions, outsourcing costs, and brand investments offset gross margin gains.
- Cash conversion also weakened, with Pre-Ind AS CFO declining to INR270m (vs. INR1.0b in FY25)**,** while **RoIC/RoCE moderated to 26%/43%**, though both remain well above peer levels.
- AFL continues to deepen both brands through category expansion, premium retail formats, and higher full-price sell-through. With strong global brand equity and premium positioning, the PVH portfolio remains well placed to benefit from India's structural premiumization while continuing to be a key contributor to AFL's profitability and premium mix.

Exhibit 8: Financial performance of PVH portfolio

INR mn	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Revenue	**4,828**	**6,444**	**6,753**	**4,718**	**6,603**	**10,191**	**12,387**	**14,031**	**15,034**
% YoY Growth	0.0	0.0	4.8	-30.1	39.9	54.3	21.6	13.3	7.1
COGS	45.9	49.7	46.0	54.9	49.8	40.3	38.0	36.8	36.2
Gross Profit	**2,613**	**3,244**	**3,644**	**2,127**	**3,314**	**6,079**	**7,683**	**8,872**	**9,591**
% Reported	47.3	58.4	54.0	45.1	50.2	59.7	62.0	63.2	63.8
Employee	7.6	5.0	5.6	6.5	5.0	4.6	3.9	3.9	4.0
Royalty	7.5	6.8	6.7	7.0	7.5	6.4	6.2	5.9	5.7
Outsourced	5.4	5.7	6.9	6.1	4.7	3.8	4.1	4.7	5.1
A&P	3.9	3.4	2.9	1.3	1.9	2.0	2.6	2.4	2.5
Rent	0.0	0.0	0.0	2.1	3.0	3.2	3.3	3.5	3.4
Others	18.6	15.3	9.7	9.1	6.8	6.8	5.8	6.3	6.9
Commissions	0.3	15.4	11.2	11.0	10.4	18.9	20.3	21.4	22.4
Pre-IND AS EBITDA	**192**	**446**	**747**	**90**	**727**	**1,417**	**1,949**	**2,122**	**2,063**
% Margin	4.0	6.9	11.1	1.9	11.0	13.9	15.7	15.1	13.7
PAT	**-29**	**98**	**31**	**-324**	**615**	**1,005**	**1,365**	**1,508**	**1,421**
Net Debt				1,510	-616	-1,283	-1,066	-937	-50
Pre-IND AS CFO				1,008	2,335	938	1,035	1,016	270
RoIC				**-2.4**	**48.8**	**52.6**	**56.9**	**48.8**	**26.1**
RoCE				**-2.4**	**42.2**	**70.2**	**76.4**	**65.6**	**42.9**

Source: Company, MOFSL

Arrow & Flying Machine: Strategic brand resets to unlock long-term value

- Arrow and Flying Machine remain AFL's two largest turnaround opportunities, with management focused on repositioning both brands to create the next leg of portfolio growth. While both businesses currently contribute modestly to group earnings, successful execution could provide meaningful operating leverage over the medium term.
- **Arrow** continued to make operational progress despite a challenging formalwear environment. Revenue grew **7% YoY to INR7.1b**, while gross margin expanded **585bp to 42.7%**, supported by a favorable channel mix as wholesale and EBO operations were consolidated under the standalone Arrow entity. However, continued investments behind the turnaround resulted in a **Pre-Ind AS EBITDA loss of INR54m** and **Pre-Ind AS CFO outflow of INR294m.**
- **Flying Machine remained in investment mode** following AFL's acquisition of Flipkart's remaining stake. Revenue declined 6% YoY to INR4.0b as management rationalized lower-margin wholesale channels and accelerated the brand's repositioning toward a digital-first, Gen-Z focused franchise. While **Pre-Ind AS EBITDA remained negative at INR95m, operating cash flow stayed marginally positive (INR48m)**, reflecting better working capital discipline.
- AFL continues to reposition Arrow beyond legacy formalwear into a broader workwear and smart-casual proposition, while Flying Machine is being rebuilt around a faster product cycle and stronger D2C capabilities. Although near-term profitability remains under pressure, both brands represent embedded optionality within AFL's portfolio and could become meaningful contributors as the turnaround matures.

Exhibit 9: Financial performance of PVH portfolio

INR mn	Arrow (Standalone)			Flying Machine		
	FY24	FY25	FY26	FY24	FY25	FY26
% Ownership						
Revenue	**6,091**	**6,659**	**7,109**	**4,582**	**4,322**	**4,048**
% YoY Growth	-17.8	9.3	6.8	-3.0	-5.7	-6.3
Gross Profit	**2,032**	**2,453**	**3,034**	**1,974**	**1,815**	**1,706**
% Margin	33.5	37.4	43.3	43.1	42.0	42.2
Employee	10.6	8.5	11.8	4.5	3.6	3.4
Royalty	5.0	4.9	4.6	0.0	0.0	0.0
Outsourced	4.4	5.4	5.1	11.6	12.5	14.1
A&P	4.7	2.6	2.5	4.7	3.9	2.5
Rent	0.9	1.8	5.7	4.8	5.3	5.4
Others	6.1	7.0	12.5	6.2	5.9	6.5
Commissions	0.5	1.4	1.3	15.5	10.7	12.7
Pre-IND AS EBITDA	**68**	**341**	**-54**	**-188**	**2**	**-95**
% Margin	1.1	5.1	-0.8	-4.1	0.0	-2.4
PAT	**-115**	**378**	**64**	**-375**	**-177**	**-312**
Net Debt	1,708	1,551	1,915	924	1,146	1,275
Pre-IND AS CFO	-340	22	-294	398	-46	48
% RoIC	**-0.3**	**0.3**	**-32.8**	**-16.8**	**-2.4**	**-24.0**
% RoCE	**-0.3**	**0.4**	**-12.8**	**-12.2**	**-1.0**	**-4.8**

Source: Company, MOFSL

Adjacent categories: Expanding the growth runway

- Adjacent categories have become an increasingly important growth driver, contributing **~24% of FY26 revenue** while growing **18% YoY**, materially faster than the core apparel business. By leveraging existing brand equity, distribution, and retail infrastructure, these categories improve wallet share, store productivity, and capital efficiency with limited incremental investment.
- **Footwear** remains the largest incremental opportunity, supported by the normalization of BIS-related supply disruptions and the expansion of dedicated formats such as **Stride**. Continued execution across footwear and other adjacencies should support higher revenue density and strengthen AFL's long-term growth profile.

Consolidated: FY26 marked a step-up in business quality

- Revenue grew **14% YoY to INR52.7b**, supported by broad-based growth across AFL's brand portfolio. Gross margin expanded **91bp to 54.4%** on premiumization, lower discounting, and a richer channel mix, while **Pre-Ind AS EBITDA increased 23% YoY to INR4.5b** and **PAT nearly doubled to INR1.5b**, driving **RoIC above 24%**.
- Operational execution continued to improve, with **direct channels contributing 56% of revenue (+300bp YoY)** and **over 85% of inventory aged below one year**, supporting higher full-price sell-through and structural gross margin expansion.
- Management also accelerated investments across AI-led merchandising, demand forecasting, and domestic sourcing to strengthen long-term operating capabilities.
- Growth investments moderated near-term cash generation, with **core working capital increasing to INR7.5b (vs. INR6.4b)**, **Pre-Ind AS CFO declining to INR1.4b (vs. INR2.9b),** and **FCFF reducing to INR0.3b (vs. INR1.9b)**. We believe these investments position AFL to deliver stronger earnings quality, cash generation, and returns as the business continues to scale.

Exhibit 10: Consolidated financial performance

INR mn	FY21	FY22	FY23	FY24	FY25	FY26
Contract Price	**25,066**	**40,840**	**49,696**	**51,521**	**58,590**	**64,603**
SoR	12.9	18.2	11.8	10.6	14.6	14.3
Discounts	10.8	6.8	6.2	6.7	6.4	4.1
Revenue	**19,119**	**30,560**	**40,695**	**42,591**	**46,198**	**52,662**
% YoY Growth	-47.1	59.8	33.2	4.7	8.5	14.0
Gross Profit	**7,937**	**13,462**	**20,028**	**22,220**	**24,703**	**28,637**
% Margin	**41.5**	**44.1**	**49.2**	**52.2**	**53.5**	**54.4**
Employee	10.7	7.7	6.0	6.1	5.8	6.1
Royalty	4.4	4.6	4.4	4.2	4.1	4.2
Outsourced	5.6	4.6	4.1	4.7	5.1	5.2
A&P	3.1	3.5	3.0	4.0	3.9	4.0
Rent	3.1	3.7	4.8	4.7	5.1	4.8
Others	10.2	9.9	8.7	8.1	8.4	8.4
Commissions	7.5	7.8	12.6	13.1	13.2	13.1
Pre-IND AS EBITDA	**-611**	**773**	**2,430**	**3,143**	**3,672**	**4,518**
% Margin	-3.2	2.5	6.0	7.4	7.9	8.6
PAT (after minority)	**-4,399**	**-983**	**692**	**501**	**692**	**1,238**
Net Debt	10,366	5,335	5,502	5,630	5,642	9,699
CWC	5,751	3,547	5,219	6,199	6,375	7,541
Pre-IND AS CFO	**-1,628**	**1,250**	**1,044**	**2,182**	**2,887**	**1,380**
FCFF	-2,091	1,416	664	1,359	1,929	290
% RoIC	**-13.9**	**-0.7**	**13.3**	**16.7**	**17.8**	**24.1**

Source: Company, MOFSL

Working capital: Investing in future growth

- Despite **23% YoY growth in Pre-Ind AS EBITDA to INR4.5b**, operating cash flow declined to **INR1.4b (vs. INR2.9b in FY25)** as AFL increased investments in working capital to support D2C expansion, adjacent categories, and larger retail formats.
- Consolidated working capital increased **18% YoY to INR7.5b**, led by higher inventory across the Lifestyle and PVH businesses. Importantly, **over 85% of inventory remained less than one year old**, indicating that the build-up reflects growth investments rather than weaker demand or aging stock.
- While elevated inventory temporarily weighed on free cash flow, improving inventory productivity and maturing stores should support stronger cash conversion as these investments begin to generate incremental revenue.

Exhibit 11: Summary of cash generation across portfolio companies

	FY21	FY22	FY23	FY24	FY25	FY26
Inventory	**8,796**	**8,308**	**9,819**	**9,094**	**10,801**	**13,896**
Standalone	1,088	414	271	600	944	1,496
Lifestyle	4,310	4,701	5,274	5,265	6,668	8,565
FM	1,158	1,334	1,641	1,343	952	1,032
PVH	1,479	1,500	2,650	2,875	3,712	4,497
Inventory days	**168**	**99**	**88**	**78**	**85**	**96**
Standalone	133	29	13	36	52	77
Lifestyle	179	122	88	89	102	109
FM	160	118	127	107	80	93
PVH	114	83	95	85	97	109
CWC	**5,751**	**3,547**	**5,219**	**6,199**	**6,375**	**7,541**
Standalone	113	1,413	753	1,167	1,394	2,345
Lifestyle	3,040	1,922	2,836	3,206	4,223	6,685
FM	1,346	1,209	2,153	911	821	1,082
PVH	2,446	997	1,462	1,857	2,010	3,157
CWC days	**110**	**42**	**47**	**53**	**50**	**52**
Standalone	14	100	37	70	76	120
Lifestyle	126	50	47	54	64	85
FM	186	107	166	73	69	98
PVH	189	55	52	55	52	77

Source: Company, MOFSL

Capital allocation: Deploying cash to build the next growth platform

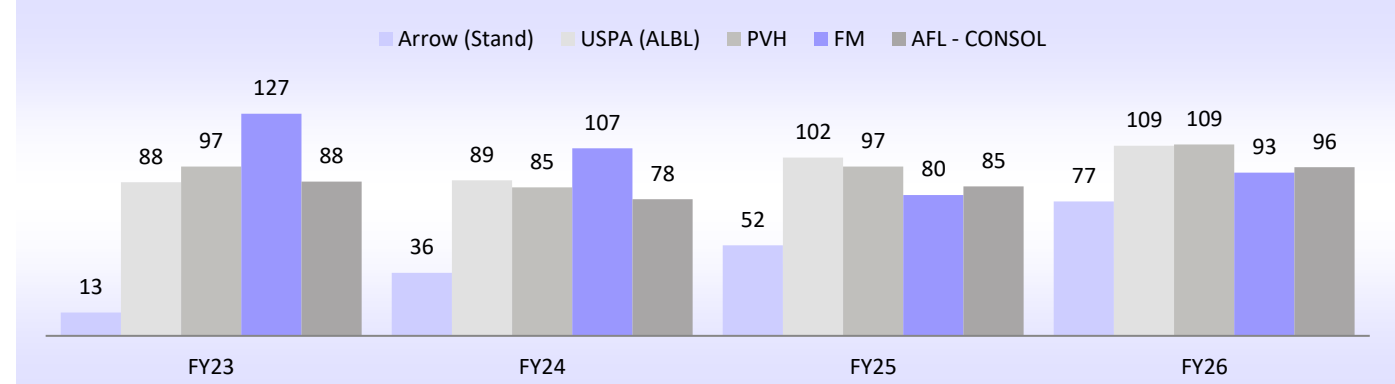
- AFL's capital allocation philosophy became more evident in FY26**. Cash generated by USPA and the PVH portfolio continues to fund investments across technology, sourcing, retail expansion, adjacent categories** and the turnaround of Arrow and Flying Machine, reducing dependence on external capital while strengthening the long-term earnings base.
- **Despite 23% YoY growth in Pre-Ind AS EBITDA, consolidated Pre-IND AS operating cash flow declined 52% YoY to INR1.4b, primarily due to a INR2.6b working capital outflow** driven by higher inventory investments to support D2C expansion, adjacent categories, and improved product availability.
- AFL also acquired Flipkart's remaining stake in Flying Machine for INR1.35b, **funded largely through the redemption of INR1.0b perpetual NCDs issued by ALBL along with incremental borrowings**, reflecting management's willingness to deploy capital behind brands with long-term strategic relevance.
- While these investments moderated near-term free cash flow and delayed deleveraging, management is prioritizing long-term earnings compounding over short-term cash generation. The key monitorable is whether these investments translate into stronger cash conversion, improving returns on capital, and sustainable earnings growth over the next few years.

Exhibit 12: Deploying cash to build the next growth platform

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Pre-IND AS EBITDA	**2,881**	**(378)**	**(611)**	**773**	**2,430**	**3,143**	**3,672**	**4,518**
Standalone	944	502	207	300	179	68	341	(54)
Lifestyle	2,054	(1,351)	(899)	(667)	868	1,106	1,277	2,551
FM	-	-	(283)	233	47	(188)	2	(95)
PVH	446	747	90	727	1,417	1,949	2,122	2,063
CWC			**5,751**	**3,547**	**5,219**	**6,199**	**6,375**	**7,541**
Standalone			113	1,413	753	1,167	1,394	2,345
Lifestyle			3,040	1,922	2,836	3,206	4,223	6,685
FM			1,346	1,209	2,153	911	821	1,082
PVH			2,446	997	1,462	1,857	2,010	3,157
CFO	**1,751**	**(329)**	**(1,628)**	**1,250**	**1,044**	**2,182**	**2,887**	**1,380**
Standalone	-	-	(151)	(873)	335	*(340)*	*22*	*(294)*
Lifestyle	(1,997)	(1,405)	(2,353)	668	295	*395*	*1,949*	*1,338*
FM	-	-	484	50	(577)	398	(46)	48
PVH	1,361	1,697	1,008	2,335	938	*1,035*	*1,016*	*270*
FCFF	**202**	**(1,627)**	**(2,091)**	**1,416**	**664**	**1,359**	**1,929**	**290**
Standalone	-	-	(212)	(1,080)	438	(915)	(134)	(447)
Lifestyle	(3,081)	(2,171)	(2,678)	415	15	(43)	1,323	722
FM	-	-	455	21	(608)	331	(107)	8
PVH	1,361	1,697	958	2,307	788	739	803	(8)

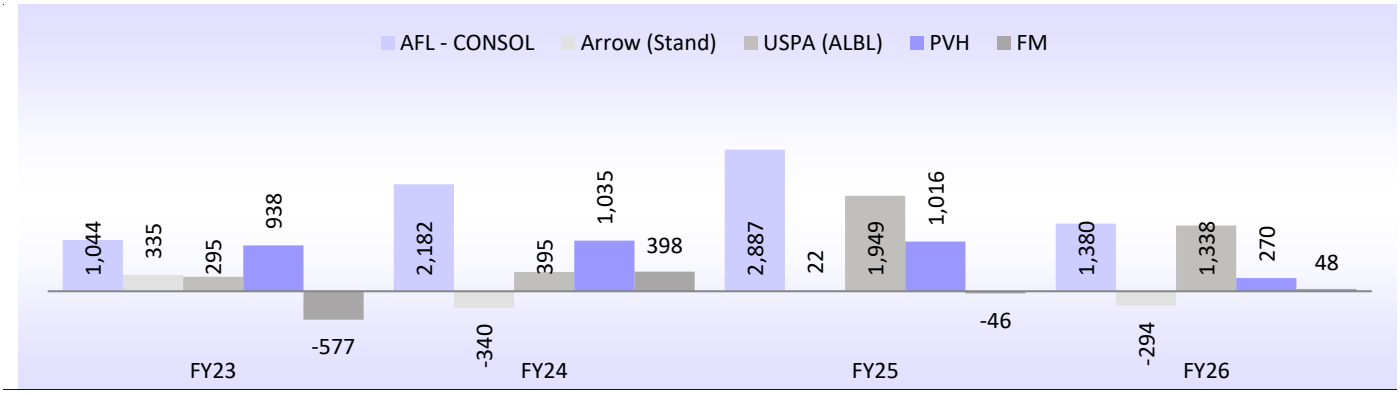
Source: Company, MOFSL

Exhibit 13: Inventory days grew by 10 days, led by USPA (front loading) and PVH



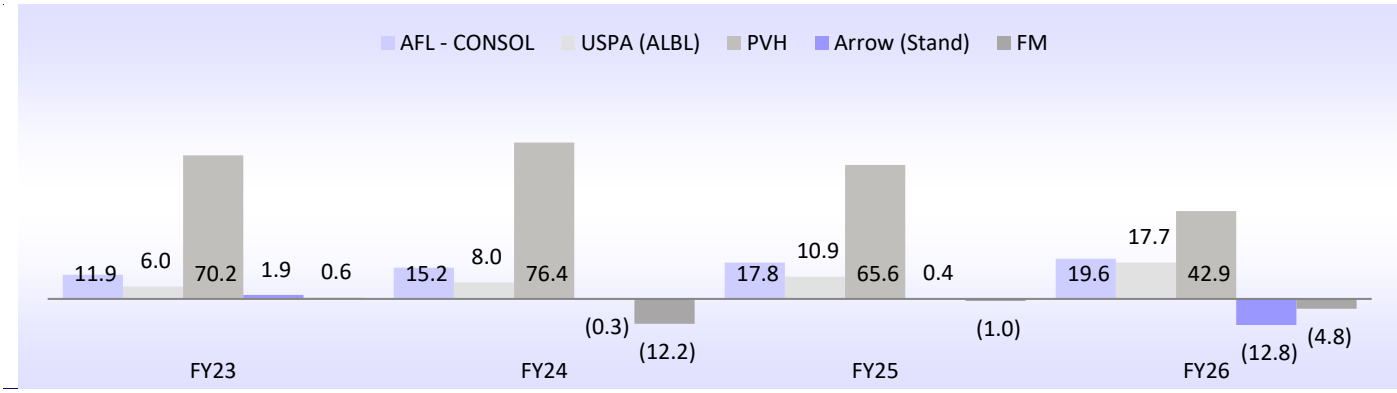
Source: Company, MOFSL

Exhibit 14: Pre-IND AS CFO (INR mn) impacted by higher inventory/CWC



Source: Company, MOFSL

Exhibit 15: Structural changes have led to a healthy improvement in RoCE



Source: Company, MOFSL

ABLBL vs AFL: Operating model drives the return gap

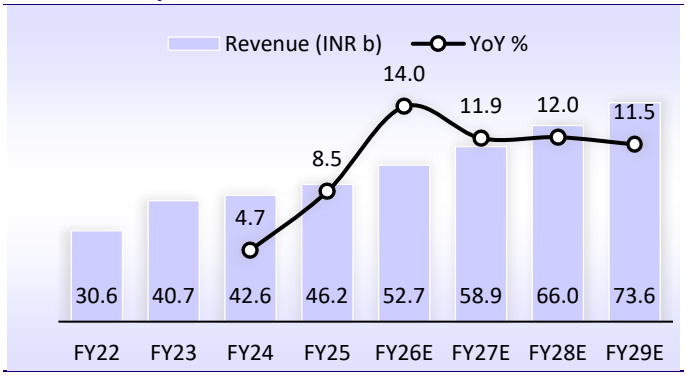
- AFL outperformed ABLBL across key operating metrics in FY26, with **14% revenue growth and 24.1% RoIC** (**7% and 17.3%)**, reflecting superior operating efficiency and capital productivity.
- While ABLBL benefits from **~500bp higher gross margins**, much of this advantage is offset by the higher employee cost associated with its vertically integrated manufacturing model. AFL further absorbs 4.2% royalty costs, yet still generated a **90bp higher Pre-Ind AS EBITDA margin** (8.6% vs. 7.7%), highlighting the superior efficiency of its operating model.
- AFL accepted weaker near-term cash generation to fund inventory investments and the Flying Machine acquisition, with **Pre-Ind AS CFO declining to INR1.4b (vs. INR2.9b)**, **FCFF to INR290m (vs. INR1.9b),** and **net debt increasing to INR4.7b**. ABLBL, by comparison, maintained stronger cash generation (CFO of INR5.2b and INR FCFF of INR2b), improved working capital, and continued deleveraging.
- **AFL, thus, appears better positioned for the next phase of value creation**, supported by superior operating efficiency, higher returns on capital, and a more scalable operating model. The key monitorable is the normalization of cash conversion as recent investments mature.

Exhibit 16: Consolidated financial performance

INR mn	AFL-CONSOL		ABLBL	
	FY25	FY26	FY25	FY26
Contract Price	**58,590**	**64,603**	**97,629**	**102,179**
SoR	14.6	14.3	13.0	12.2
Discounts	6.4	4.1	6.8	5.5
Revenue	**46,198**	**52,662**	**78,300**	**83,958**
% YoY Growth	8.5	14.0	0.6	7.2
Gross Profit	**24,703**	**28,637**	**45,579**	**49,965**
% Margin	**53.5**	**54.4**	**58.2**	**59.5**
Rent & Commissions	18.3	17.9	19.1	18.5
Employee	5.8	6.1	11.7	11.2
Outsourced	5.1	5.2	5.5	5.6
Royalty	4.1	4.2		
A&P	3.9	4.0	3.3	3.6
Transport and handling	1.9	1.6	1.7	1.6
Legal and professional	0.8	0.9	2.3	2.2
R&M	0.9	0.9	2.2	2.1
IT	0.6	0.8	1.5	1.4
Others	4.2	4.2	3.7	5.7
Pre-IND AS EBITDA	**3,672**	**4,518**	**5,508**	**6,439**
% Margin	7.9	8.6	7.0	7.7
PAT	**1,391**	**2,082**	**596**	**1,711**
Margin	2.4	3.2	0.8	2.0
Net Debt	2,248	4,674	7,814	7,258
CWC	***6,375***	***7,541***	***13,096***	***12,584***
Days	***50***	***52***	***61***	***55***
Pre-IND AS CFO	**2,887**	**1,380**	**5,032**	**5,187**
FCFF	1,929	290	2,567	1,929
% RoIC	**17.8**	**24.1**	**26.9**	**17.3**

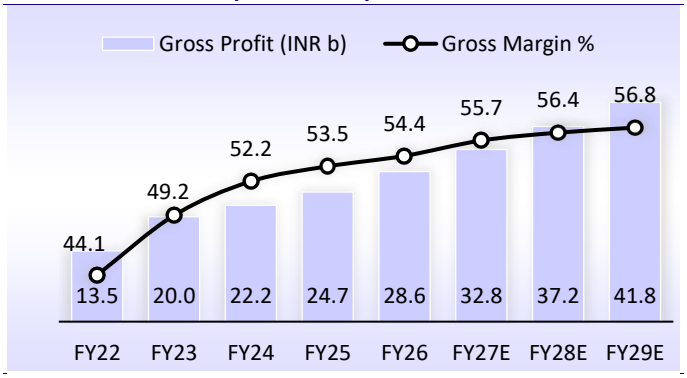
Source: Company, MOFSL

Exhibit 17: Expect revenue CAGR of ~12% over FY26-28



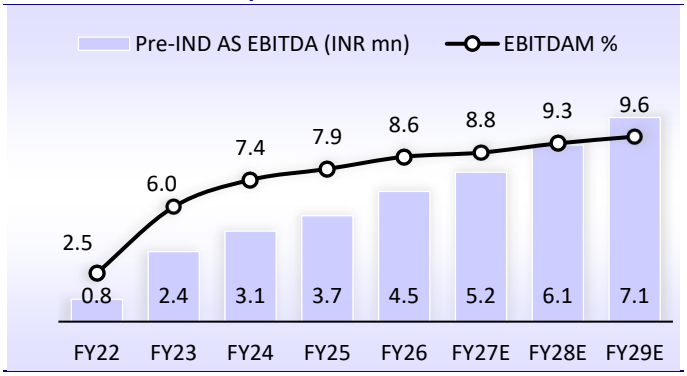
Source: MOFSL, Company

Exhibit 18: GM to expand ~100bp over FY26-28



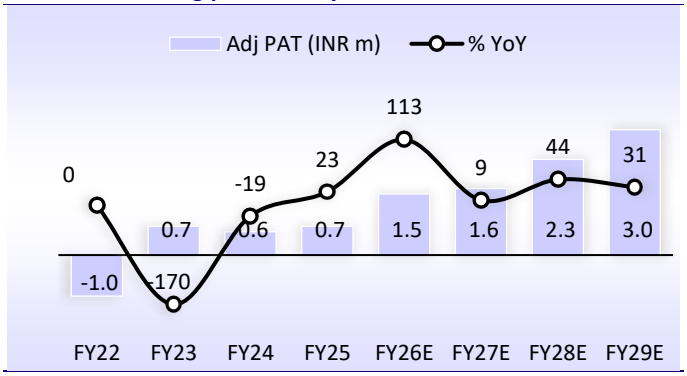
Source: MOFSL, Company

Exhibit 19: EBITDA to post a 16% CAGR



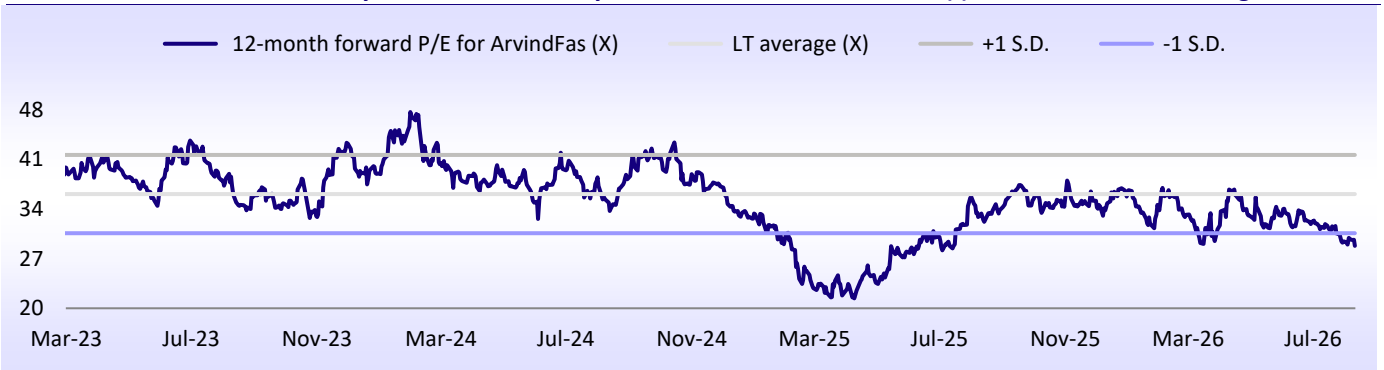
Source: MOFSL, Company

Exhibit 20: Strong profitability ahead



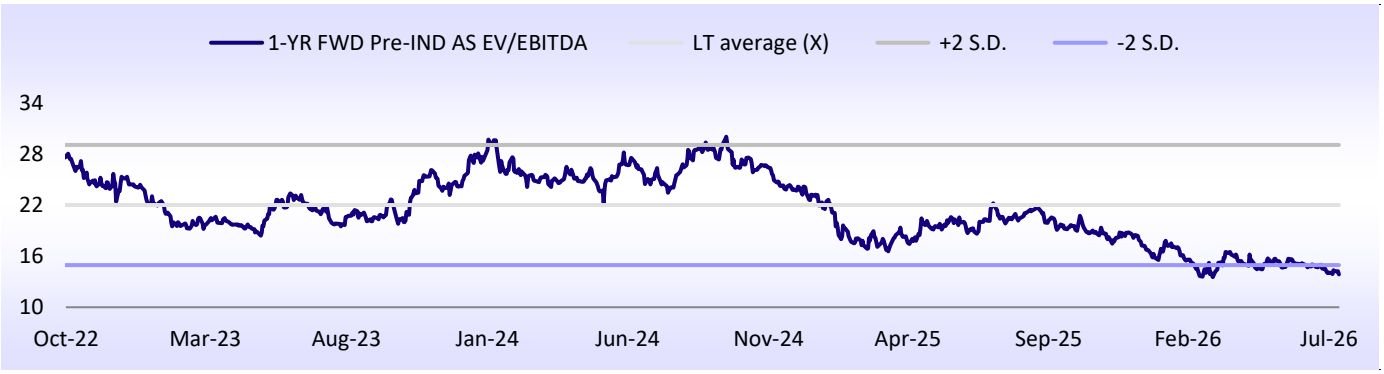
Source: MOFSL, Company

Exhibit 21: At CMP, AFL currently trades at ~29x one-year forward attributable PAT ~(-)1 S.D of its historical range



Source: MOFSL, Company

Exhibit 22: At CMP, AFL currently trades at ~14x one-year forward attributable Pre-IND AS EV/EBITDA, (-)2 S.D below its historical range



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Total Income from Operations	**30,560**	**40,695**	**42,591**	**46,198**	**52,662**	**58,945**	**66,019**	**73,631**
Change (%)	59.8	33.2	4.7	8.5	14.0	11.9	12.0	11.5
Raw Materials	17,098	20,667	20,371	21,495	24,025	26,105	28,789	31,789
Gross Profit	**13,462**	**20,028**	**22,220**	**24,703**	**28,637**	**32,841**	**37,230**	**41,842**
Gross Margin (%)	44.1	49.2	52.2	53.5	54.4	55.7	56.4	56.8
Employees Cost	2,368	2,440	2,601	2,687	3,218	3,537	3,895	4,344
Other Expenses	9,293	13,358	14,514	15,997	18,374	21,135	23,879	26,704
Total Expenditure	**28,759**	**36,465**	**37,486**	**40,178**	**45,616**	**50,776**	**56,562**	**62,837**
% of Sales	94.1	89.6	88.0	87.0	86.6	86.1	85.7	85.3
EBITDA	**1,802**	**4,230**	**5,105**	**6,020**	**7,046**	**8,169**	**9,457**	**10,793**
Margin (%)	5.9	10.4	12.0	13.0	13.4	13.9	14.3	14.7
Pre-IND AS EBITDA	**773**	**2,430**	**3,143**	**3,672**	**4,518**	**5,185**	**6,125**	**7,089**
Margin (%)	2.5	6.0	7.4	7.9	8.6	8.8	9.3	9.6
Depreciation	2,330	2,031	2,301	2,557	2,897	3,320	3,609	4,093
EBIT	**-528**	**2,199**	**2,805**	**3,463**	**4,149**	**4,849**	**5,847**	**6,701**
Int. and Finance Charges	1,239	1,210	1,442	1,558	1,705	1,907	1,889	1,929
Other Income	669	503	337	346	408	346	380	655
PBT bef. EO Exp.	**-1,099**	**1,493**	**1,700**	**2,251**	**2,852**	**3,288**	**4,337**	**5,427**
EO Items/Share of Associates	0	0	-62	-1,047	-233	-	-	-
PBT after EO Exp.	**-1,099**	**1,493**	**1,638**	**1,204**	**2,619**	**3,288**	**4,337**	**5,427**
Total Tax	-58	401	573	860	770	848	1,093	1,368
Tax Rate (%)	5.3	26.8	34.9	71.4	29.4	25.8	25.2	25.2
Reported PAT	**-1,041**	**1,093**	**1,066**	**344**	**1,849**	**2,440**	**3,244**	**4,059**
PAT (after Minority)	**-983**	**692**	**563**	**692**	**1,471**	**1,598**	**2,301**	**3,014**
Change (%)	-75.1	-170.4	-18.6	22.9	112.7	8.7	44.0	31.0
Margin (%)	-3.2	1.7	1.3	1.5	2.8	2.7	3.5	4.1

Consolidated – Balance sheet

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity Share Capital	530	531	532	533	535	535	535	535
Minority Interest	1,002	1,826	1,891	2,074	2,169	2,248	2,382	2,542
Total Reserves	6,973	8,565	9,501	9,038	8,902	10,260	12,217	14,779
Net Worth	**8,504**	**10,922**	**11,924**	**11,645**	**11,605**	**13,043**	**15,134**	**17,855**
Total Loans	4,607	5,569	4,463	3,896	5,313	2,794	1,957	1,344
Lease Liability	4,560	6,673	6,818	7,672	8,045	9,859	10,613	10,974
Other long Term Liabilities	2,535	1,376	1,480	1,417	1,352	1,352	1,352	1,352
Capital Employed	**20,207**	**24,540**	**24,684**	**24,629**	**26,316**	**27,047**	**29,055**	**31,524**
Gross Block	5,160	5,354	5,154	5,941	6,754	7,754	8,754	9,754
Less: Accum. Deprn.	**2,914**	**3,191**	**2,800**	**3,149**	**3,601**	**4,634**	**5,749**	6,998
Net Fixed Assets	**2,245**	**2,163**	**2,353**	**2,791**	**3,154**	**3,120**	**3,006**	**2,756**
Right to use Assets	**3,879**	**6,080**	**6,252**	**6,920**	**7,231**	**7,838**	**7,302**	**6,284**
Capital WIP	0	21	39	11	39	39	39	39
Total Investments	**6,145**	**5,686**	**5,553**	**4,076**	**3,957**	**3,957**	**3,957**	**3,957**
Curr. Assets, Loans&Adv.	**20,360**	**22,771**	**21,872**	**24,293**	**27,778**	**29,373**	**34,105**	**40,072**
Inventory	8,308	9,819	9,094	10,801	13,896	14,778	16,028	17,876
Account Receivables	5,717	5,595	6,468	7,294	7,516	8,075	9,044	10,086
Cash and Bank Balance	1,050	2,003	1,680	1,647	639	864	2,699	5,045
Loans and Advances	5,285	5,353	4,630	4,551	5,727	5,656	6,335	7,065
Curr. Liability & Prov.	**12,422**	**12,180**	**11,385**	**13,462**	**15,842**	**17,280**	**19,353**	**21,585**
Account Payables	10,479	10,195	9,363	11,720	13,871	14,857	16,640	18,559
Other Current Liabilities	1,943	1,985	2,022	1,743	1,971	2,422	2,713	3,026
Net Current Assets	**7,937**	**10,591**	**10,487**	**10,830**	**11,936**	**12,094**	**14,751**	**18,488**
Appl. of Funds	**20,207**	**24,540**	**24,684**	**24,629**	**26,316**	**27,046**	**29,054**	**31,523**

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Basic (INR)								
EPS	**-7.4**	**5.2**	**4.2**	**5.2**	**11.0**	**12.0**	**17.2**	**22.6**
Cash EPS	10.2	20.5	21.5	24.4	32.8	37.0	44.5	53.4
BV/Share	64.2	82.2	89.7	87.6	87.3	98.1	113.8	134.3
DPS	0.0	1.0	1.3	1.6	1.6	1.8	2.6	3.4
Payout (%)	0.0	12.2	15.6	62.0	11.5	9.8	10.6	11.1
Valuation (x)								
P/E	-29.7	57.5	86.7	96.1	43.3	36.0	25.0	19.1
Cash P/E	21.4	14.5	17.0	20.4	14.5	11.6	9.7	8.0
P/BV	3.4	3.6	4.1	5.7	5.5	4.4	3.8	3.2
EV/Sales	1.1	1.1	1.2	1.5	1.3	1.0	0.9	0.7
EV/EBITDA	18.0	10.2	10.1	0.0	19.2	15.2	12.0	9.9
Dividend Yield (%)	0.0	0.3	0.3	0.3	0.3	0.4	0.6	0.8
FCF per share	40.0	25.1	30.1	31.1	22.2	47.8	48.9	52.6
Return Ratios (%)								
RoE	-13.6	7.1	4.4	5.9	12.7	13.0	16.3	18.3
RoCE	-0.5	11.9	15.2	17.8	19.6	20.0	24.8	28.7
RoIC	-0.7	13.3	16.7	17.8	24.1	23.4	25.6	27.5
Working Capital Ratios								
Fixed Asset Turnover (x)	5.9	7.6	8.3	7.8	7.8	7.6	7.5	7.5
Asset Turnover (x)	1.5	1.7	1.7	1.9	2.0	2.2	2.3	2.3
Inventory (Days)	99	88	78	85	96	92	89	89
Debtor (Days)	68	50	55	58	52	50	50	50
Creditor (Days)	125	91	80	93	96	92	92	92
Leverage Ratio (x)								
Current Ratio	1.6	1.9	1.9	1.8	1.8	1.7	1.8	1.9
Interest Cover Ratio	-0.4	1.8	1.9	2.2	2.4	2.5	3.1	3.5
Net Debt/Equity	0.4	0.3	0.2	0.2	0.4	0.1	0.0	-0.4

Consolidated - Cash Flow Statement

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
OP/(Loss) before Tax	(1,099)	1,493	1,638	2,251	2,619	3,288	4,337	5,427
Depreciation	2,609	2,387	2,492	2,557	2,897	3,320	3,609	4,093
Interest & Finance Charges	1,369	1,384	1,519	1,558	1,705	1,907	1,889	1,929
Direct Taxes Paid	(118)	(433)	(627)	(433)	(433)	(848)	(1,093)	(1,368)
(Inc)/Dec in WC	2,435	(955)	(31)	(613)	(2,588)	67	(823)	(1,389)
CF from Operations	**5,197**	**3,876**	**4,992**	**5,320**	**4,199**	**7,734**	**7,920**	**8,691**
Others	(70)	(157)	(163)	(215)	(147)	(346)	(380)	(655)
CF from Operating incl EO	**5,127**	**3,719**	**4,829**	**5,105**	**4,053**	**7,388**	**7,540**	**8,037**
(Inc)/Dec in FA	166	(380)	(823)	(958)	(1,090)	(1,000)	(1,000)	(1,000)
Free Cash Flow	**5,293**	**3,339**	**4,006**	**4,147**	**2,963**	**6,388**	**6,540**	**7,037**
(Pur)/Sale of Investments	70	140	1,102	-	-	346	380	655
Others	-321	-65	18	160	99	-	-	-
CF from Investments	**-85**	**-305**	**297**	**-798**	**-991**	**-654**	**-620**	**-345**
Issue of Shares	4,948	54	23	53	98	-	-	-
Inc/(Dec) in Debt	-4,413	959	-1,316	-761	1,418	-2,519	-838	-613
Interest Paid	-1,371	-1,438	-1,417	-1,566	-1,697	-955	-826	-1,929
Dividend Paid	0	0	-133	-167	-214	-240	-345	-452
Others	-1,256	-1,552	-2,070	-2,119	-3,666	-2,795	-3,076	-2,351
CF from Fin. Activity	**-2,092**	**-1,977**	**-4,912**	**-4,560**	**-4,060**	**-6,509**	**-5,085**	**-5,345**
Inc/Dec of Cash	**2,950**	**1,438**	**214**	**-253**	**-997**	**225**	**1,835**	**2,347**

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