

ARVIND FASHIONS LIMITED

A MEMBER OF THE LALBHAI GROUP

Corporate Office : Du Parc Trinity, 8th Floor, 17, M.G. Road, Bengaluru - 560 001
Tel : 91-80-4155 0601, Fax : 91-80-41550651
Website: <http://www.arvindfashions.com>

February 13, 2024

To,
BSE Limited
Listing Dept. / Dept. of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Security Code : 542484
Security ID : ARVINDFASN

To,
National Stock Exchange of India Ltd.
Listing Dept., Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

Symbol : ARVINDFASN

Dear Sir/ Madam,

Sub: Outcome of the Meeting of the Board of Directors of Arvind Fashions Limited ("the Company") held on February 13, 2024.

Ref: Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")

Further to our letter dated January 30, 2024 for intimation of Board Meeting, and in accordance with the provisions of Regulation 30 of the SEBI LODR Regulations, this is to inform that the Board of Directors of the Company, at its meeting held today (i.e. on February 13, 2024) has, *inter alia*, considered and approved the Unaudited Standalone and Consolidated Financial Results of the Company for the third quarter and nine months ended on 31st December, 2023.

Pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), we hereby enclose the following:

1. Unaudited Standalone and Consolidated Financial Results of the Company for the third quarter and nine months ended on 31st December, 2023, along with Limited Review Reports issued by the Statutory Auditors of the company i.e. M/s. Deloitte Haskins & Sells.
2. A copy of the press release being issued by the Company in respect of unaudited financial results for the third quarter and nine months ended on 31st December 2023.
3. Investor Presentation for Q3 issued in this regard.

The above documents will also be uploaded on company's website at <https://www.arvindfashions.com/>

The meeting of the Board of Directors commenced at 11.30 A.M. and concluded at 13:40 P.M.

You are requested to take the above on your record and bring this to the Notice of all concerned.

Thanking you,

For Arvind Fashions Limited


Lipi Jha
Company Secretary



Encl: As above.

ARVIND FASHIONS

Regd Office : Arvind Limited Premises, Naroda Road, Ahmedabad - 380 025.
CIN : L52399GJ2016PLC085595

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
ARVIND FASHIONS LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Arvind Fashions Limited** ("the Company"), for the quarter and Nine Months ended December 31, 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)



Kartikaya Raval

Kartikaya Raval
(Partner)
(Membership No. 106189)
(UDIN: 24106189BKFGTL9581)

Place: Vadodara
Date: February 13, 2024

ARVIND FASHIONS LIMITED

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Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2023

(₹ In Crores except per share data)

| Sr. No | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|-----------|--|----------------|----------------|---------------|-------------------|---------------|-----------------|
| | | 31.12.2023 | 30.09.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.03.2023 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income | | | | | | |
| | (a) Revenue from Operations | 156.37 | 200.21 | 181.22 | 477.14 | 475.47 | 740.57 |
| | (b) Other Income (Refer Note 5) | 3.54 | 1.54 | 3.33 | 59.41 | 7.48 | 18.02 |
| | Total Income | 159.91 | 201.75 | 184.55 | 536.55 | 482.95 | 758.59 |
| 2 | Expenses | | | | | | |
| | (a) Purchases of stock-in-trade | 62.06 | 136.34 | 127.25 | 337.35 | 327.51 | 506.46 |
| | (b) Changes in inventories of stock-in-trade | 42.51 | (5.45) | (0.36) | (18.99) | (21.39) | 14.28 |
| | (c) Employee benefits expense | 16.99 | 16.68 | 12.43 | 47.74 | 39.73 | 56.67 |
| | (d) Finance costs | 5.22 | 5.35 | 4.44 | 15.43 | 10.74 | 15.52 |
| | (e) Depreciation and amortisation expense | 2.96 | 3.27 | 4.22 | 9.76 | 11.25 | 14.56 |
| | (f) Other expenses | 33.48 | 34.65 | 35.17 | 92.65 | 102.63 | 141.00 |
| | Total Expenses | 163.22 | 190.84 | 183.15 | 483.94 | 470.47 | 748.49 |
| 3 | Profit Before exceptional items and tax (1-2) | (3.31) | 10.91 | 1.40 | 52.61 | 12.48 | 10.10 |
| 4 | Exceptional Items (Refer Note 7) | (16.31) | (35.15) | - | (51.46) | - | - |
| 5 | Profit / (Loss) Before tax (3+4) | (19.62) | (24.24) | 1.40 | 1.15 | 12.48 | 10.10 |
| 6 | Tax Expense | | | | | | |
| | Current Tax | (2.14) | - | - | 5.01 | - | - |
| | Deferred Tax Charge | 2.02 | 0.51 | 0.06 | 1.61 | 0.19 | 0.24 |
| | Total Tax Expense | (0.12) | 0.51 | 0.06 | 6.62 | 0.19 | 0.24 |
| 7 | Net Profit / (Loss) for the period after tax (5-6) | (19.50) | (24.75) | 1.34 | (5.47) | 12.29 | 9.86 |
| 8 | Other Comprehensive Income/ (Loss) (Net of Tax) | | | | | | |
| | (a) Items that will not be re-classified to profit and loss | | | | | | |
| | (i) Re-measurement gain/(loss) on defined benefit plans | (0.19) | (0.22) | (0.18) | (0.57) | (0.55) | (0.68) |
| | (ii) Income Tax related to the item above | 0.07 | 0.07 | 0.06 | 0.20 | 0.19 | 0.24 |
| | Other Comprehensive Income/ (Loss) (Net of Tax) | (0.12) | (0.15) | (0.12) | (0.37) | (0.36) | (0.44) |
| 9 | Total Comprehensive Income / (Loss) for the Period (7+8) | (19.62) | (24.90) | 1.22 | (5.84) | 11.93 | 9.42 |
| 10 | Paid-up Equity Share Capital (Face Value ₹ 4/- per share) | 53.18 | 53.15 | 53.12 | 53.18 | 53.12 | 53.13 |
| 11 | Other Equity | | | | | | 2,268.96 |
| 12 | Earnings Per Share In ₹(Not Annualised) | | | | | | |
| | -Basic | (1.47) | (1.86) | 0.10 | (0.41) | 0.93 | 0.74 |
| | -Diluted | (1.47) | (1.86) | 0.10 | (0.41) | 0.92 | 0.74 |

(See accompanying notes to the Standalone Unaudited Financial Results)

Bengaluru
February 13, 2024



For Arvind Fashions Limited

Shallesh Chaturvedi

Shallesh Chaturvedi
Managing Director & CEO
DIN: 03023079

ARVIND FASHIONS

Regd Office : Arvind Limited Premises, Naroda Road, Ahmedabad - 380 025.

CIN : L52399GJ2016PLC085595

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Notes:

- The above standalone unaudited financial results have been prepared in accordance with Indian Accounting Standards as prescribed under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- The above standalone unaudited financial results were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on February 13, 2024 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The Statutory Auditors have carried out limited review of the financial results for the quarter and nine months ended on December 31, 2023.
- The Company is primarily engaged in the business of Branded Apparels (Garments and Accessories) which in the terms of Ind AS 108 'Operating Segments', constitutes a single reporting segment.
- ESOP Share Allotment: Pursuant to various Employees Stock Option Schemes, following equity shares of ₹ 4/- each were allotted to the option grantees:

| Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|-----------------|---------------|------------|------------|-------------------|------------|------------|
| | 31.12.2023 | 30.09.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.03.2023 |
| Shares allotted | 60,300 | 69,000 | 36,653 | 1,34,300 | 3,49,353 | 3,63,847 |

- Other Income includes dividend income from subsidiaries of ₹ 49.28 Crore for the nine months ended December 31, 2023.
- In the earlier years, the wholly owned subsidiary of the Company i.e. Arvind Lifestyle Brands Limited (ALBL) had sublicensed its right with respect to "U.S. Polo Assn. footwear brand business" exclusively to the Company under the sublicense Agreement. Pursuant to mutual discussion between the parties i.e. ALBL ("Sub licensor") and the Company ("Sublicensee") the said exclusive Sublicense Agreement stands terminated effective from January 01, 2023. In accordance with the terms of the said Sublicense Agreement, ALBL has exercised its right of buying back of products from the Company at the Company's landing cost.
- Exceptional Items**

During the quarter and nine-months ended December 31, 2023, the company has entered into Share Purchase Agreement (SPA) with Reliance Beauty & Personal Care Limited to sell and transfer entire equity stake held by the company in Arvind Beauty Brands Retail Limited (ABBRL) (now known as Reliance Luxe Beauty Limited), at an enterprise value of ₹ 216.00 Crores (subject to true up adjustments based on closing period balances) towards sale of equity shares and repayment of loans. Accordingly, the company has recorded a provision for impairment loss on equity investment amounting to ₹ 35.15 Crores during the previous quarter ended September 30, 2023.

Based on the ongoing reconciliation of closing period balance, estimated revised Enterprise value is Rs 211.09 Crores. Accordingly Loss of sale of equity investment amounting to ₹ 40.06 Crores have been recognized in quarter ended December 31, 2023, utilizing the impairment loss of ₹ 35.15 Crores already recorded in previous quarter.

The Company has presented loss on sale of equity investment and expenditure incurred as an exceptional item in the financial results.

ABBRL ceased to be a subsidiary from November 03, 2023.

| Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|---|---------------|--------------|------------|-------------------|------------|------------|
| | 31.12.2023 | 30.09.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.03.2023 |
| (a) Provision/ (reversal) for impairment of equity investment | (35.15) | 35.15 | - | - | - | - |
| (b) Loss of Sale of equity investment | 40.06 | - | - | 40.06 | - | - |
| (c) Expenditure incurred on sale of equity investment | 11.40 | - | - | 11.40 | - | - |
| Total | 16.31 | 35.15 | - | 51.46 | - | - |

- W.e.f. July 1, 2023 the Company has changed the estimation for calculating Right to Return as per Ind-AS 115 from yearly average to the season average, based on latest trends. Accordingly, the change in return provision is being applied prospectively in accordance with Ind AS-8. Had the company continued with previously assessed method, revenue from operations for the quarter and nine months ended December 31, 2023, would have been lower by INR 2.22 crores and 10.01 crores respectively (INR 7.79 crores for quarter ended September 30, 2023). While Cost of Goods Sold for the quarter and nine months ended December 31, 2023, would have been lower by INR 1.13 crores and 4.96 crores respectively (INR 3.83 crores for quarter ended September 30, 2023).

Bengaluru
February 13, 2024



For Arvind Fashions Limited

Shallesh Chaturvedi

Shallesh Chaturvedi
Managing Director & CEO
DIN:03023079



ARVIND FASHIONS

Regd Office : Arvind Limited Premises, Naroda Road, Ahmedabad - 380 025,
CIN : L52399GJ2016PLC085595

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF Arvind Fashions Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Arvind Fashions Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and nine months ended December 31, 2023 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the parent and the subsidiaries as given in the Annexure to this Report.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. We did not review the interim financial information of 4 subsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total revenue of Rs. 478.36 crores and Rs. 1,483.34 crores for the quarter and nine months ended December 31, 2023 respectively, total net profit after tax of Rs. 0.36 crores and Rs. 44.74 crores for the quarter and nine months ended December 31, 2023 respectively and total comprehensive income / (Loss) of Rs. (0.48) crores and Rs. 43.74 Crores for the quarter and nine months ended December 31, 2023 respectively as considered in the Statement. This interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of these matters.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)



Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 24106189BKFGTM9989)

Place: Vadodara
Date: February 13, 2024

Annexure to Independent Auditor's Review Report

The Parent

1. Arvind Fashions Limited

List of Subsidiaries

1. Arvind Lifestyle Brands Limited
2. Arvind Beauty Brands Retail Limited (Now known as Reliance Luxe Beauty Limited) (Subsidiary till November 03, 2023)
3. PVH Arvind Fashion Private Limited
4. Arvind Youth Brands Private Limited
5. Value Fashion Retail Limited



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Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2023

(₹ in Crores except per share data)

| Sr. no | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|-----------|--|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|
| | | 31.12.2023 | 30.09.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.03.2023 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income | | | | | | |
| | (a) Revenue from Operations | 1,125.05 | 1,173.54 | 1,072.78 | 3,165.27 | 3,014.29 | 4,069.49 |
| | (b) Other Income | 6.91 | 4.18 | 15.58 | 20.75 | 36.72 | 50.34 |
| | Total Income | 1,131.96 | 1,177.72 | 1,088.36 | 3,186.02 | 3,051.01 | 4,119.83 |
| 2 | Expenses | | | | | | |
| | (a) Purchases of stock-in-trade | 324.49 | 650.24 | 429.22 | 1,431.43 | 1,624.81 | 2,212.93 |
| | (b) Changes in inventories of stock-in-trade | 200.35 | (67.24) | 122.60 | 71.50 | (52.04) | (146.24) |
| | (c) Employee benefits expense | 65.52 | 65.18 | 59.41 | 188.74 | 178.29 | 243.96 |
| | (d) Finance costs | 38.27 | 36.09 | 34.26 | 108.74 | 86.92 | 120.97 |
| | (e) Depreciation and amortisation expense | 61.50 | 54.85 | 54.93 | 170.99 | 148.52 | 203.07 |
| | (f) Other expenses | 391.58 | 386.54 | 349.67 | 1,098.19 | 953.42 | 1,335.83 |
| | Total Expenses | 1,081.71 | 1,125.66 | 1,050.09 | 3,069.59 | 2,939.92 | 3,970.52 |
| 3 | Profit Before Exceptional Items and tax from continuing operations (1-2) | 50.25 | 52.06 | 38.27 | 116.43 | 111.09 | 149.31 |
| 4 | Exceptional Items (Refer Note 8) | (6.17) | - | - | (6.17) | - | - |
| 5 | Profit Before tax from continuing operations (3+4) | 44.08 | 52.06 | 38.27 | 110.26 | 111.09 | 149.31 |
| 6 | Tax Expense | | | | | | |
| | Current Tax | 12.28 | 12.40 | 12.63 | 42.68 | 25.71 | 39.68 |
| | Short provision related to earlier years | - | - | - | - | 0.35 | 0.99 |
| | Deferred Tax Charge/ (Credit) | 1.68 | (1.25) | (0.75) | 1.20 | 7.87 | (0.61) |
| | Total Tax Expense/(Credit) | 13.96 | 11.15 | 11.88 | 43.88 | 33.93 | 40.06 |
| 7 | Net Profit for the period from Continuing Operations (5-6) | 30.12 | 40.91 | 26.39 | 66.38 | 77.16 | 109.25 |
| | Discontinued Operations (Refer Note 6) | | | | | | |
| 8 | Profit/(Loss) Before Tax for the period from Discontinued Operations | 34.82 | (3.86) | (4.20) | 31.27 | (18.71) | (22.24) |
| 9 | Tax Expense on Discontinued Operations | 0.00 | 0.02 | 0.00 | 0.21 | 0.01 | 0.05 |
| 10 | Net Profit/(Loss) for the period from Discontinued Operations (8-9) | 34.82 | (3.88) | (4.20) | 31.06 | (18.72) | (22.29) |
| 11 | Net Profit for the period from Continuing Operations and Discontinued Operations (7+10) | 64.94 | 37.03 | 22.19 | 97.44 | 58.44 | 86.96 |
| | Attributable to: | | | | | | |
| | Equity Holders of the Parent | 51.08 | 21.66 | 8.09 | 56.31 | 25.80 | 36.71 |
| | Non-controlling interest | 13.86 | 15.37 | 14.10 | 41.13 | 32.64 | 50.25 |
| | | 64.94 | 37.03 | 22.19 | 97.44 | 58.44 | 86.96 |
| 12 | Other Comprehensive Income/ (Loss) (Net of Tax) | | | | | | |
| | (a) Items that will not be re-classified to profit and loss | | | | | | |
| | (i) Re-measurement gain/(loss) on defined benefit plans | (0.51) | (0.55) | (0.08) | (1.60) | (0.25) | (2.02) |
| | (ii) Income Tax related to the item above | 0.17 | 0.18 | 0.02 | 0.53 | 0.07 | 0.67 |
| | (b) Items that will be re-classified to profit and loss | | | | | | |
| | (i) Effective portion of gains / (loss) on cash flow hedges | (1.03) | 0.97 | 1.57 | (1.07) | 3.74 | 0.80 |
| | (ii) Income Tax related to the item above | 0.26 | (0.24) | (0.39) | 0.27 | (0.94) | (0.20) |
| | Other Comprehensive Income/ (Loss) (Net of Tax) | (1.11) | 0.36 | 1.12 | (1.87) | 2.62 | (0.76) |
| | Attributable to: | | | | | | |
| | Equity holders of the Parent | (0.70) | 0.01 | 0.54 | (1.42) | 1.25 | (1.01) |
| | Non-controlling interest | (0.41) | 0.35 | 0.58 | (0.45) | 1.37 | 0.25 |
| | | (1.11) | 0.36 | 1.12 | (1.87) | 2.62 | (0.76) |
| 13 | Total Comprehensive Income for the Period (11+12) | 63.83 | 37.39 | 23.31 | 95.57 | 61.06 | 86.20 |
| | Attributable to: | | | | | | |
| | Equity holders of the Parent | 50.38 | 21.67 | 8.63 | 54.89 | 27.05 | 35.70 |
| | Non-controlling interest | 13.45 | 15.72 | 14.68 | 40.68 | 34.01 | 50.50 |
| | | 63.83 | 37.39 | 23.31 | 95.57 | 61.06 | 86.20 |
| 14 | Paid-up Equity Share Capital (Face Value ₹ 4/- per share) | 53.18 | 53.15 | 53.12 | 53.18 | 53.12 | 53.13 |
| 15 | Other Equity | | | | | | 856.51 |
| 16 | Earnings Per Share in ₹ (Not Annualised) | | | | | | |
| | Continuing Operations | | | | | | |
| | -Basic | 1.22 | 1.92 | 0.93 | 1.90 | 3.35 | 4.45 |
| | -Diluted | 1.22 | 1.92 | 0.93 | 1.90 | 3.35 | 4.44 |
| | Discontinued Operations | | | | | | |
| | -Basic | 2.62 | (0.29) | (0.32) | 2.34 | (1.41) | (1.68) |
| | -Diluted | 2.61 | (0.29) | (0.32) | 2.33 | (1.41) | (1.68) |
| | Continuing and Discontinued Operations | | | | | | |
| | -Basic | 3.84 | 1.63 | 0.61 | 4.24 | 1.94 | 2.77 |
| | -Diluted | 3.83 | 1.63 | 0.61 | 4.23 | 1.94 | 2.76 |

(See accompanying notes to the Unaudited Consolidated Financial Results)

Bengaluru
February 13, 2024



For Arvind Fashions Limited

Shallesh Chaturvedi
Managing Director & CEO
DIN: 03023079

ARVIND FASHIONS

Regd Office : Arvind Limited Premises, Naroda Road, Ahmedabad - 380 025,
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Notes:

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- The above consolidated unaudited financial results were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on February 13, 2024 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The Statutory Auditors have carried out limited review of the financial results for the quarter and nine months ended on December 31, 2023.
- The Group is primarily engaged in the business of Branded Apparels (Garments and Accessories) which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting segment.
- ESOP Share Allotment: Pursuant to various Employees Stock Option Schemes, following equity shares of ₹ 4/- each were allotted to the option grantees:

| Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|-----------------|---------------|------------|------------|-------------------|------------|------------|
| | 31.12.2023 | 30.09.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.03.2023 |
| Shares allotted | 60,100 | 69,000 | 36,653 | 1,34,300 | 3,49,353 | 3,63,847 |

- In Arvind Youth Brands Private Limited (AYBPL), one of the Subsidiary Company, terms of conversion of Compulsorily Convertible Non-Cumulative Preference Shares (CCPS) specified in the Shareholders agreement dated July 09, 2020 were concluded in its board meeting on March 30, 2023. All the required conditions for the conversion ratio were fixed and agreed between the Shareholders of AYBPL and holders of the CCPS, as per the Adjusted EBITDA determined on the basis of Audited Financial Statements of AYBPL for the year ended March 31, 2022. Accordingly, the CCPS has been classified as entirely equity in nature by AYBPL.

In Consolidated Financial Statement, Non-controlling Interest is recognized based on eventual exercise of rights to returns post conversion of the CCPS.

6 Discontinued Operations

During the quarter and nine-months ended December 31, 2023, the Parent has entered into Share Purchase Agreement (SPA) with Reliance Beauty & Personal Care Limited to sell and transfer entire equity stake held in Arvind Beauty Brands Retail Limited (ABBRL) (now known as Reliance Luxe Beauty Limited), a wholly owned subsidiary at an enterprise value of ₹ 216.00 Crores towards sale of equity stake and repayment of loans. Accordingly, the Group has considered wholly owned subsidiary as "Discontinued Operations" in accordance with Ind-AS 105 and accordingly, re-classified the financial results for the periods presented.

Based on the ongoing reconciliation of closing period balance, estimated revised Enterprise value is Rs 211.09 Crores, accordingly gain on sale of subsidiary (net of cost to sell) amounting to ₹ 94.28 Crores have been recognized in quarter ended December 31, 2023, ABBRL ceased to be a subsidiary from November 03, 2023.

The Management of Arvind Lifestyle Brands Limited (ALBL), a wholly owned subsidiary of the Company has decided to discontinue Brands Aeropostale and Ed Hardy. Accordingly, business of these brands are considered as a discontinued operation in accordance with Ind AS 105 and accordingly, re-classified the financial results for the periods presented.

| Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|--|---------------|------------|------------|-------------------|------------|------------|
| | 31.12.2023 | 30.09.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.03.2023 |
| (a) Total Income | 32.70 | 93.82 | 106.43 | 218.25 | 268.11 | 357.76 |
| (b) Total Expense | 92.16 | 97.58 | 110.63 | 281.26 | 286.82 | 380.00 |
| (c) Profit / (Loss) Before tax | (59.46) | (3.86) | (4.20) | (63.01) | (18.71) | (22.24) |
| (d) Tax Expense / (Credit) | 0.00 | 0.02 | 0.00 | 0.21 | 0.01 | 0.05 |
| (e) Loss for the period from Discontinued Operations (c) - (d) | (59.46) | (3.88) | (4.20) | (63.22) | (18.72) | (22.29) |
| (f) Gain on disposal of Subsidiary (Net of cost to sell and taxes) | 94.28 | - | - | 94.28 | - | - |
| (g) Profit / Loss from Discontinued Operations (e) + (f) | 34.82 | (3.88) | (4.20) | 31.06 | (18.72) | (22.29) |

- W.e.f. July 1, 2023 the Group has changed the estimation for calculating Right to Return as per Ind-AS 115 from yearly average to the season average, based on latest trends. Accordingly, the change in return provision is being applied prospectively in accordance with Ind AS-8. Had the Group continued with previously assessed method, for the nine months ended December 31, 2023, Revenue from Operations and Cost of goods sold would have been lower by INR 1.28 crores and higher by 0.76 crores respectively. While in case for quarter ended December 31, 2023, revenue from operations and Cost of goods sold would be higher by INR 1.71 crores and 1.19 crores respectively (for the quarter ended September 30, 2023, Revenue from operations and Cost of goods sold would be lower by INR 2.99 crores and 0.43 crores respectively).

8 Exceptional Item

| Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|-----------------------------|---------------|------------|------------|-------------------|------------|------------|
| | 31.12.2023 | 30.09.2023 | 31.12.2022 | 31.12.2023 | 31.12.2022 | 31.03.2023 |
| (a) Sales Tax Written off * | 6.17 | - | - | 6.17 | - | - |
| Total | 6.17 | - | - | 6.17 | - | - |

* During the quarter and nine months ended, one of the subsidiary company has closed cases under Karamsandha Scheme, 2023 related to pre GST litigations for KVAT in Karnataka.

Bengaluru
February 13, 2024



For Arvind Fashions Limited

Shallesh Chaturvedi

Shallesh Chaturvedi
Managing Director & CEO
DIN:03023079



ARVIND FASHIONS

Regd Office : Arvind Limited Premises, Naroda Road, Ahmedabad - 380 025.
CTN : L52399GJ2016PLC085595

PRESS RELEASE

Arvind Fashions reports robust financial performance amidst weak macro with 5% sales growth, margin improvement of 150 bps & 83% growth in PAT

Bengaluru, Feb 13, 2024: Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the third quarter and nine months ended Dec 31, 2023.

Key Highlights for Q3 FY24

- Revenues grew by 5% to Rs. 1,125 Crs compared to Rs. 1,073 Crs in Q3 FY23 and 2-year revenue CAGR of 12%. Growth was primarily led by retail and MBO channel
- Gross margin expansion of 480 bps Y-o-Y to 53.3% driven by retail LTL growth of 2% with sharper execution in the retail channel and lower discounting
- Revenue growth coupled with gross margin expansion resulted in 18% growth in EBITDA to Rs. 150 Crs compared to Rs. 127 Crs in Q3 FY23
- EBITDA margin improved by ~150 bps, despite higher investment in advertising of 130 bps Y-o-Y
- PAT (from the continuing business excl. exceptional item) stood at Rs. 22 Crs, Y-o-Y growth of 83%. Reported PAT grew >6x to Rs. 51 Crs compared to Rs. 8 Crs in Q3 FY23
- Control over inventory & lower debtors led to reduction in gross working capital by 5 days

Commenting on the performance of the company, **Mr. Shailesh Chaturvedi, MD & CEO** said "Strong financial performance in this quarter reflects the focus on profitable growth with 150 bps improvement in EBITDA, a growth of 18% over Q3 last year. The leadership of our key brands is getting strengthened with our conscious investment in marketing along with product innovation which has yielded differentiated results and market share gain"

Consolidated Financial Performance Summary

| Rs. Crore | Q3 FY24 | Q3 FY23 | Y-o-Y Growth |
|--------------|---------|---------|--------------|
| Revenues | 1125 | 1073 | 5% |
| EBITDA | 150 | 127 | 18% |
| PBT | 50 | 38 | 31% |
| PAT* | 22 | 12 | 83% |
| Reported PAT | 51 | 8 | 531% |

* For continuing business and excluding exceptional item

About AFL

Arvind Fashions Ltd is India's no. 1 casual and denim player, a lifestyle powerhouse with a strong portfolio of fashion brands catering to consumers across the sub-categories and price points. With a host of renowned brands, both international and indigenous, like U.S. Polo Assn., Arrow, Tommy Hilfiger, Calvin Klein and Flying Machine, it has presence across lifestyle brands.

For more information, please contact:

Ankit Arora

Head – Investor Relations

Arvind Fashions Limited

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Disclaimer:

This document by Arvind Fashions Limited ('the Company') contains forward-looking statements that represent our beliefs, projections and predictions about future events or our future performance. These forward-looking statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results performance to differ materially from any future results or performance described in or implied by such statements. The forward-looking statements contained herein include statements about the Company's business prospects, its ability to attract customers, its expectation for revenue generation and its outlook. These statements are subject to the general risks inherent in the Company's business. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgments that prove to be incorrect. In addition, the Company's business and operations involve numerous risks and uncertainties, many of which are beyond the control of the Company, which could result in the Company's expectations not being realized or otherwise materially affect the financial condition, results of operations and cash flows of the Company. The forward-looking statements are made only as of the date hereof, and the Company does not undertake any obligation to (and expressly disclaims any obligation to) update any forward-looking statements to reflect events or circumstances after the date such statements were made, or to reflect the occurrence of unanticipated events.



Q3 FY24 RESULTS PRESENTATION

ARVIND FASHIONS

Feb | 2024

DISCLAIMER

This document by Arvind Fashions Limited ('the Company') contains forward-looking statements that represent our beliefs, projections and predictions about future events or our future performance. These forward-looking statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results performance to differ materially from any future results or performance described in or implied by such statements. The forward-looking statements contained herein include statements about the Company's business prospects, its ability to attract customers, its expectation for revenue generation and its outlook. These statements are subject to the general risks inherent in the Company's business. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgments that prove to be incorrect. In addition, the Company's business and operations involve numerous risks and uncertainties, many of which are beyond the control of the Company, which could result in the Company's expectations not being realized or otherwise materially affect the financial condition, results of operations and cash flows of the Company. The forward-looking statements are made only as of the date hereof, and the Company does not undertake any obligation to (and expressly disclaims any obligation to) update any forward-looking statements to reflect events or circumstances after the date such statements were made, or to reflect the occurrence of unanticipated events.

AGENDA



01

Q3 Performance Highlights



02

Q3 & YTD FY24 Results



03

Way Forward

Q3 FY24 PERFORMANCE HIGHLIGHTS

MARKET & ECONOMY UPDATE



Weak consumer sentiment continued despite festive season

Cricket fever over important weekends during Diwali impacted the retail sales

Early start of end of season sale (EOSS) and aggressive discounting across the industry

Premium product categories & casualization trend continue to drive footfalls and growth

FY24 OBJECTIVES - WHAT WE HAVE SET FOR OURSELVES

| | Objectives |
|--|--|
| Sales & Profitability | <ul style="list-style-type: none">• Focus on profitable revenue growth and aspiration to grow ahead of industry• Continue sharper focus on further expanding EBITDA & PAT margins |
| Re-energizing the brands | <ul style="list-style-type: none">• Drive higher market share through increased investments in advertising• Product innovation |
| Retail rigor & key performance indicators | <ul style="list-style-type: none">• Focus on high quality season launch, helping drive superior customer experience with better sell-thru's and lower discounting• Pilot new retail format(s) for existing brands & execute multi-category play |
| Accelerate store expansion | <ul style="list-style-type: none">• To open ~200 stores, largely through FOFO route |
| Working capital, debt, ROCE & ROE | <ul style="list-style-type: none">• Focus on better inventory turns & NWC days leading to higher free cash flow• De-leveraging to continue• Further improvement in ROCE & ROE |

DISCONTINUED BUSINESSES

| Brands | P&L Remarks |
|---------------------------------|--|
| Sephora, Ed Hardy & Aeropostale | <ul style="list-style-type: none"> • Post the consummation of sale of Sephora business during Q3 and receipt of consideration, we have classified all the other dormant brands (Ed Hardy & Aeropostale) along with Sephora as part of discontinued businesses in Q3 FY24 • After realizing gain from Sephora transaction, we have accounted for all the future liabilities (royalty payments pertaining to those brands etc.) in current quarter's P&L and recognized net gain of ₹ 35 Crs at PAT level • Accordingly, all the previous quarter(s) P&L has been re-stated for like-to-like comparison • Helps AFL drive higher profitability (from 5 marquee brands) and takes away the drag on account of discontinued businesses moving forward • Effective Q3, all the 5 brands (U.S. Polo Assn., Tommy Hilfiger, Arrow, Flying Machine and Calvin Klein) have been together re-classified as 'Power Brands' |

(₹ in crores)

Q3 FY24

| | |
|---|-----------|
| Net gain on discontinuation of Sephora business | 74 |
| Present value of Royalty for Ed Hardy & Aeropostale and other charges | 39 |
| Profit from discontinued operations | 35 |

Summary

Q3 FY24 BUSINESS HIGHLIGHTS



QUARTERLY SALES

5% sales growth Y-o-Y; 2-yr revenue CAGR stood at 12%

Retail LTL of 2%; aided by sharper execution in retail channel

Resilient growth driven by casualization & winterwear strength despite conscious delay of EOSS



GROWTH DRIVERS

15%+ growth in kidswear Y-o-Y; **womenswear** showing strong traction

Product innovation and premiumization across brands along with significant marketing investments

Gross addition of 31 EBOs; YTD addition at 122



CHANNEL-WISE PERFORMANCE

15%+ growth in MBO channel Y-o-Y

Online direct-to-consumer business (marketplace + NNNow) nearly **doubled** Y-o-Y

Continued weakness in online B2B business witnessed **de-growth**



GROSS MARGINS

Lower discounting along with higher retail channel mix resulted in 480 bps improvement in gross margin (Y-o-Y)



EBITDA

EBITDA at ₹ 150 crores; 18% growth Y-o-Y

EBITDA margins improved by ~150 bps through higher gross margins & costs control

Significant **investments in advertising**; higher by 130 bps Y-o-Y



WORKING CAPITAL & PAT

GWC improved by 5 days; **debtor** days lower by 7 days

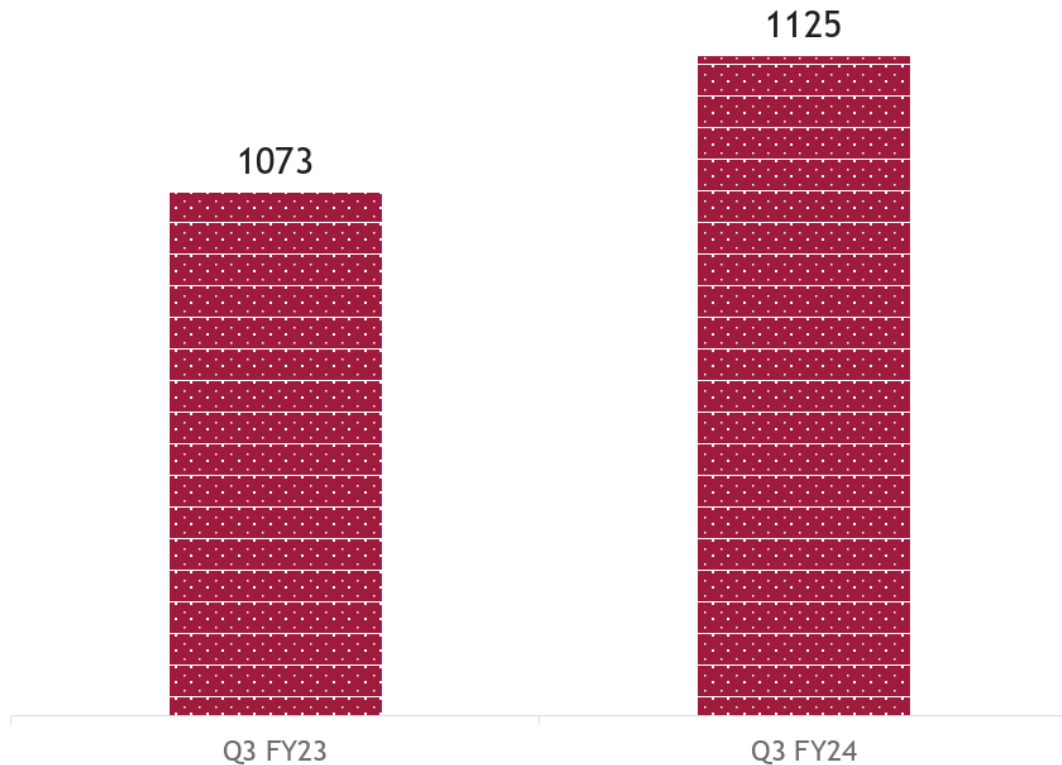
Agile supply chain aiding strong control over inventory

PAT from continuing business (excl. exceptional item) grew >80% to ₹ 22 crores

AFL POSTED GOOD GROWTH DESPITE MUTED ENVIRONMENT

Sales

(₹ in crores)

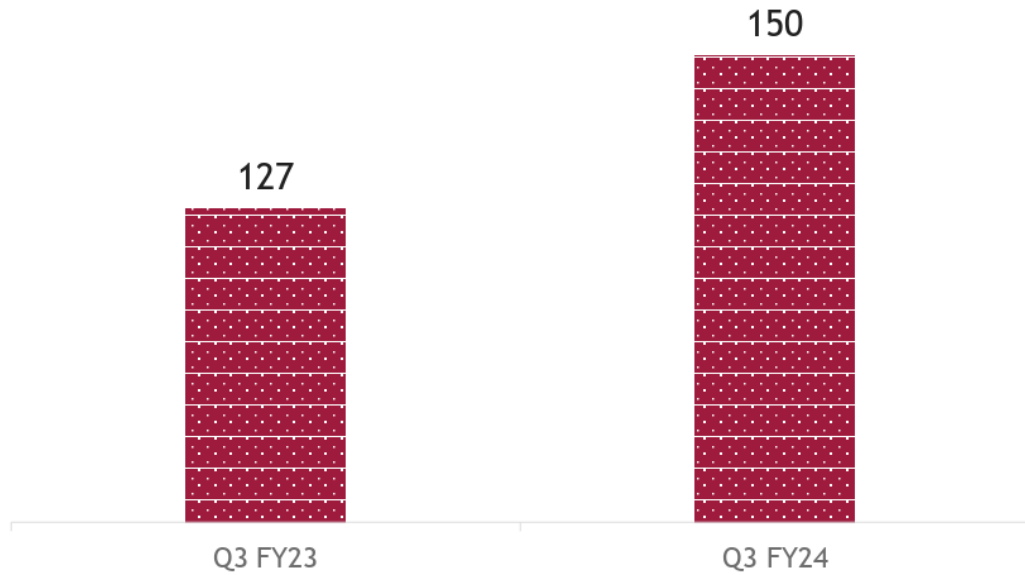


- Overall revenue growth of 5%, despite weak consumer sentiment and muted festive season
- Transformation in retail channel & sharper execution continued, resulting in revenue mix higher by 2%
- Retail LTL of 2%
- Gross addition of 31 EBOs during Q3, YTD additions at 122
- Strong growth in MBO channel by >15%

GROSS MARGINS & COST OPTIMIZATION LEADING TO STRONG PROFITABILITY IMPROVEMENT

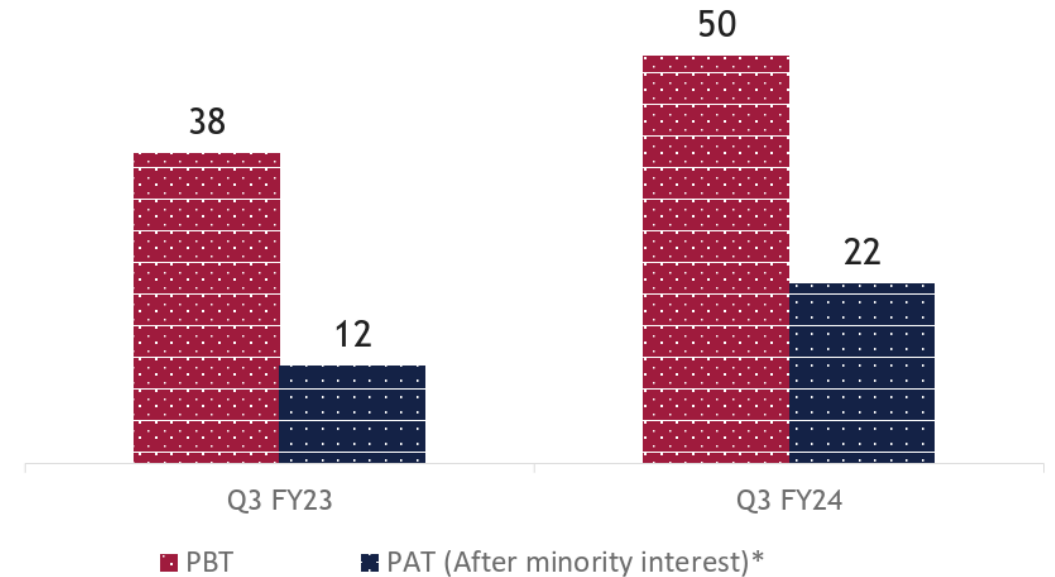
EBITDA

(₹ in crores)



PBT and PAT (after minority interest)

(₹ in crores)



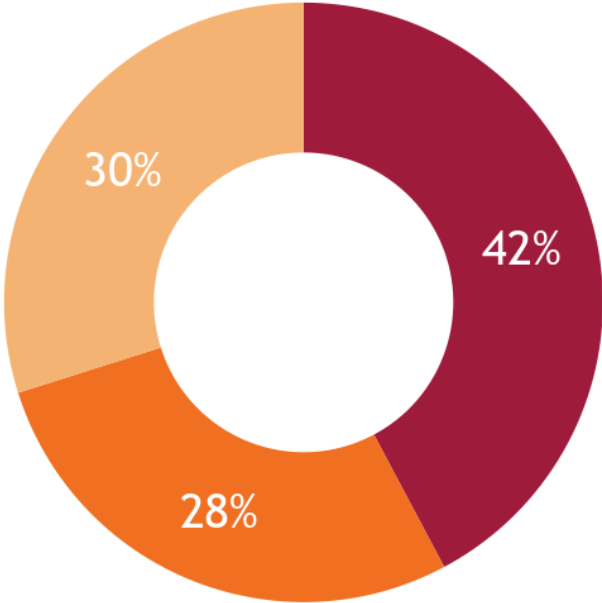
* For continuing business and excluding exceptional item



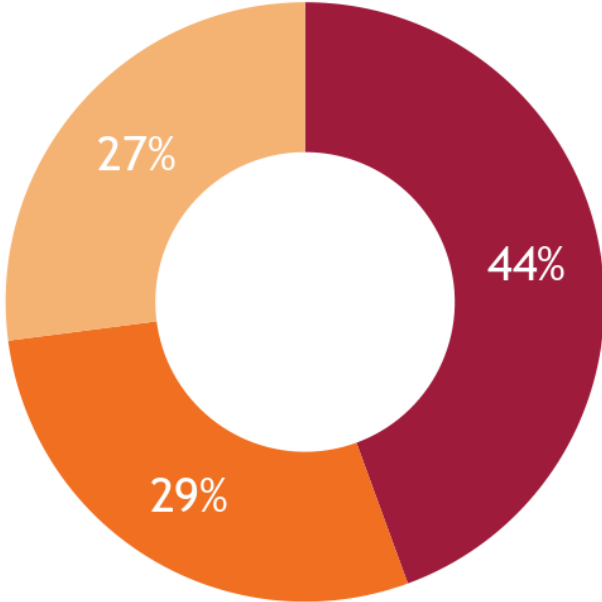
Improvement in EBITDA margins by ~150 bps aided by gross margin and despite higher advertising expense of 130 bps Y-o-Y

CHANNEL MIX

Q3 FY23



Q3 FY24



Wholesale (MBO + Dept. Stores) Retail Online & Others



U.S. POLO ASSN.
SINCE 1890



FLYING MACHINE



ARROW
USA • 1851



Q3 FY24 PERFORMANCE HIGHLIGHTS

BRAND HIGHLIGHTS

Brand Highlights



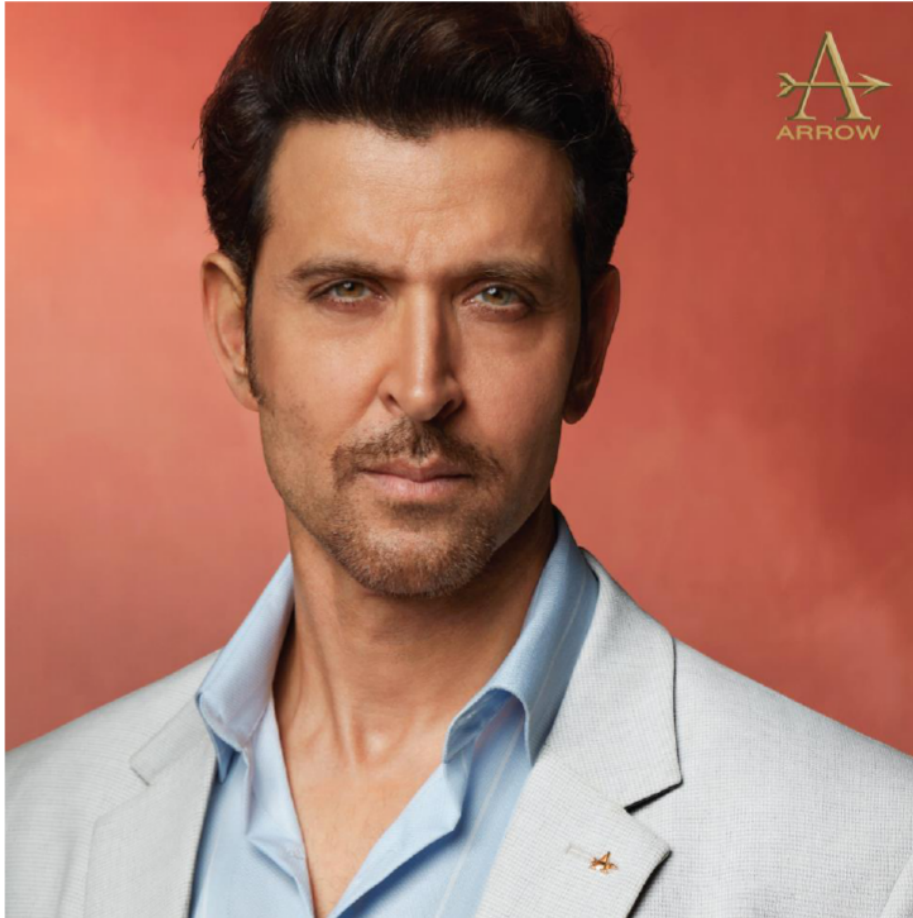
U.S. POLO ASSN.
SINCE 1890



- Continue to command leadership position in casual lifestyle category across channels driving it towards 2,000+ Crs NSV brand
- Premiumization continue to be key differentiator and winterwear products having strong sell-thru's
- Significant results with marketing investments through #LegendsTogether campaign
- Thrust on opening larger sq ft. iconic stores (e.g. Jayanagar, Bangalore & Goa)
- Adjacent categories continue to strengthen the brand - growth in footwear & kidswear and strong traction in womenswear



Brand Highlights



- Steady revenue growth Y-o-Y across channels
- Premiumization through '1851' line continue to have robust sell-thru's
- Significant investment in marketing through new campaign featuring Hrithik Roshan
- Launched new retail identity with sharper focus on retail experience and expansion of EBOs



Brand Highlights



- Transformational journey started with fresh brand identity including new logo, design and brand positioning
- Launched capsule collection in association with 'Muhammad Ali'
- Positive response from trade channel partners resulting in rapid expansion of distribution
- Adjacent category extension through footwear delivering encouraging results

Brand Highlights



- Affinity towards premium products despite market slowdown, continue to help brand deliver superior sales growth and profitability
- Continued focus on differentiated customer experience along with high quality product designs & winterwear products across 100+ EBOs
- Signed up Neeraj Chopra as brand ambassador during AW'23

Brand Highlights



- Premiumization trend helping brand deliver strong financial performance with industry leading sell-thru's and LTL growth
- Market leadership in bridge to luxury segment in Jeans, Tees and Innerwear categories

Q3 FY24 - GROUPWISE PERFORMANCE

(₹ in crores)

| | Sales | | | EBITDA | | EBITDA % | |
|--------------|-------------|-------------|-----------|------------|------------|--------------|--------------|
| | Q3 FY24 | Q3 FY23 | % Growth | Q3 FY24 | Q3 FY23 | Q3 FY24 | Q3 FY23 |
| Power Brands | 1125 | 1073 | 5% | 150 | 127 | 13.3% | 11.9% |
| Total | 1125 | 1073 | 5% | 150 | 127 | 13.3% | 11.9% |

EBITDA margin expansion of ~150 bps despite higher investments (of 130 bps Y-o-Y) across brands in advertising

Note:
Power Brands - US Polo Assn., Tommy Hilfiger, Flying Machine, Arrow and Calvin Klein
We have added Calvin Klein as Power Brand, post sale of Sephora business

YTD FY24 - GROUPWISE PERFORMANCE

(₹ in crores)

| | Sales | | | EBITDA | | EBITDA % | |
|--------------|-------------|-------------|-----------|------------|------------|--------------|--------------|
| | YTD FY24 | YTD FY23 | % Growth | YTD FY24 | H1 FY23 | YTD FY24 | YTD FY23 |
| Power Brands | 3165 | 3014 | 5% | 396 | 347 | 12.5% | 11.5% |
| Total | 3165 | 3015 | 5% | 396 | 347 | 12.5% | 11.5% |

Sharper focus on retail execution & cost control leading to EBITDA margins increase by 100 bps

Note:
Power Brands - US Polo Assn., Tommy Hilfiger, Flying Machine, Arrow and Calvin Klein
We have added Calvin Klein as Power Brand, post sale of Sephora business

Q3 & YTD FY24 RESULTS

Q3 FY24 - PERFORMANCE SNAPSHOT

| | (₹ in crores) | |
|--|---------------|-------------|
| | Q3 FY24 | Q3 FY23 |
| Revenue from Operations | 1125 | 1073 |
| Other Income | 7 | 16 |
| Total Income | 1132 | 1088 |
| EBITDA | 150 | 127 |
| PBT | 50 | 38 |
| Exceptional item | (6) | - |
| Taxes | 14 | 12 |
| Minority Interest | 14 | 14 |
| PAT | 16 | 12 |
| Profit/(loss) from discontinued operations | 35 | (4) |
| Reported PAT | 51 | 8 |



YTD FY24 - PERFORMANCE SNAPSHOT

(₹ in crores)

| | YTD FY24 | YTD FY23 |
|---|-------------|-------------|
| Revenue from Operations | 3165 | 3014 |
| Other Income | 21 | 37 |
| Total Income | 3186 | 3051 |
| EBITDA | 396 | 347 |
| PBT | 116 | 111 |
| Exceptional item | (6) | - |
| Taxes | 44 | 34 |
| Minority Interest | 41 | 33 |
| PAT | 25 | 45 |
| Profit/ (loss) from discontinued operations | 31 | (19) |
| Reported PAT | 56 | 26 |



EFFICIENT WORKING CAPITAL MANAGEMENT

(₹ in crores)

| | Dec'23 | Dec'22 | Sep'23 |
|----------------|--------|--------|--------|
| Inventory | 1068 | 1041 | 1283 |
| Inventory days | 95 | 92 | 93 |
| Receivables | 547 | 572 | 644 |
| Debtor days | 45 | 52 | 45 |
| GWC | 1615 | 1613 | 1927 |
| GWC days | 139 | 144 | 138 |
| Payables | 968 | 1038 | 1153 |
| Creditor days | 82 | 96 | 83 |
| NWC | 647 | 575 | 774 |
| NWC days | 57 | 48 | 55 |

Note for days calculation, for example:
 Inventory days = Average TTM Inventory / TTM Revenues * 365

Tighter control over inventory & debtors leading to 5 days improvement in GWC

WAY FORWARD

WAY FORWARD

AFL

Demand trends continue to remain soft; improvement expected by Q1 FY25

Continued focus on profitability improvement from full price sell-thru's, operating leverage and cost optimization etc.

Retail network expansion across brands through the franchisee model

Continue decisive focus on scaling existing 5 brands through cash accruals

Increased investments in advertising to re-energize our brands

Strong working capital control and FCF generation leading to higher ROCE

Arvind FASHIONS

THANK YOU