

# 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 : 91-80-4155 0651  
Website : <http://www.arvindfashions.com>

October 23, 2019

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

Security Code : 542484  
Security ID : ARVINDFASN

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 held on October 23, 2019**

**Ref.: Regulations 30, 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

We hereby inform you that the Board of Directors of the Company at its meeting held today has:

1. Approved issue of equity shares upto Rs. 300 crores on rights issue basis to meet with general corporate purposes including capital expenditure and working capital requirements of the Company.

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

1. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended on September 30, 2019, approved by the Board of Directors of the Company at their meeting held today alongwith Limited Review Reports by the Sorab S. Engineer & Co., Statutory Auditors of the Company, for the said quarter and half year.
2. A copy of the press release being issued by the Company in respect of unaudited financial results for the quarter and half year ended on September 30, 2019.
3. Investor Presentation for quarter and half year ended on September 30, 2019, issued in this regard.

The meeting of the Board of Directors of the Company commenced at 11.30 a.m. and concluded at 2.00 p.m.

You are requested to bring this to the notice of all concerned.

Thanking you,

Yours faithfully,  
For Arvind Fashions Limited

Vijay Kumar B S  
Company Secretary  
Encl : As above.



**Arvind**

**SORAB S. ENGINEER & CO. (Regd.)**  
**CHARTERED ACCOUNTANTS**

TELEPHONE : +91 79 29700466  
: +91 79 48006782  
EMAIL : sseahm@sseco.in  
: sseahm@hotmail.com  
WEB : www.sseco.in



804, SAKAR-IX,  
BESIDES OLD RBI,  
ASHRAM ROAD,  
AHMEDABAD-380 008

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS OF ARVIND FASHIONS LIMITED PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of Arvind Fashions Limited ("the Company") for the period ended September 30, 2019 ("the Statement"). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these standalone financial statements based on our review. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended September 30, 2018 and the corresponding period from April 1, 2018 to September 30, 2018 as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Sorab S. Engineer & Co.**  
Chartered Accountants  
Firm Registration No. 110417W

*ms.b.*  
*Chokshi Shreyas B.*  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No.100892  
UDIN: 19100892AAABDA8010  
Ahmedabad  
October 23, 2019



**Head Office :** 902, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-400 021.  
**Telephone :** +91 22 2282 4811, 2204 0861 • **Email :** sorabsengineer@yahoo.com, ssemum@sseco.in

**Bengaluru Branch :** F-1, Vaastu Jayalaxmi, B Street, Opp. Fortis Hospital, 1st Main Road, Sheshadripuram, Bengaluru-560020.  
**Telephone :** +91 9925879234 • **Email :** sseblr@sseco.in

# 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 : 91-80-4155 0651

Website : <http://www.arvindfashions.com>

## Statement of Standalone Unaudited Financial Results for the Quarter Ended September 30, 2019

₹ in Crores except per share data

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.19 Unaudited	30.06.19 Unaudited	30.09.18 Unaudited (Refer Note 6)	30.09.19 Unaudited	30.09.18 Unaudited (Refer Note 6)	31.03.19 Audited
<b>1 Income</b>						
(a) Revenue from operations	277.96	171.76	301.39	449.72	518.32	1,009.90
(b) Other Income	3.25	2.16	0.38	5.41	0.76	1.79
<b>Total Income</b>	<b>281.21</b>	<b>173.92</b>	<b>301.77</b>	<b>455.13</b>	<b>519.08</b>	<b>1,011.69</b>
<b>2 Expenses</b>						
(a) Cost of Trims and accessories consumed	(0.17)	0.78	0.49	0.61	0.71	2.72
(b) Purchases of stock-in-trade	234.73	125.72	268.18	360.45	429.54	756.30
(c) Changes in inventories of stock-in-trade	(31.97)	(20.47)	(78.41)	(52.44)	(98.30)	(116.21)
(d) Employee benefits expense	14.35	18.60	15.52	32.95	32.24	66.33
(e) Finance costs	8.61	7.58	4.29	16.19	6.99	17.98
(f) Depreciation and amortisation expense	2.86	2.75	3.31	5.61	6.42	15.30
(g) Other expenses	53.58	37.66	58.53	91.24	99.15	207.04
<b>Total Expenses</b>	<b>281.99</b>	<b>172.62</b>	<b>271.91</b>	<b>454.61</b>	<b>476.75</b>	<b>949.46</b>
<b>3 Profit/ (Loss) before exceptional items and tax (1-2)</b>	<b>(0.78)</b>	<b>1.30</b>	<b>29.86</b>	<b>0.52</b>	<b>42.33</b>	<b>62.23</b>
<b>4 Exceptional items</b>	-	-	-	-	-	-
<b>5 Profit/ (Loss) Before Tax (3-4)</b>	<b>(0.78)</b>	<b>1.30</b>	<b>29.86</b>	<b>0.52</b>	<b>42.33</b>	<b>62.23</b>
<b>6 Tax Expense</b>						
Current Tax	(0.27)	0.28	10.86	0.01	16.02	13.43
Deferred Tax Charge/ (Credit)	0.80	0.23	0.01	1.03	(0.83)	(12.71)
<b>Total Tax Expense</b>	<b>0.53</b>	<b>0.51</b>	<b>10.87</b>	<b>1.04</b>	<b>15.19</b>	<b>0.72</b>
<b>7 Net Profit/(Loss) for the Period (5-6)</b>	<b>(1.31)</b>	<b>0.79</b>	<b>18.99</b>	<b>(0.52)</b>	<b>27.14</b>	<b>61.51</b>
<b>8 Other Comprehensive Income/ (Loss) (Net of Tax)</b>						
<b>(a) Items that will not be classified to profit and loss</b>						
(i) Re-measurement gain/(loss) on defined benefit plans	(0.11)	(0.27)	(0.64)	(0.38)	(0.64)	(2.11)
(ii) Income Tax related to the item above	0.03	0.10	0.22	0.13	0.22	0.74
<b>(b) Items that will be classified to profit and loss</b>						
(i) Effective portion of gains / (loss) on cash flow hedges	(0.02)	0.05	(0.03)	0.03	(0.03)	(0.07)
(ii) Income Tax related to the item above	0.01	(0.02)	0.01	(0.01)	0.01	0.02
<b>Total other comprehensive income/(loss) for the period, net of tax (8a +8b) (VIII)</b>	<b>(0.09)</b>	<b>(0.14)</b>	<b>(0.44)</b>	<b>(0.23)</b>	<b>(0.44)</b>	<b>(1.42)</b>
<b>9 Total Comprehensive Income/ (Loss) for the Period (7+8)</b>	<b>(1.40)</b>	<b>0.65</b>	<b>18.55</b>	<b>(0.75)</b>	<b>26.70</b>	<b>60.09</b>
<b>10 Paid-up Equity Share Capital (Face Value ₹ 4/- per share)</b>	23.47	23.45	23.17	23.47	23.17	23.20
<b>11 Other Equity</b>						1,326.65
<b>12 Earning Per Share in ₹ (Face Value ₹ 4)</b>						
<b>(Not Annualised, excluding year end)</b>						
- Basic	(0.22)	0.14	3.28	(0.09)	4.69	10.64
- Diluted	(0.22)	0.13	3.20	(0.09)	4.57	10.40

As per our report of even date  
For Sorab S. Engineer & Co.  
Chartered Accountants  
Firm Registration No. 110417W

CA. Chokshi Shreyas B.  
Partner  
Membership No. 100892

Ahmedabad  
October 23, 2019



For Arvind Fashions Limited

Suresh J.  
Managing Director

Ahmedabad  
October 23, 2019



ARVIND

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

CIN: L52399GJ2016PLC085595

# 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 : 91-80-4155 0651


Website : <http://www.arvindfashions.com>

## Arvind Fashions Limited

### Notes to the Standalone Financial Results:

- 1 The above standalone 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 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
- 2 The above standalone financial results for the quarter ended September 30, 2019 which have been subjected to limited review by the Statutory Auditors of the Company, were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on October 23, 2019 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended. Their limited review report does not have any qualification/modification.
- 3 The Company has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from 1 April 2019 and recognised Right of Use assets and Lease Liability as on 1 April 2019 and difference between Right of Use Assets and Lease Liability, net of deferred tax Rs. 0.10 Crores (Deferred Tax Rs. 0.06 Crores) has been adjusted in retained earnings.  
  
In the result for the current quarter ended on September 30th, 2019, accounting of operating lease expenses has changed from rent of Rs. 0.40 Crores (quarter ended June 30, 2019: Rs. 0.32 Crores, half year ended September 30, 2019: Rs. 0.72 Crores) to depreciation cost for the Right of Use assets Rs. 0.36 Crores (quarter ended June 30, 2019: Rs. 0.26 Crores, half year ended September 30, 2019: Rs. 0.62 Crores) and finance cost for interest accrued on outstanding lease liability Rs. 0.03 Crores (quarter ended June 30, 2019: Rs. 0.05 Crores, half year ended September 30, 2019: Rs. 0.08 Crores). To this extent, performance for the current quarter ending on September 30, 2019 is not comparable with previous period results.
- 4 The Company is primarily engaged in the business of Branded Apparels (Garments and Accessories) through retail and departmental store facilities, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting segment.
- 5 The standalone figures for the corresponding quarter ended September 30, 2018 as reported in the above standalone financial results have been approved by the Company's Board of Directors, but have not been subjected to review as the Company was listed on stock exchanges only on March 8, 2019.
- 6 The National Company Law Tribunal, Ahmedabad Bench vide its order dated October 26, 2018 has approved the scheme of arrangement for demerger of Branded Apparel undertaking of Arvind Limited to Arvind Fashions Limited with effect from November 30, 2018 (the appointed date). The Scheme became effective from November 30, 2018. Pursuant to the Scheme, all the assets, liabilities, income and expenses of the Branded Apparel undertaking has been transferred to the Company from the appointed date. To the extent current quarter and half year ended on September 30, 2019 are not comparable with the quarter and half year ended on September 30, 2018.
- 7 During the quarter, the Company has allotted 44,706 (quarter ended June 30, 2019: 6,39,985, year ended March 31, 2019: 2,98,911) equity shares pursuant to exercise of stock options by employees.
- 8 Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period's classification.

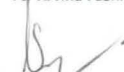
As per our report of even date  
For **Sorab S. Engineer & Co.**  
Chartered Accountants  
Firm Registration No. 110417W

  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892

Ahmedabad  
October 23, 2019



For Arvind Fashions Limited

  
**Suresh J.**  
Managing Director

Ahmedabad  
October 23, 2019



**ARVIND**

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

CIN: L52399GJ2016PLC085595

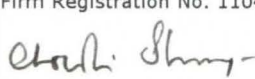


# ARVIND FASHIONS LIMITED

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 : 91-80-4155 0651

Website : <http://www.arvindfashions.com>

<b>Statement of Unaudited standalone Assets and Liabilities</b>		
(₹ in Crores)		
Particulars	As at September 30, 2019 Unaudited	As at March 31, 2019 Audited
<b>ASSETS</b>		
<b>I. Non-current assets</b>		
(a) Property, plant and equipment	28.77	29.62
(b) Capital work-in-progress	5.50	5.50
(c) Right-of-use asset	0.89	-
(d) Intangible assets	7.65	9.21
(e) Intangible assets under development	4.46	1.93
(f) Financial assets		
(i) Investments	1,248.06	1,243.99
(ii) Loans	0.12	0.14
(iii) Other financial assets	17.45	14.26
(g) Deferred tax assets (net)	16.54	17.39
(h) Other non-current assets	0.02	0.28
<b>Total non-current assets</b>	<b>1,329.46</b>	<b>1,322.32</b>
<b>II. Current assets</b>		
(a) Inventories	277.45	223.80
(b) Financial assets		
(i) Investments	(Rs. 8,610)	(Rs. 13,090)
(ii) Trade receivables	146.60	147.39
(iii) Cash and cash equivalents	0.75	1.16
(iv) Bank balance other than (iii) above	0.07	0.03
(v) Loans	102.92	31.49
(vi) Others financial assets	3.95	0.69
(c) Current tax assets (net)	14.24	13.07
(d) Other current assets	65.17	97.24
<b>Total current assets</b>	<b>611.15</b>	<b>514.87</b>
<b>Total Assets</b>	<b>1,940.61</b>	<b>1,837.19</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	23.47	23.20
(b) Other equity	1,327.18	1,326.65
<b>Total equity</b>	<b>1,350.65</b>	<b>1,349.85</b>
<b>Liabilities</b>		
<b>I. Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	17.60	18.94
(ii) Lease liabilities	0.38	-
(iii) Other financial liabilities	4.99	1.20
(b) Long-term provisions	4.91	5.09
<b>Total non-current liabilities</b>	<b>27.88</b>	<b>25.23</b>
<b>II. Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	163.83	51.70
(ii) Lease liabilities	0.64	-
(iii) Trade payables		
a) total outstanding dues of micro enterprises	63.15	30.28
b) total outstanding dues of creditors other than micro enterprises and small enterprises	313.17	343.70
(iv) Other financial liabilities	16.10	18.49
(b) Other current liabilities	3.68	16.73
(c) Short-term provisions	1.51	1.21
<b>Total current liabilities</b>	<b>562.08</b>	<b>462.11</b>
<b>Total Equity and Liabilities</b>	<b>1,940.61</b>	<b>1,837.19</b>
As per our report of even date For <b>Sorab S. Engineer &amp; Co.</b> Chartered Accountants Firm Registration No. 110417W		
For Arvind Fashions Limited		
		
<b>CA. Chokshi Shreyas B.</b> Partner Membership No. 100892 Ahmedabad October 23, 2019	<b>Suresh J.</b> Managing Director Ahmedabad October 23, 2019	

**ARVIND**

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

CIN: L52399GJ2016PLC085595

# 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 : 91-80-4155 0651

Website : <http://www.arvindfashions.com>

## Unaudited Statement of Cash Flow

Particulars	(₹ in Crores)	
	Period ended Sep 30, 2019	Period ended Sep 30, 2018
<b>A Operating activities</b>		
<b>Profit Before taxation</b>	<b>0.52</b>	<b>42.33</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation /Amortization	5.61	6.42
Financial guarantee commission	(1.41)	(0.74)
Interest Income	(3.80)	-
Interest and Other Borrowing Cost	16.19	6.99
Provisions for Doubtful Debts and Litigations	0.60	-
(Profit)/Loss on Sale of Property, Plant & Equipment	(0.04)	0.08
Share based payment expense	0.12	0.06
	<b>17.27</b>	<b>12.81</b>
<b>Operating Profit before Working Capital Changes</b>	<b>17.79</b>	<b>55.14</b>
<b>Working Capital Changes:</b>		
Changes in Inventories	(53.65)	(100.20)
Changes in trade payables	2.34	187.69
Changes in other current liabilities	(13.40)	(3.27)
Changes in other financial liabilities	(2.92)	(1.89)
Changes in provisions	(0.48)	0.99
Changes in trade receivables	0.79	(153.82)
Changes in other current assets	32.33	39.28
Changes in other financial assets	(3.25)	(1.02)
Changes in Other Bank Balances	(0.04)	-
<b>Net Changes in Working Capital</b>	<b>(38.28)</b>	<b>(32.24)</b>
<b>Cash Generated from Operations</b>	<b>(20.49)</b>	<b>22.90</b>
Direct Taxes paid (Net of Income Tax refund)	(1.16)	(17.91)
<b>Net Cash from Operating Activities</b>	<b>(21.65)</b>	<b>4.99</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment/intangible assets	(5.27)	(6.37)
Sale of Property, Plant & Equipment	0.20	0.15
Changes in Loans	(71.41)	1.21
Changes in Capital Advances	-	1.17
Interest income	0.61	-
Change in Long Term Investments	-	0.03
<b>Net cash flow from Investing Activities</b>	<b>(75.87)</b>	<b>(3.81)</b>
<b>C Cash Flow from Financing Activities</b>		
Issue of Shares	1.69	-
Changes in long term Borrowings	(0.73)	(0.03)
Changes in short term borrowings	112.13	(0.83)
Interest and Other Borrowing Cost Paid	(14.29)	(7.83)
<b>Net Cash flow from Financing Activities</b>	<b>97.11</b>	<b>(8.69)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>(0.41)</b>	<b>(7.51)</b>
Cash & Cash equivalent at the beginning of the period	1.16	8.05
Cash & Cash equivalent at the end of the period	0.75	0.54

As per our report of even date

For **Sorab S. Engineer & Co.**

Chartered Accountants

Firm Registration No. 110417W

*Chokshi Shreyas B.*

**CA. Chokshi Shreyas B.**

Partner

Membership No. 100892

Ahmedabad

October 23, 2019



For Arvind Fashions Limited

*Suresh J.*  
**Suresh J.**  
Managing Director



Ahmedabad

October 23, 2019

**ARVIND**

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

CIN: L52399GJ2016PLC085595

**SORAB S. ENGINEER & CO. (Regd.)**  
**CHARTERED ACCOUNTANTS**

TELEPHONE : +91 79 29700466  
: +91 79 48006782  
EMAIL : sseahm@sseco.in  
: sseahm@hotmail.com  
WEB : www.sseco.in



804, SAKAR-IX,  
BESIDES OLD RBI,  
ASHRAM ROAD,  
AHMEDABAD-380 009

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS OF ARVIND FASHIONS LIMITED PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**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 ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019 ("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. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended September 30, 2018 and the corresponding period from April 1, 2018 to September 30, 2018 as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
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 Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, 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. A review of interim financial information consists of making inquiries, primarily of persons 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 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 following entities:

**Parent Company**

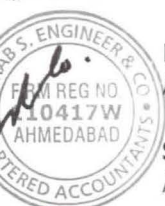
Arvind Fashions Limited

**Subsidiary Companies**

Arvind Lifestyle Brands Limited  
Arvind Beauty Brands Retail Private Limited  
Calvin Klein Arvind Fashion Private Limited  
Tommy Hilfiger Arvind Fashion Private Limited

**Head Office** : 902, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-400 021.  
**Telephone** : +91 22 2282 4811, 2204 0861 • **Email** : sorabsengineer@yahoo.com, ssemum@sseco.in

**Bengaluru Branch** : F-1, Vaastu Jayalaxmi, B Street, Opp. Fortis Hospital, 1st Main Road, Sheshadripuram, Bengaluru-560020.  
**Telephone** : +91 9925879234 • **Email** : sseblr@sseco.in



**SORAB S. ENGINEER & CO. (Regd.)**

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 results of one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 3,603.04 Crores as at September 30, 2019 and total revenues of Rs. 717.52 Crores and Rs. 1337.76 Crores, total net loss after tax of Rs. 18.70 Crores and Rs. 110.16 Crores and total comprehensive loss of Rs. 18.71 Crores and Rs. 110.71 Crores, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and cash flows (net) of Rs. 0.74 Crores for the period from April 1, 2019 to September 30, 2019, as considered in the consolidated unaudited financial results. This interim financial results has been reviewed by other auditors whose report has 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 this subsidiary, is based solely on the report 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 the above matters.

7. The consolidated unaudited financial results includes the interim financial results of two subsidiaries which have not been reviewed by the auditors, whose interim financial results reflect total assets of Rs. 637.30 Crores as at September 30, 2019 and total revenue of Rs. 197.23 Crores and Rs. 361.01 Crores, total net profit after tax of Rs. 3.13 Crores and Rs. 7.55 Crores and total comprehensive income of Rs. 4.51 Crores and Rs. 7.66 Crores for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and cash flows (net) of Rs. 0.11 Crores for the period from April 1, 2019 to September 30, 2019 as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

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

For **Sorab S. Engineer & Co.**  
Chartered Accountants  
Firm Registration No. 110417W

*Chokshi Shreyas B.*  
**CA. Chokshi Shreyas B.**  
Partner

Membership No.100892  
UDIN: 19100892AAABDB3615



Ahmedabad  
October 23, 2019



# 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 : 91-80-4155 0651

Website : <http://www.arvindfashions.com>

Statement of Consolidated Unaudited Financial Results for the Quarter Ended September 30, 2019							₹ in Crores except per share data
Particulars	Quarter Ended			Half Year Ended		Year Ended	
	30.09.19 Unaudited	30.06.19 Unaudited (Refer Note 5)	30.09.18 Unaudited (Refer Note 6)	30.09.19 Unaudited (Refer Note 6)	30.09.18 Unaudited (Refer Note 6)	31.03.19 Audited	
<b>1 Income</b>							
(a) Revenue from operations	1,119.45	900.94	1,209.05	2,020.39	2,215.88	4,643.86	
(b) Other Income	6.46	0.88	1.92	7.34	3.06	4.13	
<b>Total Income</b>	<b>1,125.91</b>	<b>901.82</b>	<b>1,210.97</b>	<b>2,027.73</b>	<b>2,218.94</b>	<b>4,647.99</b>	
<b>2 Expenses</b>							
(a) Cost of trims and accessories consumed	0.36	0.98	1.86	1.34	2.42	5.85	
(b) Purchases of stock-in-trade	796.67	502.62	745.93	1,299.29	1,365.53	2,541.19	
(c) Changes in inventories	(167.39)	(14.28)	(139.27)	(181.67)	(266.12)	(258.32)	
(d) Employee benefits expense	85.55	101.27	103.04	186.82	204.54	407.76	
(e) Finance costs	70.70	68.42	30.32	139.12	56.62	126.21	
(f) Depreciation and amortisation expense	115.10	96.26	37.58	211.36	74.90	153.16	
(g) Other expenses	292.44	290.51	417.56	582.95	789.28	1,659.26	
<b>Total Expenses</b>	<b>1,193.43</b>	<b>1,045.78</b>	<b>1,197.02</b>	<b>2,239.21</b>	<b>2,227.17</b>	<b>4,635.11</b>	
<b>3 Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(67.52)</b>	<b>(143.96)</b>	<b>13.95</b>	<b>(211.48)</b>	<b>(8.23)</b>	<b>12.88</b>	
<b>4 Exceptional Items</b>	-	-	-	-	-	-	
<b>5 Profit/(Loss) Before Tax (3-4)</b>	<b>(67.52)</b>	<b>(143.96)</b>	<b>13.95</b>	<b>(211.48)</b>	<b>(8.23)</b>	<b>12.88</b>	
<b>6 Tax Expense</b>							
Current Tax	0.40	2.35	12.46	2.75	18.37	21.16	
Deferred Tax Charge/ (Credit)	(22.57)	(50.95)	(5.59)	(73.52)	(18.39)	(29.76)	
<b>Total Tax Expense</b>	<b>(22.17)</b>	<b>(48.60)</b>	<b>6.87</b>	<b>(70.77)</b>	<b>(0.02)</b>	<b>(8.60)</b>	
<b>7 Net Profit/(Loss) for the Period (5-6)</b>	<b>(45.35)</b>	<b>(95.36)</b>	<b>7.08</b>	<b>(140.71)</b>	<b>(8.21)</b>	<b>21.48</b>	
<b>8 Net Profit/(Loss) for the period attributable to: Equity Holders of the Parent</b>	<b>(46.92)</b>	<b>(97.57)</b>	<b>6.04</b>	<b>(144.49)</b>	<b>(9.90)</b>	<b>16.61</b>	
Non-controlling interest	1.57	2.21	1.04	3.78	1.69	4.87	
<b>9 Other Comprehensive Income/ (Loss) (Net of Tax)</b>							
<b>(a) Items that will not be classified to profit and loss</b>							
(i) Re-measurement gain/(loss) on defined benefit plans	(0.10)	(1.12)	(1.92)	(1.22)	(1.92)	(6.58)	
(ii) Income Tax related to the item above	0.04	0.39	0.66	0.43	0.66	2.45	
<b>(b) Items that will be classified to profit and loss</b>							
(i) Effective portion of gains / (loss) on cash flow hedges	2.00	(1.84)	(0.05)	0.16	(0.05)	(3.32)	
(ii) Income Tax related to the item above	(0.65)	0.61	0.02	(0.04)	0.02	0.77	
<b>Other Comprehensive Income/ (Loss) (Net of Tax) (9a + 9b)</b>	<b>1.29</b>	<b>(1.96)</b>	<b>(1.29)</b>	<b>(0.67)</b>	<b>(1.29)</b>	<b>(6.68)</b>	
<b>10 Other Comprehensive Income/(Loss) for the year attributable to: Equity holders of the Parent</b>	<b>0.60</b>	<b>(1.32)</b>	<b>(1.29)</b>	<b>(0.72)</b>	<b>(1.29)</b>	<b>(5.67)</b>	
Non-controlling interest	0.69	(0.64)	-	0.05	-	(1.01)	
<b>Total Comprehensive Income/ (Loss) for the Period (7+9)</b>	<b>(44.06)</b>	<b>(97.32)</b>	<b>5.79</b>	<b>(141.38)</b>	<b>(9.50)</b>	<b>14.80</b>	
<b>12 Total Comprehensive Income attributable to: Equity holders of the Parent</b>	<b>(46.32)</b>	<b>(98.89)</b>	<b>4.75</b>	<b>(145.21)</b>	<b>(11.19)</b>	<b>10.94</b>	
Non-controlling interest	2.26	1.57	1.04	3.83	1.69	3.86	
<b>Total Comprehensive Income/ (Loss) for the Period (7+9)</b>	<b>(44.06)</b>	<b>(97.32)</b>	<b>5.79</b>	<b>(141.38)</b>	<b>(9.50)</b>	<b>14.80</b>	
<b>13 Paid-up Equity Share Capital (Face Value ₹ 4/- per share)</b>	23.47	23.45	23.17	23.47	23.17	23.20	
<b>14 Other Equity</b>						1,106.21	
<b>15 Earning Per Share in ₹ (Face Value ₹ 4)</b>							
<b>(Not Annualised, excluding year end)</b>							
- Basic	(8.01)	(16.68)	1.04	(24.67)	(1.71)	2.87	
- Diluted	(7.94)	(16.52)	1.02	(24.45)	(1.67)	2.81	

(See accompanying notes to the Consolidated Financial Results)

As per our report of even date  
For Sorab S. Engineer & Co.  
Chartered Accountants  
Firm Registration No. 110417W

*Chokshi Shreyas B.*  
CA. Chokshi Shreyas B.  
Partner  
Membership No. 100892

Ahmedabad  
October 23, 2019



For Arvind Fashions Limited

*Suresh J.*  
Suresh J.  
Managing Director

Ahmedabad  
October 23, 2019



ARVIND

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

CIN: L52399GJ2016PLC085595


# 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 : 91-80-4155 0651  
Website : <http://www.arvindfashions.com>


## Notes to the Consolidated Financial Results:

- 1 The above consolidated 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 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
- 2 The above consolidated financial results for the quarter ended September 30, 2019 which have been subjected to limited review by the Statutory Auditors of the Company, were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on October 23, 2019 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended. Their limited review report does not have any qualification/modification.
- 3 The Company has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from 1 April 2019 and recognised Right of Use assets and Lease Liability as on 1 April 2019 and difference between Right of Use Assets and Lease Liability, net of deferred tax Rs. 145.07 Crores (Deferred Tax Rs. 68.43 Crores) has been adjusted in retained earnings.  
In the result for the current quarter ended on September 30th, 2019, accounting of operating lease expenses has changed from rent of Rs. 101.13 Crores (quarter ended June 30, 2019: Rs. 80.77 Crores, half year ended September 30, 2019: Rs. 181.90 Crores) to depreciation cost for the Right of Use assets Rs. 74.94 Crores (quarter ended June 30, 2019: Rs. 59.63 Crores, half year ended September 30, 2019: Rs. 134.57 Crores) and finance cost for interest accrued on outstanding lease liability Rs. 29.34 Crores (quarter ended June 30, 2019: Rs. 28.81 Crores, half year ended September 30, 2019: Rs. 58.15 Crores). To this extent, performance for the current quarter ending on September 30, 2019 is not comparable with previous period results.  
The life of immovable fixed assets have been aligned with the lease term considered for Ind As 116 and accordingly the assets have been depreciated considering the lease term or useful life whichever is lower. In the result for the current period, charge of Rs. 2.47 Crores (quarter ended June 30, 2019: Rs. 3.75 Crores, half year ended September 30, 2019: Rs. 6.22 Crores) on account of accelerated depreciation has been taken in books on account of this alignment.
- 4 The Company is primarily engaged in the business of Branded Apparels (Garments and Accessories) through retail and departmental store facilities, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting segment.
- 5 In accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the statutory auditors have carried out a limited review of the consolidated financial results for the quarter ended September 30, 2019. The consolidated figures for the corresponding quarter ended September 30, 2018 as reported in the above consolidated financial results have been approved by the Company's Board of Directors, but have not been subjected to review as the Company was listed on stock exchanges only on March 8, 2019.
- 6 The National Company Law Tribunal, Ahmedabad Bench vide its order dated October 26, 2018 has approved the scheme of arrangement for demerger of Branded Apparel undertaking of Arvind Limited to Arvind Fashions Limited with effect from November 30, 2018 (the appointed date). The Scheme became effective from November 30, 2018. Pursuant to the Scheme, all the assets, liabilities, income and expenses of the Branded Apparel undertaking has been transferred to the Company from the appointed date. To the extent current quarter and half year ended on September 30, 2019 are not comparable with the quarter and half year ended on September 30, 2018.
- 7 During the quarter, the Company has allotted 44,706 (quarter ended June 30, 2019: 6,39,985, year ended March 31, 2019: 2,98,911) equity shares pursuant to exercise of stock options by employees.
- 8 Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period's classification.

As per our report of even date  
For **Sorab S. Engineer & Co.**  
Chartered Accountants  
Firm Registration No. 110417W  
  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892  
Ahmedabad  
October 23, 2019



For **Arvind Fashions Limited**

  
**Suresh J.**  
Managing Director  
Ahmedabad  
October 23, 2019



**ARVIND**

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

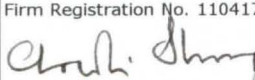


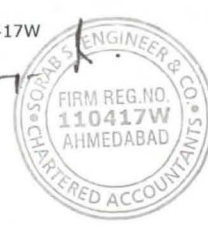
# ARVIND FASHIONS LIMITED

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 : 91-80-4155 0651

Website : <http://www.arvindfashions.com>

Statement of Consolidated Unaudited Assets and Liabilities		
(₹ in Crores)		
	As at September 30, 2019 Unaudited	As at March 31, 2019 Audited
<b>ASSETS</b>		
<b>I. Non-current assets</b>		
(a) Property, plant and equipment	344.90	373.10
(b) Capital work-in-progress	10.98	5.74
(c) Right-of-use asset	957.92	-
(d) Goodwill on consolidation	111.23	111.23
(e) Intangible assets	47.34	53.13
(f) Intangible assets under development	12.90	5.70
(g) Financial assets		
(i) Investments	0.02	0.02
(ii) Loans	0.22	0.31
(iii) Other financial assets	230.31	235.97
(h) Deferred tax assets (net)	411.52	269.18
(i) Other non-current assets	8.45	11.04
<b>Total non-current assets</b>	<b>2,135.79</b>	<b>1,065.42</b>
<b>II. Current assets</b>		
(a) Inventories	1,165.78	986.28
(b) Financial assets		
(i) Trade receivables	980.58	878.72
(ii) Cash and cash equivalents	5.54	7.72
(iii) Bank balance other than (iii) above	4.50	4.35
(iv) Loans	3.76	3.65
(v) Others financial assets	34.20	27.82
(c) Current tax assets (net)	31.91	30.23
(d) Other current assets	537.00	520.15
<b>Total current assets</b>	<b>2,763.27</b>	<b>2,458.92</b>
<b>Total Assets</b>	<b>4,899.06</b>	<b>3,524.34</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	23.47	23.20
Other equity	820.11	1,106.21
Equity attributable to Equity holders of the Parent	<b>843.58</b>	<b>1,129.41</b>
Non controlling Interest	95.00	91.17
<b>Total equity</b>	<b>938.58</b>	<b>1,220.58</b>
<b>LIABILITIES</b>		
<b>I. Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	158.19	86.30
(ii) Lease liabilities	844.86	-
(iii) Other financial liabilities	76.55	66.94
(b) Long-term provisions	21.17	21.36
<b>Total non-current liabilities</b>	<b>1,100.77</b>	<b>174.60</b>
<b>II. Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings- short term	924.67	704.50
(ii) Lease liabilities	328.54	-
(iii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	189.48	135.41
b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,217.52	1,103.55
(iv) Other financial liabilities	122.93	104.47
(b) Other current liabilities	52.87	59.94
(c) Short-term provisions	23.70	21.29
<b>Total current liabilities</b>	<b>2,859.71</b>	<b>2,129.16</b>
<b>Total Equity and Liabilities</b>	<b>4,899.06</b>	<b>3,524.34</b>
As per our report of even date For <b>Sorab S. Engineer &amp; Co.</b> Chartered Accountants Firm Registration No. 110417W		
For Arvind Fashions Limited		
 <b>CA. Chokshi Shreyas B.</b> Partner Membership No. 100892	 <b>Suresh J.</b> Managing Director	
 Ahmedabad October 23, 2019	Ahmedabad October 23, 2019	

**ARVIND**

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

# 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 : 91-80-4155 0651

Website : http://www.arvindfashions.com

## Consolidated Statement of Cash Flows for the period ended Sept 30, 2019

(₹ in Crores)

Particulars	Period ended Sep 30, 2019	Period ended Sep 30, 2018
<b>A Operating activities</b>		
<b>Profit Before taxation</b>	<b>(211.48)</b>	<b>(8.23)</b>
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization	211.36	74.90
Interest Income	(0.96)	(0.53)
Interest and Other Borrowing Cost	139.12	56.62
Allowance of doubtful debts	0.43	1.10
Provision for Litigation/Disputes	-	(0.50)
Liability no longer required written back	-	(0.63)
Property, Plant & Equipment written off	-	2.19
(Profit)/Loss on Sale of Property, Plant & Equipment	(0.11)	(0.02)
Lease Rent	(194.18)	-
Share based payment expense	0.87	0.21
	<b>156.53</b>	<b>133.34</b>
<b>Operating Profit before Working Capital Changes</b>	<b>(54.95)</b>	<b>125.11</b>
Working Capital Changes:		
Changes in Inventories	(179.50)	(288.56)
Changes in trade payables	168.03	376.98
Changes in other current liabilities	(7.07)	6.15
Changes in other financial liabilities	9.29	8.00
Changes in provisions	2.22	2.26
Changes in trade receivables	(102.29)	(220.78)
Changes in other current assets	(17.18)	(29.09)
Changes in other financial assets	(1.07)	(24.30)
Changes in Other Bank Balances	(0.15)	10.93
<b>Net Changes in Working Capital</b>	<b>(127.72)</b>	<b>(158.41)</b>
<b>Cash Generated from Operations</b>	<b>(182.67)</b>	<b>(33.30)</b>
Direct Taxes paid (Net of Income Tax refund)	1.07	(19.68)
<b>Net Cash from Operating Activities</b>	<b>(181.60)</b>	<b>(52.98)</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment /Intangible assets	(55.13)	(62.64)
Changes in Capital Advances	2.92	1.60
Changes in Loans given	(0.02)	1.15
Interest Income	1.31	0.74
<b>Net cash flow from Investing Activities</b>	<b>(50.92)</b>	<b>(59.15)</b>
<b>C Cash Flow from Financing Activities</b>		
Issue of Shares	1.69	-
Changes in long term Borrowings	85.82	(99.94)
Changes in short term borrowings	220.17	260.08
Interest and Other Borrowing Cost Paid	(75.65)	(54.31)
<b>Net Cash flow from Financing Activities</b>	<b>230.34</b>	<b>105.83</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>(2.18)</b>	<b>(6.30)</b>
Cash & Cash equivalent at the beginning of the Period	7.72	12.30
Cash & Cash equivalent at the end of the Period	5.54	6.00


As per our report of even date  
For **Sorab S. Engineer & Co.**  
Chartered Accountants  
Firm Registration No. 110417W

  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892



Ahmedabad  
October 23, 2019

For Arvind Fashions Limited

  
**Suresh J.**  
Managing Director



Ahmedabad  
October 23, 2019

**Arvind**

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

CIN: L52399GJ2016PLC085595

## PRESS RELEASE

### **Arvind Fashions continues to focus on profitable growth & cash flow**

**Bengaluru, Oct 23, 2019:** Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the second quarter and half year ended September 30, 2019.

Arvind Fashions Limited continues to make progress in Q2 FY20 on its stated goal of exiting non-strategic emerging brands, reducing exposure to long payment-cycle customers and aligning primary sales more closely with secondary sales. While these measures are helping the inherent strength of the business, they continue to adversely impact the reported Q2 FY20 revenues and EBITDA for the continuing brands. Financial results were also impacted by the ongoing consumption slowdown in the country.

Commenting on the financial performance of the company, **Mr. J Suresh, Managing Director and Chief Executive Officer** said "We are on track on our strategic decision to exit non-strategic brands and alignment between primary and secondary sales. Brand exits will be completed in Q3. While this had a short-term impact on our performance, but it augurs extremely well for long-term health of our business. The external environment continues to remain volatile, but we remain optimistic about our future given our inherent strengths."

#### Financial performance for Q2 FY20

- **Total revenues for continuing brands was INR 1,119 Crore. Net of brands that are planned to be discontinued, reported revenue was INR 1,114 Crore**
- **EBITDA was INR 112 Crore including benefit of INR 101 Crore in EBITDA towards lease expenses**

Figures in INR Crore		Q2 FY20 (excl. IndAS 116 impact)	Q2 FY19	Q2 FY20 (incl. IndAS 116 impact)*	
Continuing Brands	Revenue	1,114	1,153		
	EBITDA	11	82		
Brands planned to be Discontinued	Revenue	6	57		
	EBITDA	-	(2)		
Total	Revenue	1,119	1,210		1,119
	EBITDA	11	80		112

\* The Ministry of Corporate Affairs (MCA) has mandated a new Accounting Standard IndAS 116 for accounting of lease contracts

## **Business Group Highlights (for continuing brands)**

- **Power Brands** (comprising of US Polo, Arrow, Flying Machine and Tommy Hilfiger) revenues de-grew by 4% in Q2 FY20 to INR 734 Crore. Three out of four brands posted growth with improved sequential profitability while one of the brands continues to be impacted on account of exit of institutional channel and conscious measure to reduce our exposure to long credit cycle customers. Q2 FY20 EBITDA (excluding IndAS 116 impact) for the power brands was INR 43 Crore vs INR 98 Crore in LY Q2.
- **Specialty Retail** (consisting of Unlimited, GAP and Sephora) registered flat revenue in Q2 FY20 to INR 248 Crore. GAP and Sephora continue to post robust growth and remain profitable. Unlimited losses were contained at similar levels in Q2 FY20 compared to LY Q2, despite accounting for store closure costs.
- **Emerging brands** (comprising of brands like Calvin Klein, Aeropostale, Ed Hardy, etc.) reported revenue de-grew by 5% in Q2 FY20 to INR 132 Crore. EBITDA loss was higher than estimate at INR 12 Crore, on account of channel correction, store closure & royalty settlement costs. The process of exiting non-strategic brands is likely to be completed in Q3 FY20.

## **Outlook**

During FY20, Company will continue to focus on working capital efficiency through disciplined efforts around debtors' control, secondary sales alignment, reduction in inventory and closure of unviable brands & retail stores.

Operationally, we continue to focus on taking the required in-market actions to improve secondary sales, add to our retail presence, expand online sales and continue accelerated growth in our leadership categories across Premium Casual and Denimwear, Kidswear, Innerwear and Prestige Beauty. Our capability build-up in Analytics for demand planning and fulfilment as well as Omni-channel is continuing and will contribute to growth, profitability and capital efficiency in future.

We continue to remain optimistic about the future of our business as we take necessary actions to make the company future ready with right capabilities and fit for profitable growth.

## **Rights Issue**

Board has approved issue of equity shares up to Rs. 300 crores on rights issue basis to meet the general corporate purposes including capital expenditure and working capital requirements of the Company, and to reduce the levels of borrowing for the company.

## **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 US Polo Assn., Arrow, GAP, Tommy Hilfiger, Calvin Klein, Flying Machine and Sephora, it has presence across lifestyle brands, value fashion and prestige beauty.

## **For more information, please contact:**

Ankit Arora  
Head – Investor Relations  
Arvind Fashions Limited  
[Ankit.arora@arvindbrands.co.in](mailto:Ankit.arora@arvindbrands.co.in)  
Direct: +91 80 4048 8814  
Mobile: +91 99206 64475

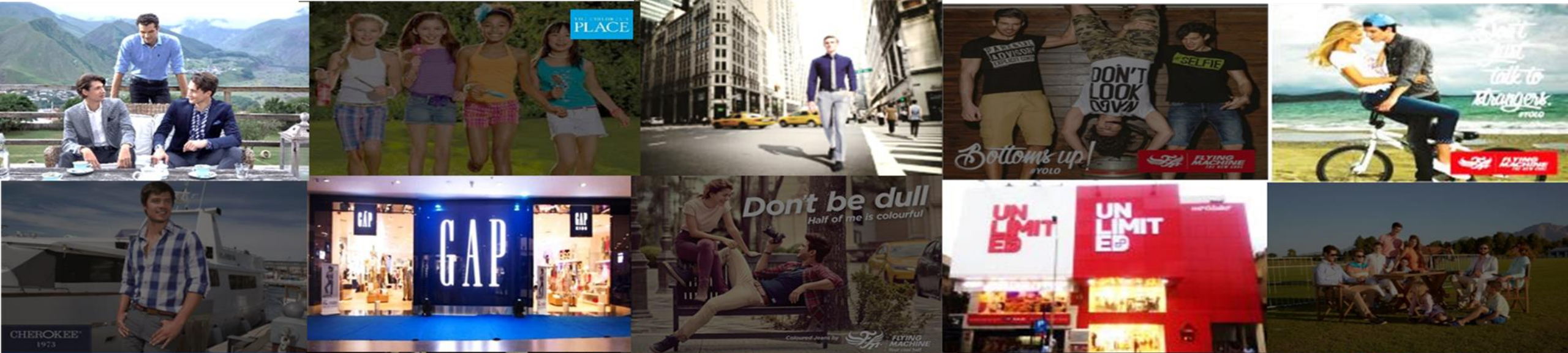
Nirali Thanawala  
Corporate Communication  
Arvind Fashions Limited  
[nirali.n.thanawala@arvindbrands.co.in](mailto:nirali.n.thanawala@arvindbrands.co.in)  
Mobile: +91 99015 66655

---

# ARVIND FASHIONS

*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.*



**Arvind Fashions Limited**  
**Q2 FY20 Performance Highlights**  
 Oct 2019





## 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.*

## FY20 Strategic Priorities

01 Cash generation

02 Working capital reduction

03 Secondary sales focus

04 Sharper portfolio

## Q2 FY20 Business Highlights - Power Brands



### Improved Power Brands Performance

- **3 out of 4** power brands back to growth with overall double digit EBITDA
- Exiting from institutional channel and continued correction of long payment cycle customers continue to impact Arrow performance



### High Growth in Focus New Categories

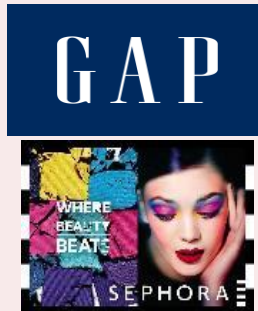
- Kids wear: **29%**
- Innerwear: **45%**
- Footwear: **41%**

## Q2 FY20 Business Highlights - Specialty Retail & Emerging Brands



### Unlimited

- EBITDA loss contained at Q2 FY19 levels, after accounting for store closure costs



### GAP & Sephora

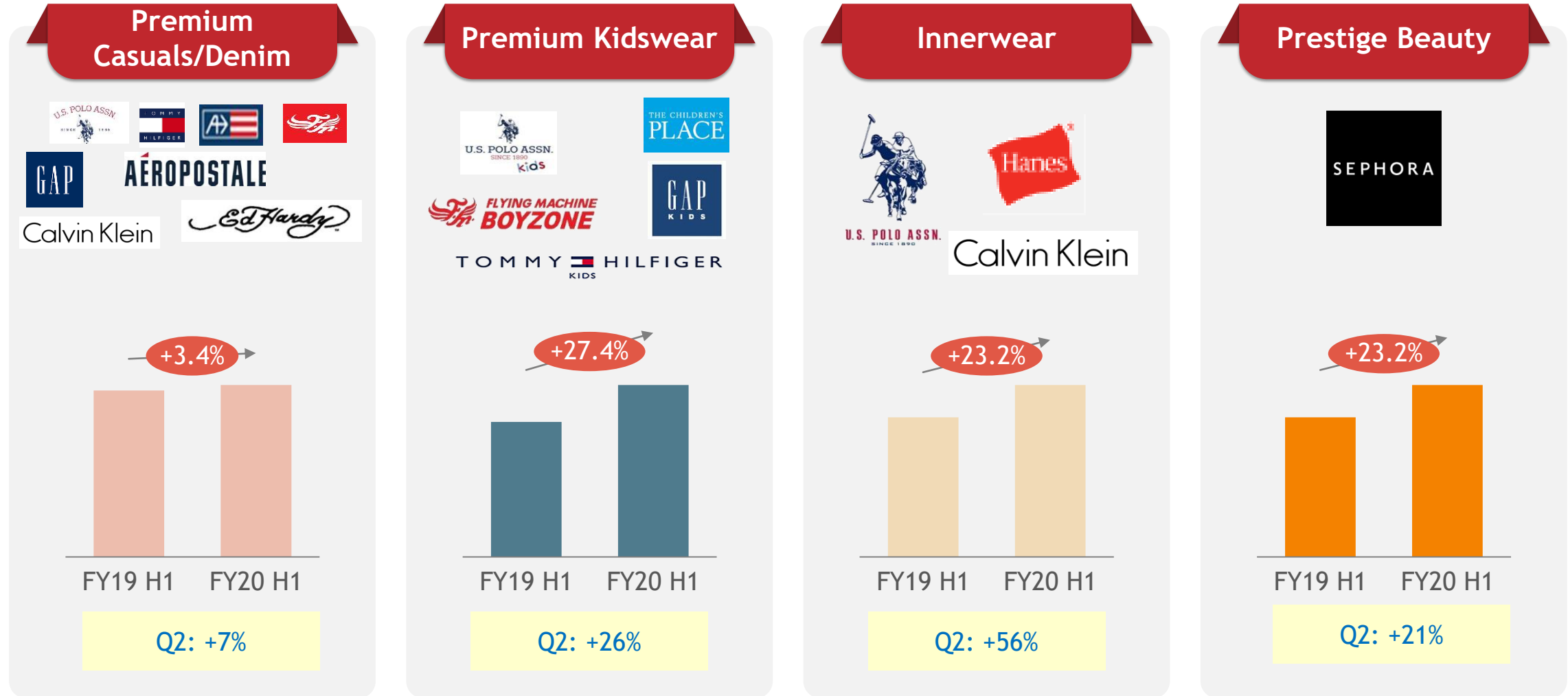
- GAP & Sephora continued their robust growth trajectory
- Remains profitable



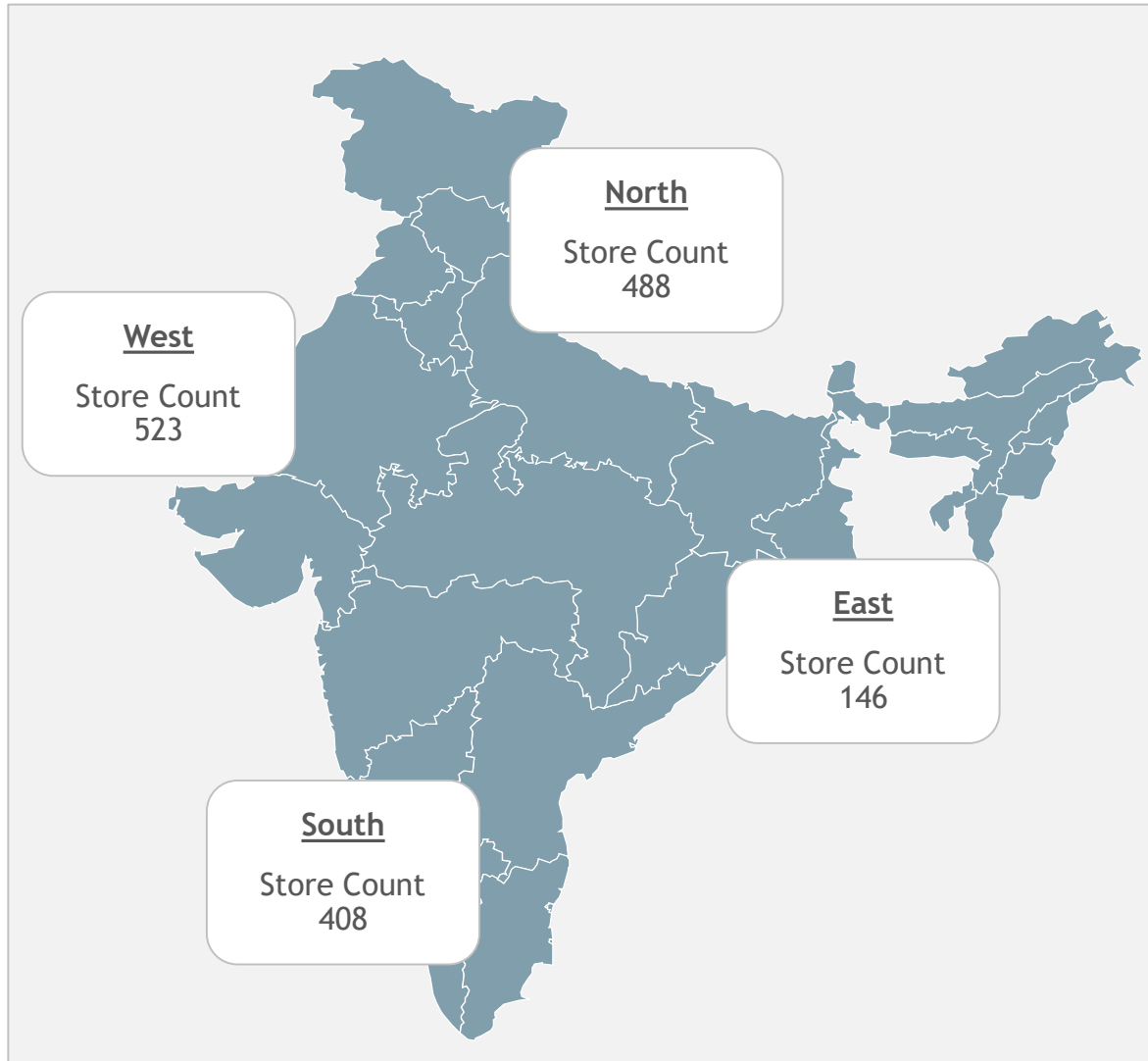
### Retained Emerging Brands

- Calvin Klein continues high growth with improved profitability
- EBITDA loss higher than estimate at Rs (12) Crs, largely on account of
  - Retail focused strategy changed to profitable wholesale/online focused strategy
  - Losses due to channel correction, store closure & royalty settlement costs

# Performance update in leadership categories - Getting back to growth in Premium Casuals/Denim



## Distribution Footprint - Added 40 Stores during the quarter



	Q2 FY20 Exit	
	Store Count	Sq Ft (Lacs)
Stores	1295	21.8
Dept. Stores	3685	-
MBO	10000+	-
Innerwear MBO	13000+	-

## Q2 FY20 Business Highlights - Others



### NNNOW.com

- Scaling up of NNNOW.com progressing well
- Contributing ~10% of total online sales



### Reduction in Debtors

- Twin actions of exiting long payment cycle customers and aligning primary sales to secondary sales has started yielding results. Q2 Y-o-Y reduction in trade receivables by Rs 46 Crs



### Inventory

- Marginal increase in inventory Y-o-Y due to
  - Lower sales
  - Channel correction





## Performance Snapshot - Q2 FY20



	Without IndAS116 Impact			IndAS116
	Q2 FY19	Q2 FY20	Growth	Q2 FY20
Sales (Rs Crs.)	1209	1119	(7%)	1119
EBITDA (Rs Crs.)	80	11	-	112
EBITDA %	6.6%	1.0%	-	10%
PBT (Rs Crs.)	14	-68	-	-68
PAT (Rs Crs.)	6	-47	-	-47



## Brand Groupwise Performance - Q2 FY20

	Sales (Rs Crs.)			EBITDA (Rs Crs.)		EBITDA %	
	Q2 FY19	Q2 FY20	Growth	Q2 FY19	Q2 FY20	Q2 FY19	Q2 FY20
 <b>Power Brands</b>	766	734	(4%)	98	43	12.8%	5.9%
 <b>Specialty Retail</b>	248	248	-	(21)	(20)	(8.5%)	(8.0%)
 <b>Emerging Brands</b>	139	132	(5%)	5	(12)	3.4%	(9.5%)
 <b>Discontinued Brands</b>	57	6	-	(2)	-		
<b>Total</b>	1209	1119	(7%)	80	11	6.6%	1.0%

## H1 FY20 - Performance Snapshot (Continuing Business)



	H1 FY19	H1 FY20	Growth
Sales (Rs Crs.)	2111	2025	(4%)
EBITDA (Rs Crs.)	129	18	-
EBITDA %	6.1%	1.0%	-





Note: Excludes discontinued brands & Ind AS116 impact

## H1 FY20 - Performance Snapshot (Including Discontinued Brands)

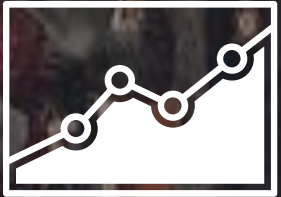


	Without IndAS116 Impact			IndAS116
	H1 FY19	H1 FY20	Growth	H1 FY20
Sales (Rs Crs.)	2216	2020	(9%)	2020
EBITDA (Rs Crs.)	120	(50)	-	132
EBITDA %	5.4%	(2.5%)	-	6.5%
PBT (Rs Crs.)	-8	-200	-	-211
PAT (Rs Crs.)	-10	-137	-	-144

# H1 FY20 Groupwise Performance

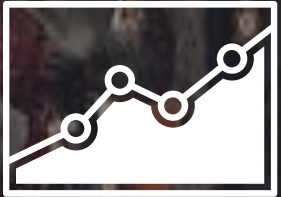
	Sales (Rs Crs.)			EBITDA (Rs Crs.)		EBITDA %	
	H1 FY19	H1 FY20	Growth	H1 FY19	H1 FY20	H1 FY19	H1 FY20
 Power Brands	1327	1252	(6%)	156	66	11.7%	5.3%
 Specialty Retail	525	522	-	(29)	(31)	(5.6%)	(5.9%)
 Emerging Brands	259	252	(3)	1	(17)	0.5%	(6.9%)
 Discontinued Brands	105	(6)	-	(8)	(68)	(7.5%)	
<b>Total</b>	<b>2216</b>	<b>2020</b>	<b>(9%)</b>	<b>120</b>	<b>(50)</b>	<b>5.4%</b>	<b>(2.5%)</b>

Note: Excludes Ind AS116 impact



# Financials - P&L

All Figures in Rs Cr.	Comparable P&L		IndAS116
	Q2 FY20	Q2 FY19	Q2 FY20
Revenue from Operations	<b>1,119.4</b>	<b>1,209.1</b>	<b>1119.4</b>
Cost of Goods Sold	629.6	608.5	629.6
Employees' Emoluments	85.5	103.0	85.5
Others	393.6	417.6	292.4
EBIDTA	<b>10.7</b>	<b>79.9</b>	<b>111.8</b>
Margin	1.0%	6.6%	10.0%
Other Income	0.6	1.9	6.5
Interest & Finance Cost	41.4	30.3	70.7
Cash Accruals	<b>(30.1)</b>	<b>51.5</b>	<b>47.6</b>
Depreciation	37.7	37.6	115.1
Profit Before Taxes	<b>(67.8)</b>	<b>13.9</b>	<b>(67.5)</b>
Tax / DTA	(22.2)	6.9	(22.2)
Minority Interest	1.6	1.0	1.6
Profit After Tax	<b>(47.2)</b>	<b>6.0</b>	<b>(46.9)</b>



# Financials - P&L

All Figures in Rs Cr.	Comparable P&L		IndAS116
	H1 FY20	H1 FY19	H1 FY20
Revenue from Operations	2,020.4	2,215.9	2,020.4
Cost of Goods Sold	1,119.0	1,101.8	1,119.0
Employees' Emoluments	186.8	204.5	186.8
Others	764.8	789.3	583.0
EBIDTA	(50.2)	120.2	131.7
Margin	(2.5%)	5.4%	6.5%
Other Income	1.5	3.1	7.3
Interest & Finance Cost	81.0	56.6	139.1
Cash Accruals	(129.7)	66.7	(0.1)
Depreciation	70.6	74.9	211.4
Profit Before Taxes	(200.3)	(8.2)	(211.5)
Tax / DTA	(67.3)	0.0	(70.8)
Minority Interest	4.3	1.7	3.8
Profit After Tax	(137.3)	(9.9)	(144.5)

# Balance Sheet As On 30.09.2019

Particulars (in Rs Cr.)	30.09.19	31.03.19	30.09.18
Net Worth	939	1221	1138
Borrowings	1083	791	867
<b>Capital Employed</b>	<b>2022</b>	<b>2011</b>	<b>2005</b>
Net Working Capital	967	856	922
Net Fixed Assets	530	549	518
Deferred Tax Asset	412	269	255
IndAS116 Impact (Net)*	(218)		
Other Current/non-current Assets/ Liabilities	331	338	310
<b>Capital Employed</b>	<b>2022</b>	<b>2011</b>	<b>2005</b>

\* ROU assets Rs 955 Crs.; Lease liabilities Rs 1174 Crs.

## Outlook - Q3 FY20

- 01** Power brands (except Arrow) to continue profitable growth path  
Institutional sales exit & trade channel correction to impact Arrow's performance; return to normalcy in Q4
- 02** Exit of identified emerging brands will be completed  
Emerging brands profitability to be impacted on account of one-time settlement to achieve very significant long-term royalty reduction and movement from retail-oriented distribution to focus on key accounts & online
- 03** Reduction in inventory & further improvement in debtors position
- 04** Sales fully aligned to consumer offtake





Thank You!