

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>

August 09, 2019

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

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

Security Code : 542484
Security ID : ARVINDFASN

Symbol : ARVINDFASN

Dear Sir / Madam,

Sub: Outcome of the Meeting of the Board of Directors held on August 09, 2019

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

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 ended on June 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.
2. A copy of the press release being issued by the Company in respect of unaudited financial results for the quarter ended on June 30, 2019.
3. Investor Presentation for Q1 issued in this regard.

The meeting of the Board of Directors of the Company commenced at 02.30 p.m. and concluded at 03.55 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

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

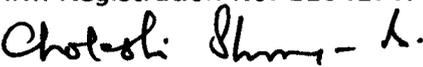


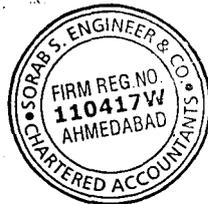
804, SAKAR-IX,
BESIDES OLD RBI,
ASHRAM ROAD,
AHMEDABAD-380 009

Independent Auditor's Review Report on Review of Interim Standalone Financial Results

**Review Report to
The Board of Directors
Arvind Fashions Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Arvind Fashions Limited** ("the Company") for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular"). Attention is drawn to Note 7 to the Statement which states that the standalone figures for the corresponding quarter ended June 30, 2018 as reported in these unaudited standalone financial results have been approved by the Company'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 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 issue a report 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 Statement is 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 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 aforesaid Indian 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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892



Ahmedabad
August 9, 2019
UDIN: 19100892AAAAR19021

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 June 30, 2019

₹ in Crores except per share data

Particulars	Quarter Ended			Year Ended
	30.06.19 Unaudited	31.03.19 Unaudited (Refer Note 5)	30.06.18 Unaudited (Refer Note 6)	31.03.19 Audited
1 Income				
(a) Revenue from operations	171.76	217.82	216.93	1,009.90
(b) Other Income	2.16	0.60	0.38	1.79
Total Income	173.92	218.42	217.31	1,011.69
2 Expenses				
(a) Cost of Trims and accessories consumed	0.78	1.13	0.22	2.72
(b) Purchases of stock-in-trade	125.72	196.92	161.36	756.30
(c) Changes in inventories of stock-in-trade	(20.47)	(61.87)	(19.89)	(116.21)
(d) Employee benefits expense	18.60	19.47	16.72	66.33
(e) Finance costs	7.58	5.32	2.70	17.98
(f) Depreciation and amortisation expense	2.75	4.90	3.12	15.30
(g) Other expenses	37.66	54.52	40.62	207.04
Total Expenses	172.62	220.39	204.85	949.46
3 Profit/ (Loss) before exceptional items and tax (1-2)	1.30	(1.97)	12.46	62.23
4 Exceptional items	-	-	-	-
5 Profit/ (Loss) Before Tax (3-4)	1.30	(1.97)	12.46	62.23
6 Tax Expense				
Current Tax	0.28	(11.69)	5.16	13.43
Deferred Tax Charge/ (Credit)	0.23	(10.90)	(0.84)	(12.71)
Total Tax Expense	0.51	(22.59)	4.32	0.72
7 Net Profit/(Loss) for the Period (5-6)	0.79	20.62	8.14	61.51
8 Other Comprehensive Income/ (Loss) (Net of Tax)				
(a) Items that will not be classified to profit and loss				
(i) Re-measurement gain/(loss) on defined benefit plans	(0.27)	(1.46)	-	(2.11)
(ii) Income Tax related to the item above	0.10	0.51	-	0.74
(b) Items that will be classified to profit and loss				
(i) Effective portion of gains / (loss) on cash flow hedges	0.05	0.09	-	(0.07)
(ii) Income Tax related to the item above	(0.02)	(0.03)	-	0.02
Total other comprehensive income/(loss) for the period, net of tax (8a +8b) (VIII)	(0.14)	(0.89)	-	(1.42)
9 Total Comprehensive Income/ (Loss) for the Period (7+8)	0.65	19.73	8.14	60.09
10 Paid-up Equity Share Capital (Face Value ₹ 4/- per share)	23.45	23.20	23.17	23.20
11 Other Equity				1,326.65
12 Earning Per Share in ₹ (Face Value ₹ 4)				
(Not Annualised, excluding year end)				
- Basic	0.14	3.57	1.43	10.64
- Diluted	0.13	3.49	1.40	10.40

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

Chokhi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
August 9, 2019



For Arvind Fashions Limited



Suresh J.
Managing Director
August 9, 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 June 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 August 9, 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. This has resulted in recognizing a Right of Use assets of Rs. 2.19 Crores and Lease Liability of Rs. 2.35 Crores 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 period, accounting of operating lease expenses has changed from rent of Rs. 0.32 Crores to depreciation cost for the Right of Use assets Rs. 0.26 Crores and finance cost for interest accrued on outstanding lease liability Rs. 0.05 Crores. To this extent, performance for the current quarter ending on June 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 figures for the standalone quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year 2018-19 and the unaudited year to date figures upto the third quarter of the financial year 2018-19.
- 6 The standalone figures for the corresponding quarter ended June 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.
- 7 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 ended on June 30, 2019 and quarter ended on March 31, 2019 are not comparable with the year ended March 31, 2019 and quarter ended on June 30, 2018.
- 8 During the quarter, the Company has allotted 6,39,985 (year ended March 31, 2019: 2,98,911) equity shares pursuant to exercise of stock options by employees.
- 9 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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
August 9, 2019



For Arvind Fashions Limited

Suresh J.

Suresh J.
Managing Director
August 9, 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 Interim Consolidated Financial Results

Review Report to
The Board of Directors
Arvind Fashions Limited

1. We have reviewed the accompanying Statement of unaudited Consolidated 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 June 30, 2019 (the "Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Regulation"), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular"). Attention is drawn to Note 3 to the Statement which states that the consolidated figures for the corresponding quarter ended June 30, 2018 as reported in these unaudited consolidated 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, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. 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 Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

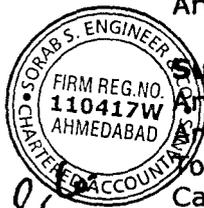
4. The Statement includes the results of the following entities:

Parent Company

Arvind Fashions Limited

Subsidiaries

Arvind Lifestyle Brands Limited
Arvind Beauty Brands Retail Private Limited
Tommy Hilfiger Arvind Fashion Private Limited
Calvin Klein 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 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 recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The accompanying unaudited consolidated financial results includes interim financial results in respect of two subsidiaries, which have not been reviewed by their auditors, whose interim financial results excluding consolidation eliminations reflect total revenues of Rs. 164.38 Crores and total profit after tax of Rs. 4.42 Crores and total comprehensive income of Rs. 3.15 Crores for the quarter ended June 30, 2019, as considered in the Statement. 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 our reliance on the interim financial results certified by the management.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892



Ahmedabad
August 9, 2019
UDIN: 19100892AAAA09484

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 June 30, 2019

₹ in Crores except per share data

Particulars	Quarter Ended			Year Ended
	30.06.19 Unaudited	31.03.19 Unaudited (Refer Note 5)	30.06.18 Unaudited (Refer Note 6)	31.03.19 Audited
1 Income				
(a) Revenue from operations	900.94	1,168.96	1,006.83	4,643.86
(b) Other Income	0.88	0.02	1.14	4.13
Total Income	901.82	1,168.98	1,007.97	4,647.99
2 Expenses				
(a) Cost of trims and accessories consumed	0.98	1.54	0.56	5.85
(b) Purchases of stock-in-trade	502.62	707.06	619.60	2,541.19
(c) Changes in inventories	(14.28)	(162.11)	(126.85)	(258.32)
(d) Employee benefits expense	101.27	95.72	101.50	407.76
(e) Finance costs	68.42	35.01	26.30	126.21
(f) Depreciation and amortisation expense	96.26	44.11	37.32	153.16
(g) Other expenses	290.51	441.56	371.72	1,659.26
Total Expenses	1,045.78	1,162.89	1,030.15	4,635.11
3 Profit/(Loss) before exceptional items and tax (1-2)	(143.96)	6.09	(22.18)	12.88
4 Exceptional items	-	-	-	-
5 Profit/(Loss) Before Tax (3-4)	(143.96)	6.09	(22.18)	12.88
6 Tax Expense				
Current Tax	2.35	(7.36)	5.91	21.16
Deferred Tax Charge/ (Credit)	(50.95)	(7.85)	(12.80)	(29.76)
Total Tax Expense	(48.60)	(15.21)	(6.89)	(8.60)
7 Net Profit/(Loss) for the Period (5-6)	(95.36)	21.30	(15.29)	21.48
8 Net Profit/(Loss) for the period attributable to:				
Equity Holders of the Parent	(97.57)	19.56	(15.94)	16.61
Non-controlling interest	2.21	1.74	0.65	4.87
9 Other Comprehensive Income/ (Loss) (Net of Tax)				
(a) Items that will not be classified to profit and loss				
(i) Re-measurement gain/(loss) on defined benefit plans	(1.12)	(4.67)	-	(6.58)
(ii) Income Tax related to the item above	0.39	1.79	-	2.45
(b) Items that will be classified to profit and loss				
(i) Effective portion of gains / (loss) on cash flow hedges	(1.84)	(2.95)	-	(3.32)
(ii) Income Tax related to the item above	0.61	0.71	-	0.77
Other Comprehensive Income/ (Loss) (Net of Tax)				
(9a +9b)	(1.96)	(5.12)	-	(6.68)
10 Other Comprehensive Income/(Loss) for the year attributable to:				
Equity holders of the Parent	(1.32)	(4.11)	-	(5.67)
Non-controlling interest	(0.64)	(1.01)	-	(1.01)
	(1.96)	(5.12)	-	(6.68)
11 Total Comprehensive Income/ (Loss) for the Period (7+9)	(97.32)	16.18	(15.29)	14.80
12 Total Comprehensive Income attributable to:				
Equity holders of the Parent	(98.89)	15.45	(15.94)	10.94
Non-controlling interest	1.57	0.73	0.65	3.86
	(97.32)	16.18	(15.29)	14.80
13 Paid-up Equity Share Capital (Face Value ₹ 4/- per share)	23.45	23.20	23.17	23.20
14 Other Equity				1,106.21
15 Earning Per Share in ₹ (Face Value ₹ 4)				
(Not Annualised, excluding year end)				
- Basic	(16.68)	3.38	(2.81)	2.87
- Diluted	(16.52)	3.31	(2.73)	2.81

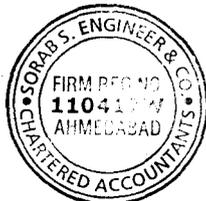
(See accompanying notes to the Consolidated Financial Results)

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

Chokshi Shreyas B.

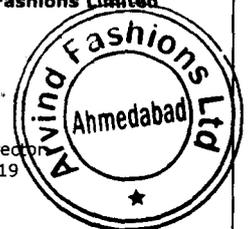
CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
August 9, 2019



For Arvind Fashions Limited

Suresh J.
Managing Director
August 9, 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 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 June 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 August 9, 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. This has resulted in recognizing a Right of Use assets of Rs. 1,067.39 Crores and Lease Liability of Rs. 1,282.96 Crores as on 1 April 2019 and difference between Right of Use Assets and Lease Liability, net of deferred tax Rs. 146.36 Crores (Deferred Tax Rs. 69.21 Crores) has been adjusted in retained earnings.

In the result for the current period, accounting of operating lease expenses has changed from rent of Rs. 80.77 Crores to depreciation cost for the Right of Use assets Rs. 59.63 Crores and finance cost for interest accrued on outstanding lease liability Rs. 28.81 Crores. To this extent, performance for the current quarter ending on June 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. A charge of Rs. 3.75 Crores on account of accelerated depreciation has been taken in books on account of this alignment in the result of current period.
- 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 figures for the consolidated quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year 2018-19 and the unaudited year to date figures upto the third quarter of the financial year 2018-19.
- 6 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 June 30, 2019. The consolidated figures for the corresponding quarter ended June 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.
- 7 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 ended on June 30, 2019 and quarter ended on March 31, 2019 are not comparable with the year ended March 31, 2019 and quarter ended on June 30, 2018.
- 8 During the quarter, the Company has allotted 6,39,985 (year ended March 31, 2019: 2,98,911) equity shares pursuant to exercise of stock options by employees.
- 9 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

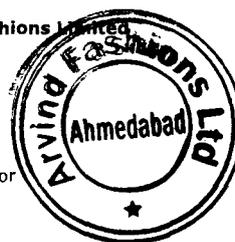
Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
August 9, 2019



For Arvind Fashions Limited

Suresh J.
Suresh J.
Managing Director
August 9, 2019



ARVIND

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

CIN: L52399GJ2016PLC085595

PRESS RELEASE

Arvind Fashions sharpens focus on key brands and cash flow

Bengaluru, Aug 9, 2019: Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the first quarter ended June 30, 2019.

Arvind Fashions Limited has made progress in Q1 FY20 on its stated intention of exiting non-strategic emerging brands and improving cash flow by reducing exposure to long payment-cycle customers and aligning its primary sales more closely with secondary sales. This will set the stage for a more focused business and better capital efficiency, though this has resulted in one time exit costs during the quarter, and a drop in the reported Q1 FY20 revenue and EBITDA for the continuing brands. Financial results were also impacted by the general consumption slowdown in the country.

Commenting on the financial performance of the company, **Mr. J Suresh, Managing Director and Chief Executive Officer** said "We have taken few strategic decisions during the quarter that had a negative impact on the reported quarterly financial results, but it will set us up for consistent growth going forward. There is indeed a slowdown in consumption that is impacting the economy. Our business is inherently strong and we remain optimistic towards our future."

Financial performance for Q1 FY20:

- **Total revenues for continuing brands was INR 912 Crore. Net of brands that are planned to be discontinued, reported revenue was INR 901 Crore**
- **EBITDA was INR 20 Crore, after providing for INR 68 Crore towards brands planned to be discontinued and a benefit of INR 81 Crore in EBITDA towards lease expenses**

Figures in INR Crore		Q1 FY20 (excl. IndAS 116 impact)	Q1 FY19	Q1 FY20 (incl. IndAS 116 impact)*
Continuing Brands	Revenue	912	958	
	EBITDA	7	47	
Brands planned to be Discontinued	Revenue	(11)	49	
	EBITDA	(68)	(7)	
Total	Revenue	901	1,007	901
	EBITDA	(61)	40	20

* The Ministry of Corporate Affairs (MCA) has mandated a new Accounting Standard IndAS 116 for accounting of lease contracts. A detailed working has been included in our quarterly performance presentation in our corporate website

Business Group Highlights (for continuing brands)

- **Power Brands** (comprising of US Polo, Arrow, Flying Machine and Tommy Hilfiger) revenues de-grew by 8% in Q1 FY20 to INR 518 Crore, on account of conscious measures to reduce our exposure to long credit cycle customers as well as aligning our primary sales more closely with our secondary sales, especially for Arrow. Resulting from the measures taken, Q1 FY20 EBITDA (excluding IndAS 116 impact) for the power brands declined to INR 23 Crore vs INR 58 Crore LY Q1. While there was de-growth on primary sales basis, inherent secondary sales continued to be strong with retail LTL growth at 5% and overall retail growth at 11%. Also, we added 30 stores during the quarter.
- **Specialty Retail** (consisting of Unlimited, GAP and Sephora) registered flat revenue in Q1 FY20 to INR 274 Crore. EBITDA margins were lower by 110 bps in Q1 FY20 vs LY Q1. GAP and Sephora continue to post robust growth with improved profitability. Unlimited improved its profitability during Q1 FY20, through multiple cost rationalization initiatives and closure of unviable stores, after a significant dip in its performance in Q4 FY19.
- **Emerging brands** (comprising of brands like Calvin Klein, Aeropostale, Ed Hardy, etc.) reported flat revenue in Q1 FY20 to INR 120 Crore. EBITDA margins were lower by 120 bps vs LY Q1. We expect to complete the exit process of brands planned to be discontinued in Q2 FY20. With focused portfolio, emerging brands are set up for profitable growth.

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. This is in-line with our strategy of having a more focused business with better capital efficiency, which will set us up for accelerated growth and profitability in FY21 and beyond.

We believe that especially given the broader consumption slowdown in the economy and liquidity pressure, a greater focus on credit control and alignment of primary sales with secondary sales will lay the foundation for a healthier business.

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.

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
Direct: +91 80 4048 8814
Mobile: +91 99206 64475

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

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

Q1 FY20 Performance Highlights

Aug 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

Performance Snapshot - Q1 FY20



	Without IndAS116 Impact			IndAS116
	Q1 FY19	Q1 FY20	Growth	Q1 FY20
Sales (Rs Crs.)	1007	901	(11%)	901
EBITDA (Rs Crs.)	40	(61)	-	20
EBITDA %	4.0%	(6.8%)	-	2.2%
PBT (Rs Crs.)	(22)	(133)	-	(144)
PAT (Rs Crs.)	(16)	(90)	-	(98)

Note: Includes revenue reversal of Rs 11 Crs. and loss of Rs 68 Crs. on brands planned to be discontinued

Performance Snapshot - Q1 FY20



	Without IndAS116 Impact		
	Q1 FY19	Q1 FY20	Growth
Sales (Rs Crs.)	958	912	(5%)
EBITDA (Rs Crs.)	47	7	-
EBITDA %	4.9%	0.8%	-

Note: Excludes brands planned to be discontinued

Brand Groupwise Performance - Q1 FY20



	Sales (Rs Crs.)			EBITDA (Rs Crs.)		EBITDA %	
	Q1 FY19	Q1 FY20	Growth	Q1 FY19	Q1 FY20	Q1 FY19	Q1 FY20
 Power Brands	562	518	(8%)	58	23	10.3%	4.5%
 Specialty Retail	276	274	(1%)	(8)	(11)	(2.9%)	(4.0%)
 Emerging Brands	120	120	-	(3)	(5)	(2.8%)	(4.0%)
Total	958	912	(5%)	47	7	4.9%	0.8%

Note: Excludes brands planned to be discontinued & Ind AS116 impact

Power Brands



1. Strong secondary sales

- Retail LTL: 5.2%
- Overall retail growth: 11%
- Online secondary growth: 37%
- USPA continues to be No. 1 brand with improved market share in department stores

2. Aligning primary sales to secondary sales in the trade channel

- Underlying growth in non-trade channel +12%
- Decline in trade channel (49%)



1. Impacted sales & profit
2. Negative growth largely driven by trade channel



1. Reduction in debtors
2. Increased stock freshness, 11% reduction in >1 yr. stock
3. Faster & data based replenishment of channels
4. Optimized store assortment using AI based algorithm under pilot

Specialty Retail



1. Gap + Sephora delivered 25% growth with positive EBITDA
2. Multiple steps taken to restructure Unlimited business to curtail losses
 - 11 stores closed & 8 stores on notice - One time loss in Q1 of Rs (5.1 Crs.)
 - Retained stores will have double digit store EBITDA
 - Scaling up online sales of Unlimited private brands like Newport/Ruf & Tuf/Excalibur/Ruggers
 - Targeting sharp drop in fixed cost base

Emerging Brands



Portfolio made sharper by initiating exit of 4 brands

- Exit process in progress. Will be completed in Q2
- One time exit losses including royalty settlement with Principals fully provided in Q1 - Rs (68 Crs.)

Distribution Footprint

		FY19 Exit		Store Changes		Q1 FY20	
		Store Count	Sq Ft (Lacs)	Additions	Closure	Store Count	Sq Ft (Lacs)
	Power Brands	1018	8.9	30	21	1027	9.0
	Unlimited	107	10.8	0	11	96	10.0
	Speciality Retail	35	1.5	2	0	37	1.5
Total*		1390	23.7	36	72	1354	22.6
		* Including Emerging Brands					

Present in 3500+ SIS counters, 10,000+ Multi brand outlets and on all major e-commerce platforms

Progress on Key Focus Areas

Channels



1

Small Town Distribution
Expansion - 75 Towns
22 towns added in Q1



2

Online
37% sec. sales growth
Scaling up of own omni
NNNOW, GMV to cross Rs
150 Crs.

Category Leadership

1

Premium Casual/Denim
Leadership
**Continued dominance -
dept. stores mkt. share
at 27%**

2

Premium Kidswear
Leadership
28% sales growth

3

Innerwear Accelerated
Growth
20% sales growth

4

Prestige Beauty Leadership
26% sales growth



Financials - P&L

All Figures in Rs Cr.	Comparable P&L		IndAS116
	Q1 FY20	Q1 FY19	Q1 FY20
Revenue from Operations	900.9	1,006.8	900.9
Cost of Goods Sold	489.3	493.3	489.3
Employees' Emoluments	101.3	101.5	101.3
Others	371.3	371.7	290.5
EBIDTA	(60.9)	40.3	19.8
Margin	(6.8%)	4.0%	2.2%
Other Income	0.9	1.1	0.9
Interest & Finance Cost	39.6	26.3	68.4
Cash Accruals	(99.7)	15.1	(47.7)
Depreciation	32.9	37.3	96.3
Profit Before Taxes	(132.5)	(22.2)	(144.0)
Tax / DTA	(45.1)	(6.9)	(48.6)
Minority Interest	2.7	0.6	2.2
Profit After Tax	(90.2)	(15.9)	(97.6)

IndAS116 Impact Summary

Impact on Income Statement

(INR Crs)

Particulars	FY20	Q1
Lease Rent (Other Exp grouping)	(331)	(81)
EBIDTA	331	81
Depreciation - ROU Assets	241	60
Accelerated Depreciation on Lease Assets	9	4
EBIT	81	17
Interest on Lease Liability	109	29
PBT	(28)	(11)

Impact on Transition Balance Sheet

ROU Assets	1,067
Lease Liability	(1,283)
Net Difference	(216)
Deferred Tax	(69)
Balance to be adjusted to Opening Retained Earnings	(146)
Net Worth on 31st Mar 2019	1,221
Net Worth post IND AS 116 adjustment	1,074

- ❖ IND AS 116 applicable from 1st Apr 2019 and replaced existing Ind AS17
- ❖ No distinction between Financial and Operating Lease.
- ❖ All leases to be recognised in the Balance Sheet as an Asset and Liability
 - The **Lease Liability** is measured at present value of minimum lease payments to be made over the primary lease term.
 - The **Right To Use Asset** is initially measured at lease liability, adjusted for prepayment, if any.
 - Interest is added to the Lease Liability and actual lease rentals are reduced from lease liability
 - Right to Use Asset is depreciated over the lease term on straight line method.
 - Exemption is available for short term leases (lease period < 12 months) and assets having low values.
 - In effect, lease expenses will be replaced with Depreciation and Interest cost.
- ❖ There are 3 approaches 1) Retrospective 2) Modified Retrospective 3) Prospective.
- ❖ Applied Modified Retrospective Method. This means:
 - Lease Liability has been recognised at present value of lease **for the remaining lease period** as on April 1, 2019
 - Right to Use Asset has been recognised at present value of lease **on the start date of lease less accumulate depreciation** until March 31, 2019.
- ❖ Previous Year financials have not been impacted
- ❖ Life of Leasehold assets have been realigned to Lease period and an additional impact of depreciation considered for the same.
- ❖ All long Term leases where company has given minimum commitments have been considered.
- ❖ The company has assumed Rate of Interest @ 9.5%

Outlook - Q2 FY20

- 01 Impact of corrections on growth & EBITDA to continue in Q2 - June & July EOSS sales drop necessitates that we correct primary sales to avoid overstocking in the channel and consequent returns
- 02 Complete exit of identified emerging brands and closure of loss making stores
- 03 Positive impact of corrections - reduction in capital employed and cash release
- 04 Sales fully aligned to consumer offtake

Revert to growth in H2 FY20 with improved capital efficiency and free cash flow



Thank You!