

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

TELEPHONE : +91 79 2658 4304
FAX : +91 79 2658 9710
EMAIL : sseahm@sseco.in
sseahm@hotmail.com
WEB : www.sseco.in



909, ATMA HOUSE,
OPP. OLD RESERVE BANK OF INDIA,
ASHRAM ROAD,
AHMEDABAD -380 009

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL RESULTS
TO THE BOARD OF DIRECTORS OF ARVIND FASHIONS LIMITED

Introduction

We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Arvind Fashions Limited** ("the Company") and its subsidiaries (hereinafter referred to as the "Group") for the quarter and nine months ended December 31, 2018 ("the Statement").

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.

Scope of Review

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.

We did not review the interim financial statements of two subsidiaries included in the consolidated financial results, whose interim financial information reflects, total revenue of Rs. 161.21 and Rs. 479.44 Crores for the quarter and nine months ended December 31, 2018 respectively and net profit and total comprehensive income of Rs. 2.87 Crores and Rs. 6.25 Crores for the quarter and nine months ended December 31, 2018 respectively as considered in the consolidated financial results. These financial results and other financial information have been certified by the management, and our conclusion on the Statement to the extent they have been derived from such financial information is based solely on the management certification.

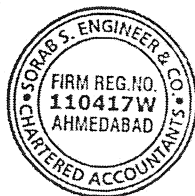
Conclusion

Based on our review conducted as stated 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 accounting principles generally accepted in India, contains any material misstatement.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Bangalore
February 12, 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

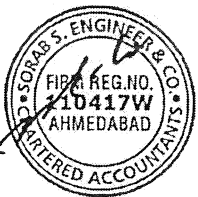
Bangalore Branch : F-1, Vaastu Jayalaxmi, B Street, Opp. Fortis Hospital, 1st Main Road, Sheshadripuram, Bangalore-560020.
Telephone : +91 9925879234 • Email : sseblr@sseco.in

Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended December 31, 2018

₹ in Crores except per share data

S. No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.18	30.09.18	31.12.17	31.12.18	31.12.17	31.03.18
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income	1,259.03	1,209.05	1,073.86	3,474.90	3,067.61	4,218.90
	(a) Revenue from operations	1.25	1.92	1.90	4.32	4.28	12.44
	(b) Other Income						
	Total Income	1,260.28	1,210.97	1,075.76	3,479.22	3,071.89	4,231.34
2	Expenses						
	(a) Cost of raw materials and accessories consumed	1.88	1.86	0.62	4.30	2.07	2.92
	(b) Purchases of stock-in-trade	468.60	745.94	415.24	1,834.13	1,060.19	1,572.39
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	169.91	(139.28)	72.35	(96.21)	350.85	403.59
	(d) Employee benefits expense	107.50	103.04	96.11	312.04	276.44	366.88
	(e) Finance costs	34.57	30.32	23.13	91.19	70.94	91.34
	(f) Depreciation and amortisation expense	34.35	37.58	38.17	109.25	102.71	138.94
	(g) Other expenses	428.45	417.56	422.00	1,217.73	1,223.92	1,643.71
	Total Expenses	1,245.26	1,197.02	1,067.62	3,472.43	3,087.12	4,219.77
3	Profit/ (Loss) before exceptional items and tax (1-2)	15.02	13.95	8.14	6.79	(15.23)	11.57
4	Exceptional items	-	-	-	-	-	-
5	Profit/ (Loss) Before Tax (3-4)	15.02	13.95	8.14	6.79	(15.23)	11.57
6	Tax Expense						
	Current Tax	10.15	12.46	13.03	28.52	22.37	25.73
	Deferred Tax Charge/ (Credit)	(3.52)	(5.59)	(9.12)	(21.90)	(27.06)	(27.08)
	Total Tax Expense	6.63	6.87	3.91	6.62	(4.69)	(1.35)
7	Net Profit/(Loss) for the Period (5-6)	8.39	7.08	4.23	0.17	(10.54)	12.92
8	Net Profit / (Loss) for the period attributable to:						
	Equity Holders of the Parent	6.95	6.04	6.42	(2.95)	(6.69)	14.47
	Non-controlling interest	1.44	1.04	(2.19)	3.12	(3.85)	(1.55)
9	Other Comprehensive Income/ (Loss) (Net of Tax)						
	(a) Items that will not be classified to profit and loss						
	(i) Equity Instruments through Other Comprehensive Income (FVOCI)	(0.22)	-	-	(0.22)	90.16	90.16
	(ii) Re-measurement of defined benefit plans	-	(1.91)	-	(1.91)	-	(2.16)
	(iii) Income Tax impact related to (ii) above	-	0.67	-	0.67	-	0.71
	(b) Items that will be classified to profit and loss						
	(i) Effective portion of gains / (loss) on cash flow hedges	(0.10)	(0.05)	-	(0.15)	-	-
	(ii) Income Tax impact related to above	0.03	0.02	-	0.05	-	-
	Total Other Comprehensive Income/ (Loss) (Net of Tax) (9a +9b)	(0.29)	(1.27)	-	(1.56)	90.16	88.71
10	Other Comprehensive Income for the year attributable to:						
	Equity holders of the parent	(0.29)	(1.27)	-	(1.56)	90.16	88.82
	Non-controlling interest	-	-	-	-	-	(0.11)
11	Total Comprehensive Income/ (Loss) for the Period (7+9)	8.10	5.81	4.23	(1.39)	79.62	101.63
12	Total Comprehensive Income/ (Loss) attributable to:						
	Equity holders of the Parent	6.66	4.77	6.42	(4.51)	83.47	103.29
	Non-controlling interest	1.44	1.04	(2.19)	3.12	(3.85)	(1.66)
		8.10	5.81	4.23	(1.39)	79.62	101.63
13	Paid-up Equity Share Capital (Face Value ₹ 4/- per share)	23.20	23.17	23.17	23.20	23.17	23.17
14	Other Equity						1,036.61
15	Earning Per Share in ₹ (Not Annualised)						
	- Basic	1.20	1.04	1.14	(0.51)	(1.18)	2.55
	- Diluted	1.17	1.02	1.11	(0.50)	(1.15)	2.48

(See accompanying notes to the Consolidated Financial Results)



Notes to the Consolidated Financial Results:

- 1 The above unaudited consolidated financial results were reviewed by the Audit Committee and have been considered and approved by the Board of Directors at their meeting held on February 12, 2019. The same have been subjected to Limited Review by the Statutory Auditors.
- 2 W.e.f April 1, 2018, the Company has adopted Ind AS 115 – "Revenue from contracts with customers" under the full retrospective approach. Accordingly, the comparatives have been adjusted to give the effect of Ind AS 115. The effect on adoption of Ind AS 115 was insignificant on the financial results.
- 3 W.e.f Oct 1, 2018, the Company has changed the useful life of certain Property, Plant & Equipment based upon the technical evaluation conducted by the management. Accordingly, change in useful life of the Property, Plant & Equipment is being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Had the Company continued with the previously assessed useful life of Property, Plant & Equipment, charge for depreciation for both the quarter and nine months ended December 31, 2018 would have been higher by Rs. 6.1 crores.
- 4 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 nine months numbers are not comparable with previous periods presented.
- 5 The Company's business activity falls within a single operating business segment of Branded Appeals (Garments and Accessories) through Retail and Departmental Store facilities.

Place: Bengaluru
Date: Feb 12, 2019

For Arvind Fashions Limited

Suresh Jayaraman
Managing Director & CEO

