



# ARVIND

Board Meeting  
27<sup>th</sup> January 2011

Arvind Limited

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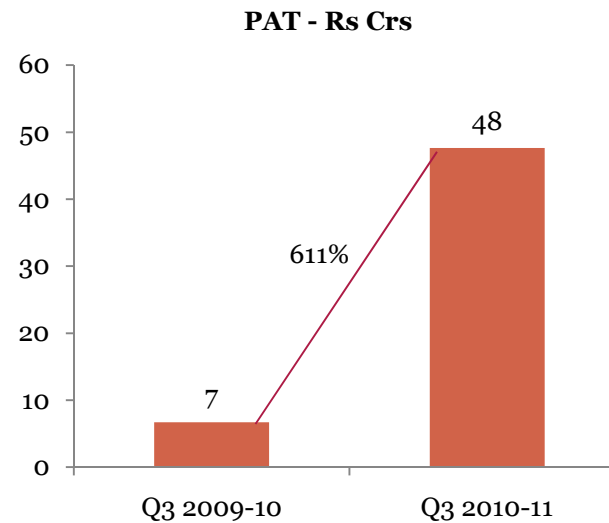
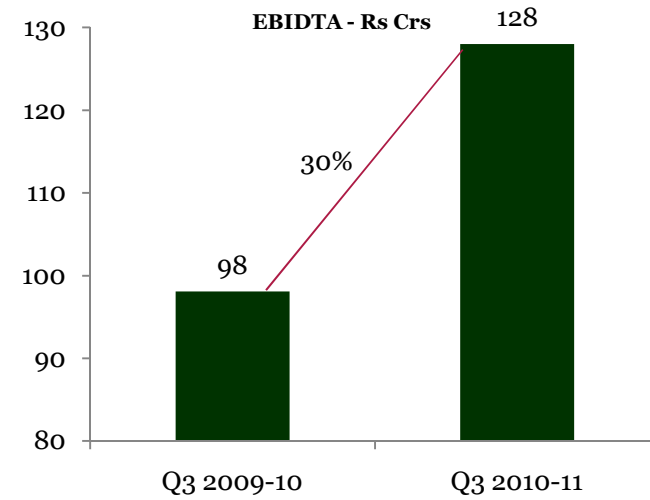
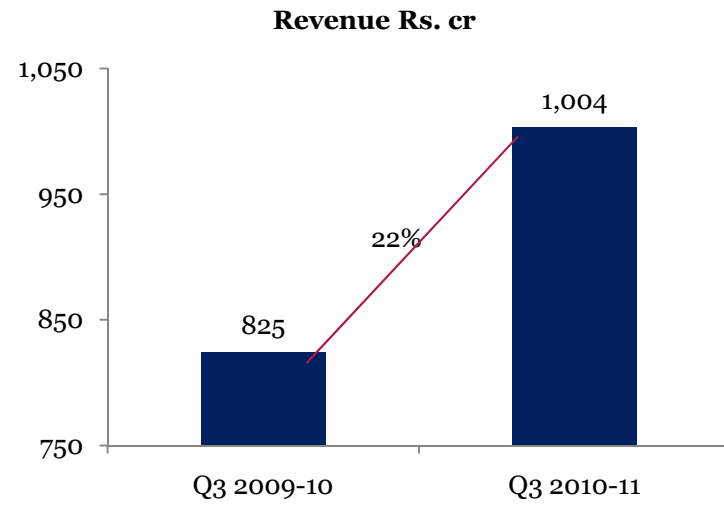
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# Financial Performance- Consolidated

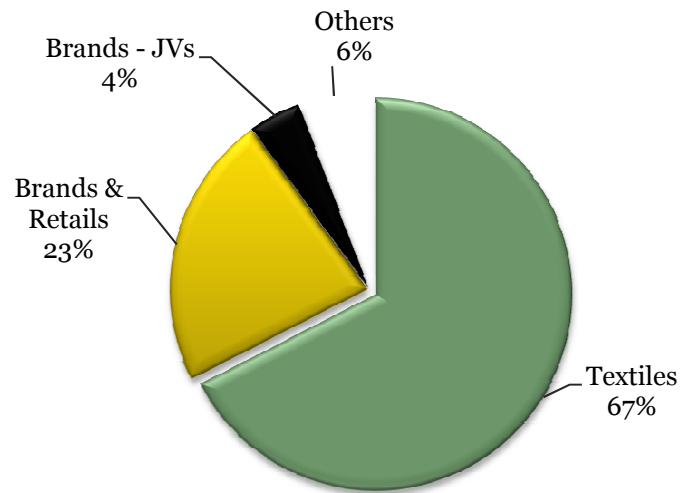
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# Highlights Q3 2010-11

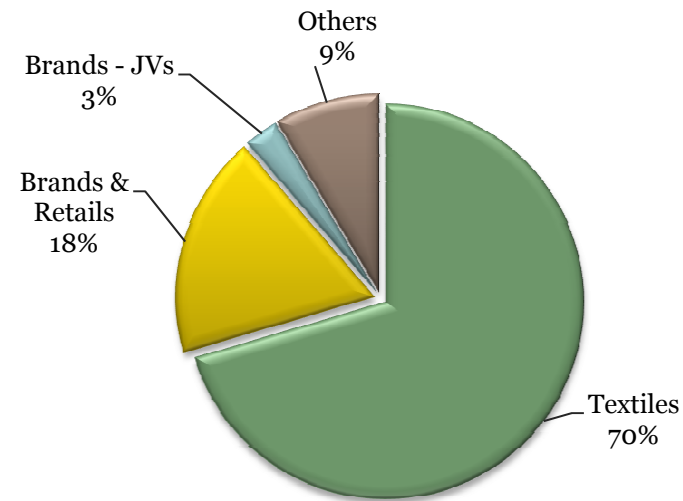
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# Q3- Revenue



2010-11



2009-10

Compared to Q3 2009-10

**Textile Business grew by 17%:**

**Brands & Retail Business grew by 57%**

**Share of apparel & fabric retailing grew to 36% from 31%**

**Share of domestic revenue grew to 72% from 69%**

# Q3- Earnings

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- EBIDTA grew by 30% to Rs.128 cr.

EBIDTA margin improved 90 basis points to 12.7% as compared to 11.8% on account of:

- Textile margin growth from 13.1% to 16.9%
  - Brands & Retail margin growth from 2.5% to 8.4%
- Profit After Tax grew to Rs. 48 crores up 611% compared to Q3 2009-10

# Financial Performance – Q3 2010-11

Rs crores

- 57% Revenue growth in Brands & Retail business and 39% growth in denim revenue led to a 22% growth in Revenue
- EBIDTA margin grew 30%

	Q3 2010-11	Q3 2009-10	Change
Revenues	1,004	825	22%
Raw Material Consumed	439	289	
Purchase of Finished Goods	110	156	
Employees' Emoluments	97	83	
Others	314	244	
(Increase) / Decrease in Stock	-84	-45	
EBIDTA	128	98	30%
Other Income	16	10	
Intrest & Finance Cost(Net)	54	54	
Cash Accruals	90	54	66%
Depreciation	42	46	
Profit Before Tax	48	8	
Profit After Tax	48	7	
Less : Adjustment on account of consolidation	0	0	
Net Profit after Minority Interest	48	7	611%

# Financial Performance-9 Months

Rs Crores

	Up to Q3	2010-11	2009-10	Change
Revenues		2,888	2,505	15%
Raw Material Consumed		1,193	885	
Purchase of Finished Goods		290	351	
Employees' Emoluments		286	256	
Others		878	782	
(Increase) / Decrease in Stock		-136	-82	
EBIDTA		378	313	21%
Other Income		40	26	
Intrest & Finance Cost(Net)		177	177	
Cash Accruals		241	161	49%
Depreciation		132	130	
Profit Before Tax		109	31	
Profit After Tax		108	27	
Less : Adjustment on account of consolidation		-1	-3	
Net Profit after Minority Interest		108	30	259%

# Balance Sheet

Rs cr.

	As at	As at
	31.12.2010	31.03.2010
<b>SOURCES OF FUNDS</b>		
Share Capital	254	240
Reserves and Surplus	1152	1043
Shareholders' Funds	1407	1283
Minority Interest	14	14
Secured Loans	2156	2020
Unsecured Loans	174	183
Loan Funds	2329	2202
Deferred Tax Liabilities (Net)	14	13
Total	3764	3513
<b>APPLICATION OF FUNDS</b>		
Fixed Assets	2441	2489
Investments	41	44
Foreign Currency Monetary Item Translation Difference Account	(0)	(1)
Net Current Assets	1283	981
Total	3764	3513

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# Financial Performance-Standalone

# Financial Performance Q3

Rs crores

- Strong performance of denim and shirting fabrics led to 15% growth in revenue
- Despite sharp increase in raw material cost, the margin remained unchanged.
- Other income includes Rs. 12.7 cr earned on account of sale of land

	2010-11	2009-10	
Particulars	Q3		Change
Revenue	648	565	15%
Raw Materials	329	234	
Purchase of Finished Goods	9	13	
Employee Cost	67	60	
Power & Fuel	61	50	
Stores Consumption	46	48	
Others	89	75	
(Increase) / Decrease in Stock	-42	8	
EBIDTA	88	77	14%
Margin %	14%	14%	
Other Income	12	1	
EBIDTA	100	78	28%
Interest & Finance Cost	41	37	
Cash Accruals	59	41	42%
Depreciation	28	29	
Profit After Tax	31	12	156%

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# Balance Sheet

Rs cr.

	31.12.2010	31.03.2010
<b>SOURCES OF FUNDS</b>		
Share Capital	254	240
Reserves and Surplus	1252	1180
Shareholders' Funds	1507	1420
Secured Loans	1829	1729
Unsecured Loans	78	142
Loan Funds	1907	1871
Deferred Tax Liability	13	13
Total	3427	3303
<b>APPLICATION OF FUNDS</b>		
Fixed Assets	1902	1965
Investments	307	300
Foreign Currency Monetary Item Translation Difference Account	(0)	(1)
Net Current Assets	1218	1039
Total	3427	3303

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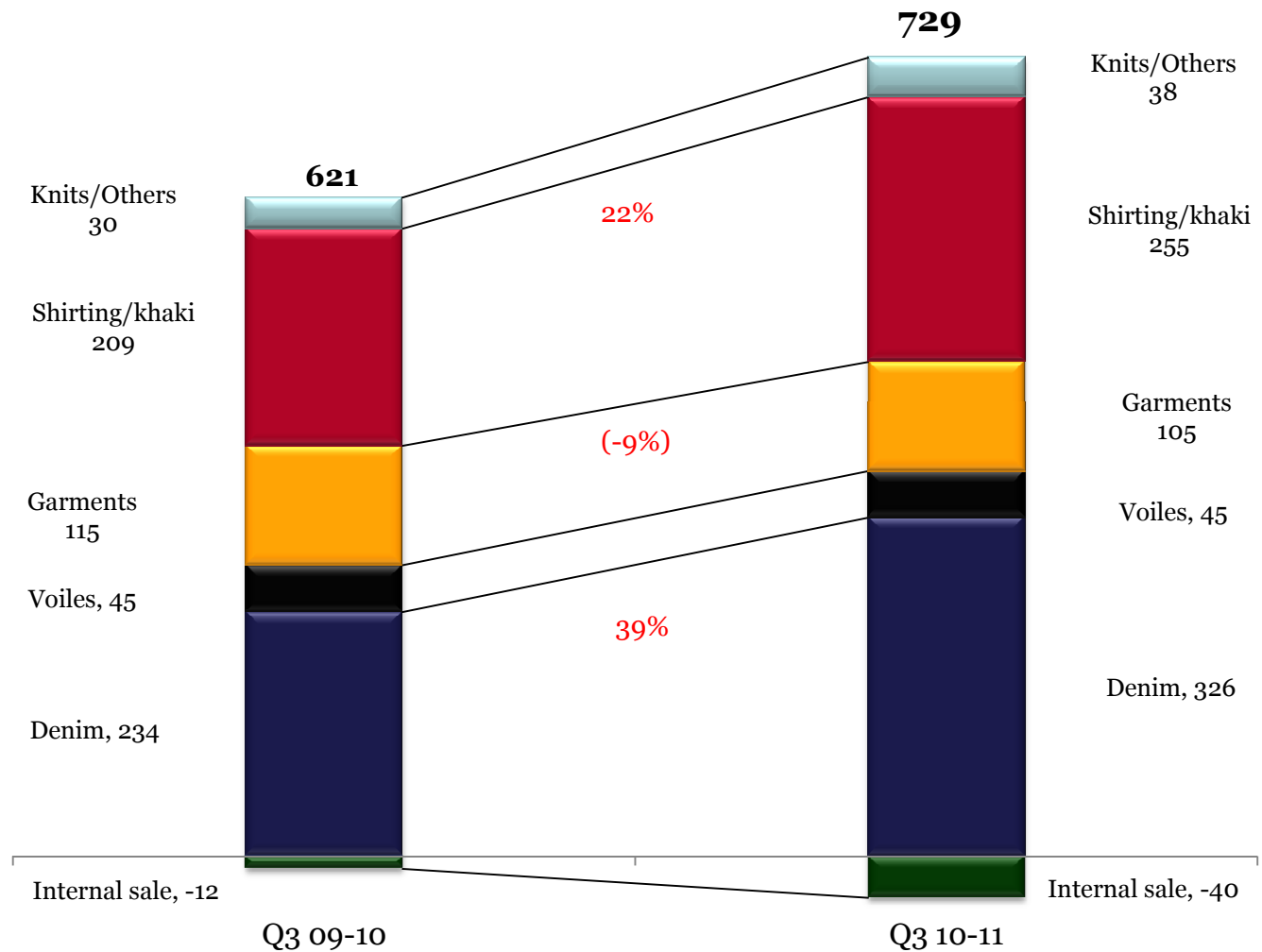


# Business Analysis

All numbers in this section are consolidated unless specified otherwise

# Textiles Business- Revenue Mix

Textile revenue grew by 17% led by robust 39% growth in denim and 22% growth in shirting/khaki fabrics

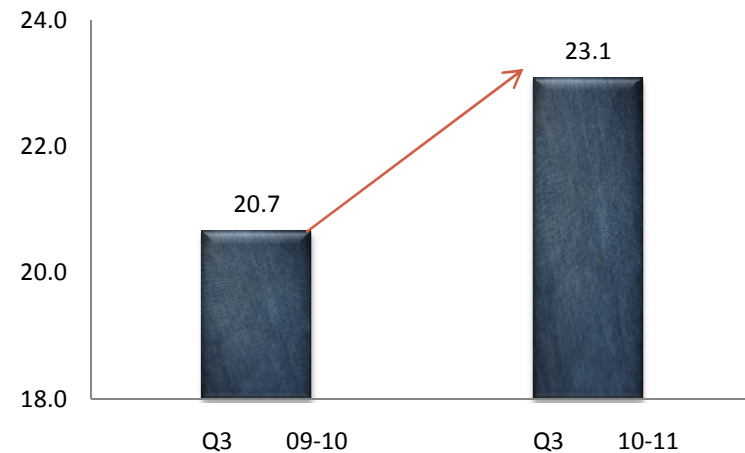


# Denim

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- Denim demand both in domestic and international market continues to remain strong.
- Company expects that denim volume sales in near term will grow further

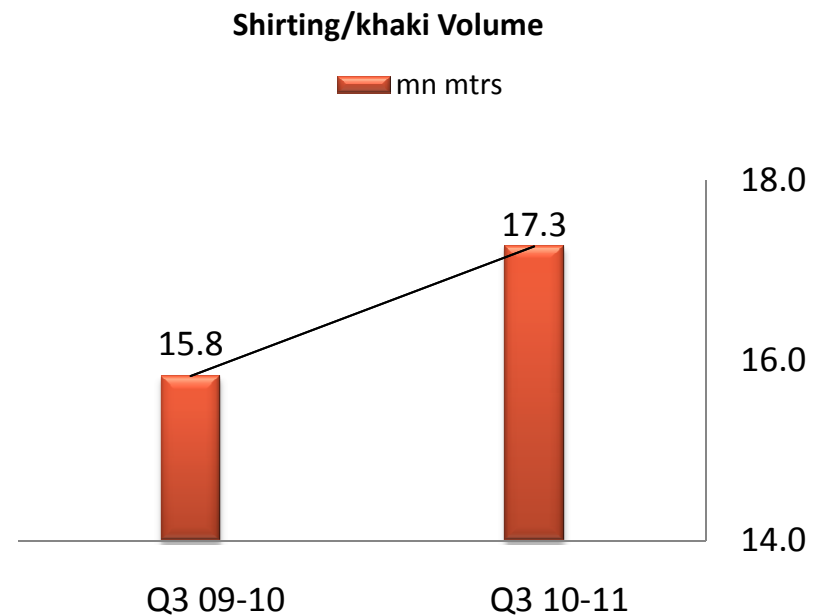
Denim Volume Mn Meters



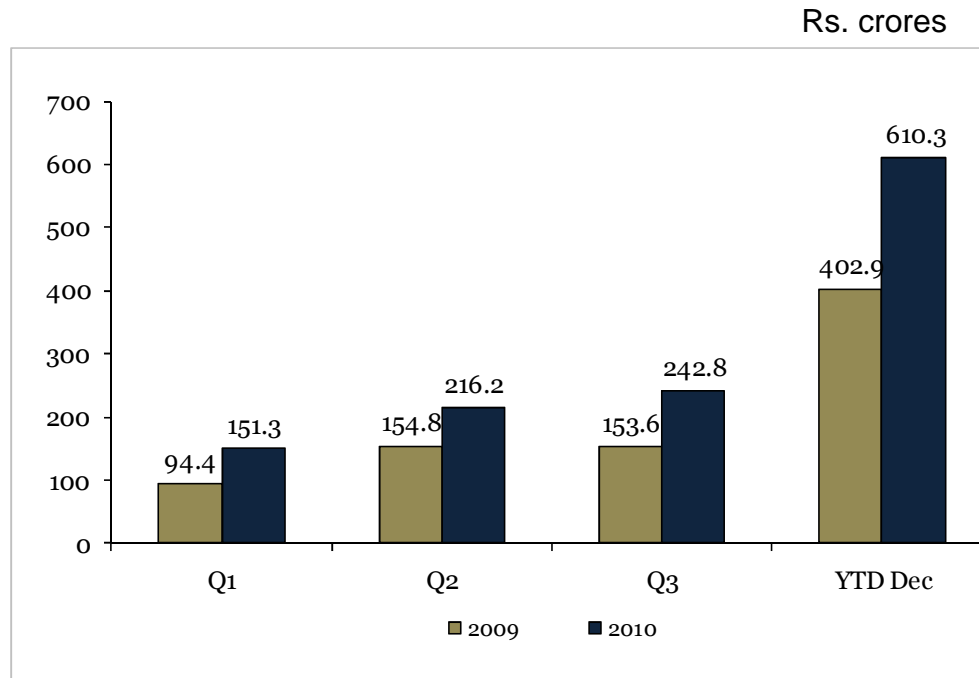
# Shirting & Khaki Fabrics

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- Shirting & Khaki fabrics volumes for the quarter are at nearly 100% of its capacity
- Capacity expansion in Q4 will help to increase volumes



# Brands & Retail Businesses-Revenue



- Arvind Lifestyle brands & Arvind Retail Limited are subsidiaries operating in apparel Brands & Retail Businesses respectively
- With 57% revenue growth in Q3 and 51% growth in 9 months, the business is likely to cross Rs. 800 cr. revenue this FY

Above figures excludes miscellaneous sales

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# Revenue Growth in current year has been exceptional

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Following a 33 % revenue growth in 2009-10, the revenue grew by 51% in first 9 months of the current FY

## Revenue- April-Dec 2010

	Revenue Rs Crs	% Growth
ALBL	296	75
ARL	314	35
<b>Total</b>	<b>601</b>	<b>51</b>

One of the key growth drivers was like to like growth.....

## Like to Like Growth April-Dec 2010

	% LTL
ALBL	22%
ARL	23%

ALBL- Brands  
ARL- MegaMart Retail



# Brands & Retail Business- Distribution Expansion

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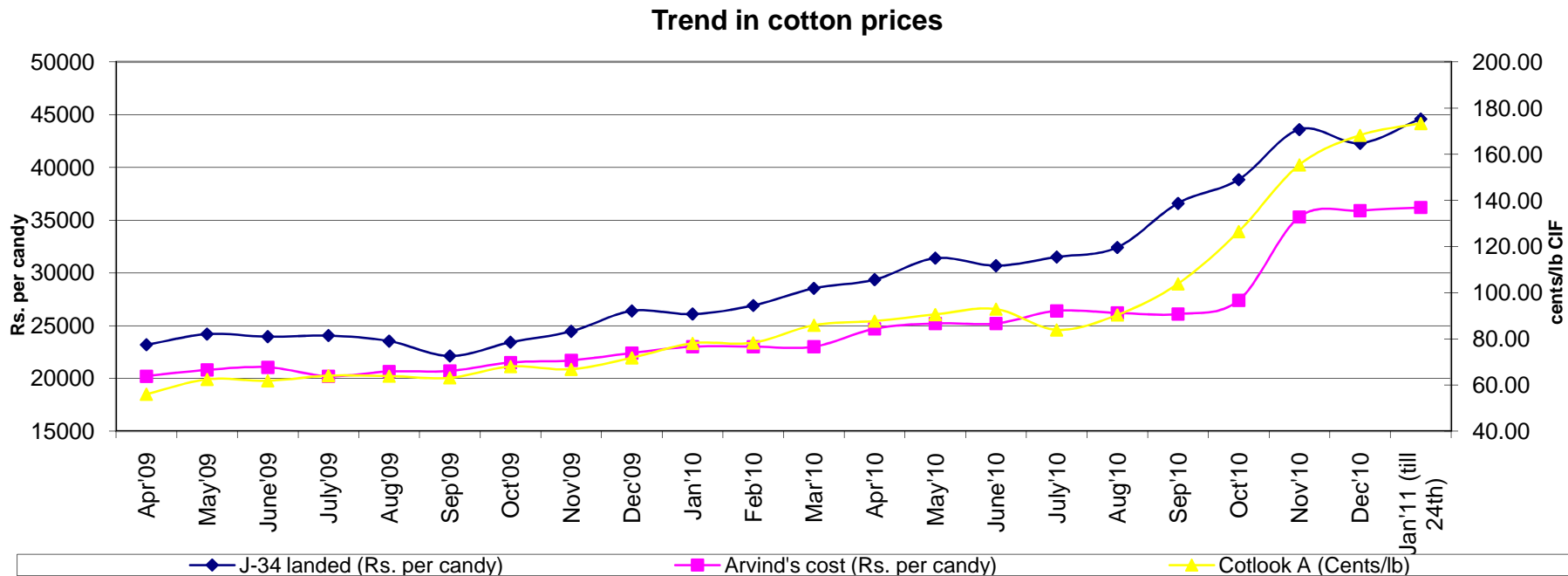
- Distribution expansion in first 9 months
  - Brands business
    - Added 87 exclusive stores taking total stores tally to 209 and total area at 1.9 lac sq ft
    - Added 86 counters in key accounts taking total counters tally to 313
  - Retail Business
    - Added 41 stores including one large format Mega-Mart taking total stores tally to 180 and total area to 5.7 lac sq ft.

## Key Parameters-Q3-Textiles

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	Denim		Shirting/Khakis	
	2010-11	2009-10	2010-11	2009-10
Exports (Mn Mtrs)	8.8	8.5	3.8	2.6
Domestic (Mn Mtrs)	14.3	12.5	13.4	13.1
Avg Price (Rs / Mtr)	139	109	139	125
Components	Cotton		Gas	
	2010-11	2009-10	2010-11	2009-10
Cost in Rs./Kg	99	65	16	14

# Cotton cost



Cotton prices have more than doubled in last one year and the prices have shot up very sharply in last 3-4 months. The company has increased selling price of its products to offset the cost push, any significant increase in cotton price could affect the margin if company is not able to pass on the cost increases





# Outlook for Q4

# Outlook 2010-11

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## Positives:

- Robust demand for fabrics & garments
- Capacity expansion in Q4 to help top line growth
- Strong growth in Brands & Retail subsidiaries
- Expect to realize Rs. 47-48 for exports in \$

Thank You

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