

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>

March 28, 2020

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

National Stock Exchange of India Limited
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: Results of Postal Ballot - Notice dated February 21, 2020

Ref.: Regulation 44(3) of the the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is further to our letter dated February 24, 2020, submitting the Postal Ballot Notice along with the Postal Ballot Form to the Members of the Company for Approval of sale/transfer of wholesale trading business in "Flying Machine" brand, as a going concern, on a slump sale basis to Arvind Youth Brands Private Limited, a wholly owned subsidiary of the Company.

In this regard, please note that Mr. Hitesh Buch, Practising Company Secretary, who was appointed as the Scrutinizer for the aforesaid Postal Ballot process has submitted his Report on March 27, 2020. In accordance with the said Report, the members of the Company have approved the Special Resolution as embodied in the Postal Ballot Notice dated February 21, 2020, for Approval of sale/transfer of wholesale trading business in "Flying Machine" brand, as a going concern, on a slump sale basis to Arvind Youth Brands Private Limited, a wholly owned subsidiary of the Company with an overwhelming majority of 99.9954% votes as detailed under:-

Votes in favour of the resolution	4,38,59,000
Votes against the resolution	2,001

The results of the Postal Ballot were accordingly announced today.

We enclose herewith:

- Results of Postal Ballot;
- Scrutinizer's Report;
- Certified True Copy of the resolution as approved by the Members

You are requested to kindly take above information on record

Yours faithfully,

For, Arvind Fashions Limited

Vijay Kumar B S
Company Secretary

Enclosure: As above

Arvind

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

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Results of Postal Ballot

(As per Regulation 44(3) of Listing Regulations)

Name of the Company	Arvind Fashions Limited
Date of Postal Ballot Notice	February 21, 2020
Voting Start Date	February 26, 2020
Voting End Date	March 26, 2020
Total number of Members as on record date. Cut-off date for ascertaining voting rights of Members i.e. February 21, 2020	1,71,365
No. of Members present in the meeting either in person or through proxy	Not Applicable
Promoters & Promoter Group	-
Public	-
No. of Members attended the meeting through Video Conferencing	Not Applicable
Promoters & Promoter Group	-
Public	-



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Resolution Required (Ordinary/Special)			Special Resolution: Approval to sale/transfer of whole-sale trading business in "Flying Machine" brand on a slump sale basis to wholly owned subsidiary of the Company					
Whether promoter/ promoter group are interested in the agenda/resolution?			NO					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
			[1]	[2]	[3]=([2]/[1])*100	[4]	[5]	[6]=([4]/[2])*100
Promoter and Promoter Group	E-Voting	20878965	20876686	99.9891	20876686	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		20876686	99.9891	20876686	0	100.0000	0.0000
Public Institutions	E-Voting	21394552	17010594	79.5090	17010594	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		17010594	79.5090	17010594	0	100.0000	0.0000
Public Non Institutions	E-Voting	16405847	5973719	36.4121	5971718	2001	99.9665	0.0335
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		2	0.0000	2	0	100.0000	0.0000
	Total		5973721	36.4121	5971720	2001	99.9665	0.0335
Total		58679364	43861001	74.7469	43859000	2001	99.9954	0.0046



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Scrutinizer's Report

(Combined Report for remote e-voting and postal ballot)

To,
The Chairman
Board of Directors
Arvind Fashions Limited
Main Building
Arvind Mills Premises
Naroda Road
Ahmedabad -380025

Sub: Consolidated report on remote e-voting and voting through postal ballot

Dear Sir,

I, Hitesh D. Buch, Practicing Company Secretary, was appointed as Scrutinizer to scrutinize the remote e-voting and voting through postal ballot under the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 as amended read with Reg. 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 in respect of the resolution contained in the Postal Ballot Notice dated 21st February 2020. ("Notice" for short).

- A. The voting through e-voting was open from 9.00 a.m. Wednesday, 26th February 2020 up to 5.00 p.m. Thursday, 26th March 2020. The e-voting facility was provided by National Securities Depository Limited. The Notice was dispatched by the Company by e-mails or in physical mode as the case may be.
- B. The voting rights were reckoned as on Friday, 21st February 2020, being the cut-off date for the purpose of deciding the entitlements of members to vote through remote e-voting and by physical postal ballot.
- C. After the end of e-voting cycle, the votes cast through remote e-voting were unblocked by the undersigned on 26th March 2020.
- D. Two physical postal ballots were received till the end of voting period which were kept in the safe custody of the undersigned before the scrutiny of such physical postal ballot forms.
- E. The shareholders voted on the resolution either by remote e-voting or through physical postal ballot. No shareholder voted through both the modes of voting.

310, Aditya Plaza, Nr. Karnavati Apartments, Jodhpur, Satellite, Ahmedabad -380015

Phone: 91-79-40321260; mail: pcs.buchassociates@gmail.com

CERTIFIED TRUE COPY
For Arvind Fashions Limited


Vijay Kumar B S
Company Secretary

- F. I am submitting this report on the voting by shareholders through remote electronic voting and physical postal ballot. The combined results in respect of voting on the resolution contained in the Notice is given in table below:

Special Resolution for Approval to sale/transfer of whole-sale trading business in "Flying Machine" brand on a slump sale basis to wholly owned subsidiary of the Company

Mode of Voting	Votes cast in favour of the resolution			Votes cast against the resolution			Abstained / Invalid votes
	No. of shareholders	Nos.	%	No. of shareholders	Nos.	%	Nos.
Remote e-voting	419	4,38,58,998	99.9954	40	2001	0.0046	Nil
Physical postal ballot	2	2	0.00	Nil	Nil	N.A.	Nil
Total	421	4,38,59,000	99.9954	40	2001	0.0046	Nil

The register / record available with me will be handed over to the company in due course.

Regards,

Very truly yours,

Sd/-

CS Hitesh Buch
For Hitesh Buch & Associates
Company Secretaries
CP No. 8195; FCS 3145
UDIN: F003145A000626449

Date: 27th March 2020

Place: Ahmedabad

Submitted to the Chairman of the Company through Vijay K
umar B S, Company Secretary.

Note: This report is sent electronically to the company secretary of the company in view of the present lock-down situation in the country and hence does not bear the signature and seal/stamp of the scrutinizer.

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE MEMBERS OF THE COMPANY THROUGH POSTAL BALLOT ON MARCH 26, 2020

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and any other applicable rules framed thereunder, Memorandum and Articles of Association of the Company and subject to such other approvals, consents, permissions and sanctions as may be required from the concerned statutory / regulatory authorities and subject to such terms and conditions as may be imposed by them, if any, consent of the members, be and is hereby accorded to the Board of Directors of the Company (the **“Board”**, which expression shall include any committee thereof) for the proposed transfer of the wholesale trading business in **“Flying Machine”** brand, as a going concern, by way of a slump sale for a lump sum consideration to be mutually agreed of not less than book value of the division as appearing on the date of closure of the transaction subject to the necessary adjustments as per applicable accounting policies to Arvind Youth Brands Private Limited, a wholly owned subsidiary of the Company which is being incorporated on such terms and conditions as the Board may consider fit and proper and to do all such things as may be considered necessary or expedient to give effect to the same.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing and varying the terms and conditions to transfer the business undertaking, the consideration therefor, the methods and modes in respect thereof, and finalizing, modifying and executing necessary documents, including business transfer agreement, contracts, agreements, deeds of assignment / conveyance and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including governmental authorities if required, and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any questions, difficulties or doubts that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company or Chief Financial Officer or Company Secretary or any other officer(s) / authorised representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

CERTIFIED TRUE COPY
Arvind Fashions Limited


Vijay Kumar B S
Company Secretary
Membership No.: FCS 10458

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Approval for sale/transfer of wholesale trading business in “Flying Machine” brand, as a going concern, on a slump sale basis to Arvind Youth Brands Private Limited, a wholly owned subsidiary of the Company

The “Flying Machine” business is distinct from other business and requires different business plans, strategies for growth and management focus. Considering the same, the Board thought it apt to consolidate the wholesale and retail business of “Flying Machine” in a single entity.

In order to provide greater focus to “Flying Machine” business and to allow the possibility of raising further capital for the business to allow the company to accelerate its growth, at fair market value, it is proposed to transfer the wholesale trading business of the Company and the retail trading business of Arvind Lifestyle Brands Limited, a wholly owned subsidiary of the Company in “Flying Machine” brand to Arvind Youth Brands Private Limited (“AYBPL”), a wholly owned subsidiary of the Company which is being incorporated.

During the 9 months period ended December 31, 2019, the combined “Flying Machine” business operated by the Company and its wholly owned subsidiary Arvind Lifestyle Brands Limited (“ALBL”) had revenue of Rs. 353.0 crores and EBITDA of Rs. 17.0 crores on a consolidated basis; and revenue of Rs. 293.2 crores and EBITDA of Rs. 13.0 crores on a standalone basis. During the year ended March 31, 2019, the combined “Flying Machine” business operated by the Company and its wholly owned subsidiary ALBL had revenue of Rs. 481.0 crores and EBITDA of Rs. 32.0 crores on a consolidated basis; and revenue of Rs. 365.2 crores and EBITDA of Rs. 25.0 crores on a standalone basis. The revenue of “Flying Machine” business has grown at a CAGR of over 20% over the last 3 financial years, is seeing significant consumer traction and has large opportunity for growth. The Board considers it to be prudent to transfer the business to a wholly owned subsidiary to provide more focus and enable raising capital to allow the company to accelerate its growth.

It is thus proposed that the business be transferred to Arvind Youth Brands Private Limited, a wholly owned subsidiary for a lump sum consideration to be mutually agreed of not less than book value on the date of closure of the transaction subject to the necessary adjustments as per applicable accounting policies. As at 31st December 2019, the book value of the division is about Rs. 48.6 crores in the Company and Rs. 127.3 crores in Arvind Lifestyle Brands Limited as certified by an Independent Chartered Accountant.

The proposed transfer of wholesale and retail business of “Flying Machine” business would inter-alia benefit the Company since:

- Consolidation of whole-sale and retail business of “Flying Machine” would result into operational synergies and lead to overall cost optimization;
- Creation of separate company for “Flying Machine” business with separate focused management would provide greater flexibility in pursuing long-term growth plans and strategies for “Flying Machine” business;
- Separation of “Flying Machine” business would help the management of group in evaluating the performance of “Flying Machine” business on an independent basis and would help in improving the efficiency and attracting more customers;
- Separation of “Flying Machine” business would enable to raise further funds.

The consideration that may be received could be in the form of shares of Arvind Youth Brands Private Limited or cash or combination of shares and cash.



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The Board has, at its meeting held on February 21, 2020, recommended the proposal to transfer the "Flying Machine" wholesale trading business of the Company as a going concern. The salient features of the proposal are:

- The "Flying Machine" Business shall be transferred to a wholly owned subsidiary of the Company as a going concern by way of a slump sale.
- The book value of the division as at 31st December 2019 is about Rs. 48.6 crores in the Company as certified by an Independent Chartered Accountant. The lump sum consideration for the transfer of the Business will be not less than the book value of the division as appearing on the date of closure of the transaction subject to the necessary adjustments as per applicable accounting policies and may be received in the form of shares of Arvind Youth Brands Private Limited or cash or combination of shares and cash.
- Employees in the business will be transferred to Arvind Youth Brands Private Limited with continuity of service on terms not less favorable than those prevailing on the transfer date.
- The transaction will be implemented after receiving the approval of members and all other necessary statutory approvals.

Section 180(1)(a) of the Companies Act, 2013 ("Act") provides that the Board of Directors of a public company shall not sell, lease, or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, the whole or substantially the whole of any such undertaking without the consent of the members by way of a special resolution. The said Section also defines an undertaking in which the investment of the company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year'.

The "Flying Machine" wholesale business that is proposed to be transferred exceeds the requirement as prescribed in section 180(1)(a). Accordingly, the requirement of approval of the members by means of a special resolution will apply.

The Board is, accordingly, proposing the resolution as set out under Item No. 1 in the accompanying notice for the approval of the members by way of passing a special resolution through postal ballot.

No Director or Key Managerial Personnel (KMP) of the Company or their relatives have any concern or interest in the resolution except to the extent of their shareholding in the Company and/ or their employment with the Company under the terms of their employment.

CERTIFIED TRUE COPY
Arvind Fashions Limited

Vijay Kumar B S
Company Secretary
Membership No.: FCS 10458

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