



ARVIND FASHIONS

## ARVIND FASHIONS LIMITED

CIN - L52399GJ2016PLC085595  
Regd. Office: Naroda Road, Ahmedabad - 380 025  
A MEMBER OF LALBHAI GROUP

Website: www.arvindfashions.com : Email: investor.relations@arvindbrands.co.in

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

[Rs. in Crores except per share data]

Sr. No.	Particulars	Quarter Ended		Year Ended		
		31.03.2020 (Refer note 12)	31.12.2019 Unaudited	31.03.2019 (Refer note 12)	31.03.2020 Audited	31.03.2019 Audited
1	Total Income from Operations	752.23	1,146.12	1,168.98	3,926.08	4,647.99
2	Net Profit for the period (before tax, Exceptional and/or Extraordinary Items)	(143.35)	(80.90)	6.09	(435.73)	12.88
3	Net Profit for the period before tax (after Exceptional and/or Extraordinary Items)	(204.04)	(80.90)	6.09	(496.42)	12.88
4	Net Profit for the period after tax (after Exceptional and/or Extraordinary Items)	(208.12)	(50.53)	21.30	(399.36)	21.48
5	Total Comprehensive Income for the period (Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax))	(204.05)	(48.49)	16.18	(393.92)	14.80
6	Paid up Equity Share Capital	23.47	23.47	23.20	23.47	23.20
7	Reserves as shown in the Audited Balance Sheet				575.03	1,106.21
8	Earnings Per Share (of Rs. 4/- each)					
	Basic : (Rs.)	(34.84)	(8.86)	3.38	(68.37)	2.87
	Diluted : (Rs.)	(34.67)	(8.77)	3.31	(67.89)	2.81

## Notes:

- The above is an extract of the detailed format of the Financial Results for the quarter ended and year ended on March 31, 2020 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of these Financial Results is available on the Stock Exchanges websites at www.nseindia.com and www.bseindia.com and on the Company's website at www.arvindfashions.com.
- The above consolidated financial results for the quarter and year ended March 31, 2020 which have been subjected to audit by the 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 July 09, 2020 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The Statutory Auditors have expressed an unqualified audit opinion.
- The Group 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.
- Effective from April 1, 2019, the Group has adopted Ind AS 116 "Leases" using modified retrospective approach as per para C8 (C) (i) to its leases. Consequently, the Group has recorded lease liability of Rs. 1330.95 Crores calculated as the present value of the remaining lease payments discounted at the incremental borrowing rate. Right of use asset has been recognized at Rs. 1117.89 Crores determined at net of the amount calculated by applying the standard since the date of the commencement of lease (including regrouped from Prepaid Rent of Rs. 2.95 Crores) and the resulting depreciation up to the date of adoption. The net effect of Rs. 137.50 Crores (net of (a) deferred tax asset of Rs. 72.17 Crores and (b) Share of Non-Controlling Interest of Rs. 6.34 Crores) on initial application of Ind AS 116 has been adjusted to retained earnings as on April 1, 2019.
- Due to transition, the nature of expenses in respect of operating leases has changed from "lease rent" of Rs. 82.40 Crores (quarter ended December 31, 2019: Rs. 83.90 Crores and year ended March 31, 2020: Rs. 348.19 Crores) to "depreciation expense" of Rs. 59.20 Crores (quarter ended December 31, 2019: Rs. 69.01 Crores and year ended March 31, 2020: Rs. 262.76 Crores) for the right-to-use assets and "finance cost" of Rs. 24.50 Crores (quarter ended December 31, 2019: Rs. 27.00 Crores and year ended March 31, 2020: Rs. 109.67 Crores) for interest accrued on lease liability. To this extent, performance for the quarter and year ended March 31, 2020 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. Depreciation includes accelerated amounts on account of this alignment as well as change in estimate of useful lives of property, plant and equipment resulting from store closures of Rs. 3.01 Crores (quarter ended December 31, 2019: Rs. 2.68 Crores and year ended March 31, 2020: Rs. 11.47 Crores).
- 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 this extent, current quarter and year ended on March 31, 2020 are not comparable with those of previous periods.
- The Pandemic of COVID-19 is having an unprecedented impact globally on people and on the economy. It has caused severe effects on the economy world over including India due to lockdowns, disruptions in transportation, supply chain, travel plans, quarantines, social distancing and other emergency measures. As a result of the lockdown imposed by the Government of India owing to spread of COVID-19 in the country, the Group closed its offices from March 23, 2020 and moved to the concept of Work from Home (WFH) for all employees. Post the recent relaxation in lockdown, the Group has gradually started opening its offices in certain geographies with limited workforce in-line with the Government's directives issued as on date.

Particulars	Quarter Ended		Year Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
(a) Margin on Sales Return Provision	35.15	-	35.15	-
(b) Inventory Dormancy Provision	13.19	-	13.19	-
(c) Allowance for Doubtful Debtors	10.01	-	10.01	-
(d) Provision for Schemes and Discounts	2.34	-	2.34	-
<b>Total</b>	<b>60.69</b>	<b>-</b>	<b>60.69</b>	<b>-</b>

- The Board of Directors of the holding Company and Arvind Lifestyle Brands Limited, a wholly owned subsidiary Company in their meeting held on February 21, 2020, have recommended and subsequently approved by the members of the respective companies, the proposal to transfer the "Flying Machine" ("FM") wholesale and retail trading business of the respective Companies as a going concern to Arvind Youth Brands Private Limited, a wholly owned subsidiary of the Group by way of slump sum consideration which will not be taken into account in the book value of FM division as appearing on the date of closure of the transaction.
- The Group has initiated discussion for lease rent waiver on account of pandemic and have received confirmations from some of the landlord. The Group has accounted for revised rentals on account of modification only where it has received signed confirmation from landlord.
- During the quarter, the Company has allotted Nil equity shares (quarter ended December 31, 2019: Nil, quarter ended March 31, 2019: Nil, year ended March 31, 2020: 6,84,691, year ended March 31, 2019: 2,98,911) pursuant to exercise of stock options by employees.
- In the board meetings held on November 4, 2019, the respective Board of Directors of (a) Calvin Klein Arvind Fashion Private Limited ("CK") and (b) Tommy Hilfger Arvind Fashion Private Limited ("TH") (Subsidiary Companies) have approved the scheme of amalgamation between TH and CK pursuant to provisions of Section 230 to 232 of the Companies Act, 2013 whereby it is proposed to amalgamate TH into CK. The Scheme is subject to approval of relevant regulatory authorities. Pending such approvals, the Company has not given effect of the scheme in the financial results for the quarter and year ended March 31, 2020.
- Considering the countrywide lockdown imposed by the Government of India to combat the spreading of Novel Coronavirus ("COVID-19") and overall market conditions, the Committee of Directors of the Holding Company has, at its meeting held on March 26, 2020, decided to defer the Rights Issue of the Holding Company which was to open on March 30, 2020. Subsequently, considering the dynamic nature of the pandemic situation, Board of Directors at its meeting held on June 21, 2020, has revised the issue size up to Rs. 399.79 Crores from Rs. 299.64 Crores and approved to issue equity shares on rights basis in the ratio of 62:91, i.e. 62 Equity Shares for every 91 Equity Shares held at an Issue Price of Rs. 100/- per Equity Share (including premium of Rs. 96/- per Equity Share). The rights issue is open for subscription from June 29, 2020.
- The consolidated figures of the last quarter are the balancing figure between the audited figures in respect of the full financial year up to March 31, 2020 and March 31, 2019 and the unaudited year-to-date figures up to December 31, 2019 and December 31, 2018 being the date of the end of the third quarter of the financial year which were subjected to limited review by the auditor.
- Previous period's figures have been regrouped/rearranged wherever necessary, to conform to current period presentation.
- The Company has intimated the Stock Exchange to publish only Consolidated Financial Results and hence, the standalone financial results have not been published. However, the standalone financial results for the quarter and year ended March 31, 2020 is available on Company's website at www.arvindfashions.com.

## 15. Standalone Information:

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
Revenue	209.01	202.41	218.42	866.55	1,011.69
Profit before Tax (before Exceptional and/or Extraordinary Items)	19.25	(7.84)	(1.97)	11.93	62.23
Profit before Tax (After Exceptional and/or Extraordinary Items)	(0.01)	(7.84)	(1.97)	(7.33)	62.23
Profit after Tax	(0.10)	(4.27)	20.62	(4.89)	61.51
Other Comprehensive Income / (Loss) (net of tax)	0.14	(0.08)	(0.89)	(0.17)	(1.42)
<b>Total Comprehensive Income after tax</b>	<b>0.04</b>	<b>(4.35)</b>	<b>19.73</b>	<b>(5.06)</b>	<b>60.09</b>

For Arvind Fashions Limited

Place: Bangalore

Sd/-

Date: July 09, 2020

Suresh Jayaraman  
Managing Director & CEO