

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

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED  
FINANCIAL RESULTS OF ARVIND FASHIONS LIMITED**

**TO THE BOARD OF DIRECTORS OF ARVIND FASHIONS LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited 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 and half year ended September 30, 2020 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. 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 SEBI 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

**Subsidiary Companies**

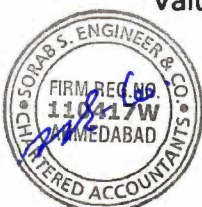
Arvind Lifestyle Brands Limited

Arvind Beauty Brands Retail Private Limited

PVH Arvind Fashion Private Limited (Previously known as Calvin Klein Arvind Fashion Private Limited)

Arvind Youth Brands Private Limited

Value Fashion Retail Limited



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**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 of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to note 4 of the Statement which describes the uncertainties and management's assessment of the financial impact due to COVID-19 pandemic situation, for which a definitive assessment in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

7. We did not review the interim financial results of one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 2,626.17 Crores as at September 30, 2020 and total revenues of Rs. 179.46 Crores and Rs. 291.36 Crores, total net loss after tax of Rs. 50.80 Crores and Rs. 209.51 Crores and total comprehensive loss of Rs. 49.18 Crores and Rs. 208.22 Crores, for the quarter and half year ended September 30, 2020 respectively, and net cash inflows of Rs. 2.72 Crores for the half year ended September 30, 2020, as considered in the consolidated unaudited financial results. This interim financial results has been reviewed by other auditors whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

8. The consolidated unaudited financial results include the interim financial results of two subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 381.66 Crores as at September 30, 2020 and total revenue of Rs. 53.63 Crores, total net loss after tax of Rs. 5.87 Crores and total comprehensive loss of Rs. 5.88 Crores for the quarter and half year ended September 30, 2020 and net cash inflows of Rs. 0.98 Crores for the half year ended September 30, 2020 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 information 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  
UDIN: 20100892AAABCA7277



Ahmedabad  
November 12, 2020



# ARVIND FASHIONS LIMITED

A MEMBER OF THE LALBHAI GROUP  
Corporate Office: Du Parc Trinity, 8<sup>th</sup> Floor, 17, M G. Road, Bengaluru - 560 001  
Tel: 91 -80-4155 0601  
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## Statement of Unaudited Consolidated Financial Results for the Quarter and the Half Year Ended September 30, 2020

(Rs. in Crores except per share data)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.20	30.06.20	30.09.19	30.09.20	30.09.19	31.03.20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>A Continuing Operations</b>						
<b>1 Income</b>						
(a) Revenue from operations	436.83	94.34	1,049.41	531.17	1,888.65	3,613.57
(b) Other Income (Refer Note 6)	26.98	66.04	6.46	93.02	7.34	59.78
<b>Total Income</b>	<b>463.81</b>	<b>160.38</b>	<b>1,055.87</b>	<b>624.19</b>	<b>1,895.99</b>	<b>3,673.35</b>
<b>2 Expenses</b>						
(a) Cost of trims and accessories consumed	-	-	0.36	-	1.34	5.15
(b) Purchases of stock-in-trade	53.44	12.01	771.49	65.45	1,235.79	2,071.95
(c) Changes in inventories	216.59	57.72	(179.84)	274.31	(185.53)	(84.83)
(d) Employee benefits expense	58.02	44.09	76.01	102.11	167.54	313.06
(e) Finance costs	56.78	64.77	67.20	121.55	132.44	273.55
(f) Depreciation and amortisation expense	75.78	76.55	111.84	152.33	204.93	420.66
(g) Other expenses	154.24	87.72	265.99	241.96	532.06	1,050.45
<b>Total Expenses</b>	<b>614.85</b>	<b>342.86</b>	<b>1,112.65</b>	<b>957.71</b>	<b>2,088.57</b>	<b>4,049.99</b>
<b>3 Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(151.04)</b>	<b>(182.48)</b>	<b>(56.78)</b>	<b>(333.52)</b>	<b>(192.58)</b>	<b>(376.64)</b>
<b>4 Exceptional items (Refer Note 4 and 5)</b>	<b>(45.20)</b>	<b>-</b>	<b>-</b>	<b>(45.20)</b>	<b>-</b>	<b>(60.69)</b>
<b>5 Profit/(Loss) Before Tax (3-4)</b>	<b>(196.24)</b>	<b>(182.48)</b>	<b>(56.78)</b>	<b>(378.72)</b>	<b>(192.58)</b>	<b>(437.33)</b>
<b>6 Tax Expense</b>						
Current Tax	-	-	0.57	-	2.92	-
(Excess)/short provision related to earlier years	-	-	(0.17)	-	(0.17)	(0.17)
Deferred Tax Charge/(Credit)	(6.75)	11.73	(18.77)	4.98	(65.13)	(77.26)
<b>Total Tax Expense/(Credit)</b>	<b>(6.75)</b>	<b>11.73</b>	<b>(18.37)</b>	<b>4.98</b>	<b>(62.38)</b>	<b>(77.43)</b>
<b>7 Net Profit/(Loss) for the period from Continuing Operations (5-6)</b>	<b>(189.49)</b>	<b>(194.21)</b>	<b>(38.41)</b>	<b>(383.70)</b>	<b>(130.26)</b>	<b>(359.90)</b>
<b>B Discontinuing Operations (Refer Note 10)</b>						
<b>8 Profit/(Loss) Before Tax for the period from Discontinuing Operations</b>	<b>(28.30)</b>	<b>(18.92)</b>	<b>(10.74)</b>	<b>(47.22)</b>	<b>(18.90)</b>	<b>(59.09)</b>
<b>9 Tax Expense/(Credit) on Discontinuing Operations</b>	<b>-</b>	<b>-</b>	<b>(3.58)</b>	<b>-</b>	<b>(6.29)</b>	<b>(19.80)</b>
<b>10 Net Profit/(Loss) for the period from Discontinuing Operations (8-9)</b>	<b>(28.30)</b>	<b>(18.92)</b>	<b>(7.16)</b>	<b>(47.22)</b>	<b>(12.61)</b>	<b>(39.29)</b>
<b>11 Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations (7+10)</b>	<b>(217.79)</b>	<b>(213.13)</b>	<b>(45.57)</b>	<b>(430.92)</b>	<b>(142.81)</b>	<b>(399.19)</b>
<b>Attributable to:</b>						
Equity Holders of the Parent	(211.76)	(198.77)	(47.03)	(408.53)	(145.54)	(400.74)
Non-controlling Interest	(6.03)	(16.36)	1.46	(22.39)	7.73	1.55
<b>12 Other Comprehensive Income/ (Loss) (Net of Tax)</b>	<b>(217.79)</b>	<b>(213.13)</b>	<b>(45.57)</b>	<b>(430.92)</b>	<b>(142.81)</b>	<b>(399.19)</b>
<b>(a) Items that will not be classified to profit and loss</b>						
(i) Re-measurement gain/(loss) on defined benefit plans	3.06	(0.83)	(0.10)	2.23	(1.22)	1.04
(ii) Income Tax related to the item above	(1.04)	0.26	0.04	(0.78)	0.43	(0.19)
<b>(b) Items that will be classified to profit and loss</b>						
(i) Effective portion of gains / (loss) on cash flow hedges	(1.92)	(2.74)	2.00	(4.66)	0.16	5.77
(ii) Income Tax related to the item above	-	-	(0.15)	-	(0.01)	-
<b>Other Comprehensive Income/ (Loss) (Net of Tax)</b>	<b>9.10</b>	<b>(3.31)</b>	<b>1.79</b>	<b>(3.21)</b>	<b>(0.64)</b>	<b>6.62</b>
<b>Attributable to:</b>						
Equity holders of the Parent	1.06	(1.94)	0.86	(0.88)	(0.70)	3.46
Non-controlling Interest	(0.96)	(1.37)	0.93	(2.33)	0.06	3.16
<b>13 Total Comprehensive Income/ (Loss) for the Period (11+12)</b>	<b>(217.49)</b>	<b>(216.44)</b>	<b>(43.78)</b>	<b>(434.13)</b>	<b>(143.45)</b>	<b>(392.57)</b>
<b>Attributable to:</b>						
Equity holders of the Parent	(210.70)	(198.71)	(46.17)	(409.41)	(146.24)	(397.28)
Non-controlling Interest	(6.99)	(17.73)	2.39	(24.72)	2.79	4.71
<b>14 Paid-up Equity Share Capital (Face Value ₹ 4/- per share)</b>	<b>39.46</b>	<b>23.47</b>	<b>23.47</b>	<b>39.46</b>	<b>23.47</b>	<b>23.47</b>
<b>15 Other Equity</b>						<b>573.83</b>
<b>16 Earning Per Share in Rs (Not Annualised)</b>						
<b>Continuing Operations</b>						
-Basic	(19.60)	(23.07)	(5.17)	(42.67)	(17.27)	(46.92)
-Diluted	(19.51)	(23.00)	(5.13)	(42.51)	(17.12)	(46.59)
<b>Discontinuing Operations</b>						
-Basic	(3.10)	(2.45)	(0.93)	(5.55)	(1.64)	(5.10)
-Diluted	(3.08)	(2.45)	(0.92)	(5.53)	(1.62)	(5.06)
<b>Continuing and Discontinuing Operations</b>						
-Basic	(22.70)	(25.52)	(6.10)	(48.22)	(18.91)	(52.02)
-Diluted	(22.59)	(25.45)	(6.05)	(48.04)	(18.74)	(51.65)

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

CA. Chokshi Shreyas B.  
Partner  
Membership No. 100892

Ahmedabad  
November 12, 2020



For Arvind Fashions Limited

Suresh Jayaraman  
Managing Director & CEO  
DIN: 03033110

Bengaluru  
November 12, 2020



ARVIND

Regd. Office : Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380 025  
CIN: L52399GJ2016PLC085995

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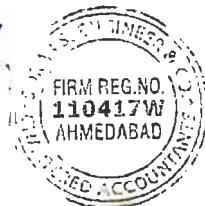
## Statement of Consolidated Unaudited Assets and Liabilities

		(Rs in Crores)	
		As at	As at
		September 30, 2020	March 31, 2020
		Unaudited	Audited
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment		227.38	298.87
(b) Capital work-in-progress		2.36	1.44
(c) Right-of-use asset		599.09	733.69
(d) Goodwill on consolidation		111.23	111.23
(e) Intangible assets		81.44	90.37
(f) Financial assets			
(i) Investments			-
(ii) Loans		0.02	0.07
(iii) Other financial assets		181.34	206.65
(g) Deferred tax assets (net)		429.71	434.47
(h) Other non-current assets		3.80	7.75
<b>Sub-Total-Non-current Assets</b>		<b>1,636.37</b>	<b>1,884.94</b>
<b>II. Current assets</b>			
(a) Inventories		918.54	1,305.83
(b) Financial assets			
(i) Trade receivables		576.26	781.35
(ii) Cash and cash equivalents		7.22	10.09
(iii) Bank balance other than (ii) above		44.91	1.54
(iv) Loans		4.05	4.17
(v) Others financial assets		78.20	47.13
(c) Current tax assets (net)		41.32	41.57
(d) Other current assets		478.32	372.62
<b>Sub-Total-Current Assets</b>		<b>2,148.82</b>	<b>2,564.30</b>
<b>III. Assets Held for Sale (Discontinuing Operations) (Refer Note 10)</b>		239.65	-
<b>Total Assets</b>		<b>4,024.84</b>	<b>4,449.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital		39.46	23.47
(b) Other equity		549.47	573.83
Equity attributable to Equity holders of the Parent		588.93	597.30
(c) Non controlling Interest		62.94	87.66
<b>Sub-Total -Equity</b>		<b>651.87</b>	<b>684.96</b>
<b>LIABILITIES</b>			
<b>I. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings		148.77	162.78
(ii) Lease liabilities		645.55	830.62
(iii) Other financial liabilities		218.89	79.00
(b) Long-term provisions		17.39	19.65
(c) Other non-current liabilities		0.17	0.23
<b>Sub-Total - Non-current Liabilities</b>		<b>1,030.77</b>	<b>1,092.28</b>
<b>II. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings		909.61	1,047.61
(ii) Lease liabilities		104.72	87.70
(iii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises		144.20	177.32
b) total outstanding dues of creditors other than micro enterprises and small enterprises		908.47	1,147.98
(iv) Other financial liabilities		145.68	141.05
(b) Other current liabilities		36.43	47.70
(c) Short-term provisions		23.14	22.24
<b>Sub-Total - Current Liabilities</b>		<b>2,272.25</b>	<b>2,671.60</b>
<b>III. Liabilities directly associated with Assets classified as held for sale (Discontinuing Operations) (Refer Note 10)</b>		69.95	-
<b>Total Equity and Liabilities</b>		<b>4,024.84</b>	<b>4,449.24</b>

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

*Chokshi Shreyas B.*  
CA. Chokshi Shreyas B.  
Partner  
Membership No. 100892

Ahmedabad  
November 12, 2020



For Arvind Fashions Limited

Suresh Jayaraman  
Managing Director & CEO  
DIN:03033110

Bengaluru  
November 12, 2020



**Arvind**

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## Consolidated Statement of Cash Flows for the half year ended September 30, 2020

Particulars	Half Year ended		Half Year ended	
	September 30, 2020		September 30, 2019	
<b>A Operating activities</b>				
Profit/(Loss) Before taxation from Continuing Operations		(378.72)		(193.49)
Discontinuing Operations		(47.22)		(17.99)
<b>Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations</b>		<b>(425.94)</b>		<b>(211.48)</b>
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation /Amortization	159.13		211.36	
Interest Income	(0.99)		(0.96)	
Interest and Other Borrowing Cost	128.65		139.12	
Gain on sale of shares (Net)	(111.91)		-	
Allowance of doubtful debts	-		0.63	
Gain on reassessment of lease and Lease Concessions	(91.29)		(5.87)	
Property, Plant & Equipment written off	-		0.01	
(Profit)/Loss on Sale of Property, Plant & Equipment /Intangible assets	0.02		(0.11)	
Share based payment expense	3.12		0.87	
		<b>86.73</b>		<b>345.05</b>
<b>Operating Profit before Working Capital Changes</b>		<b>(339.21)</b>		<b>133.57</b>
Working Capital Changes:				
(Increase) / Decrease in Inventories	253.47		(183.37)	
(Increase) / Decrease in trade receivables	145.60		(102.48)	
(Increase) / Decrease in other assets	(102.25)		(13.31)	
(Increase) / Decrease in other financial assets	(20.53)		(1.07)	
(Increase) / Decrease in other bank balances	(43.37)		(0.15)	
Increase / (Decrease) in trade payables	(202.67)		168.03	
Increase / (Decrease) in other liabilities	(11.33)		(7.07)	
Increase / (Decrease) in other financial liabilities	(16.37)		12.02	
Increase / (Decrease) in provisions	(1.36)		1.00	
<b>Net Changes in Working Capital</b>		<b>1.19</b>		<b>(126.40)</b>
<b>Cash Generated from Operations</b>		<b>(338.02)</b>		<b>7.17</b>
Direct Taxes paid (Net of Income Tax refund)		0.26		(4.44)
<b>Net Cash flow from Operating Activities (A)</b>		<b>(337.76)</b>		<b>2.73</b>
<b>B Cash Flow from Investing Activities</b>				
Purchase of Property, Plant & Equipment /Intangible assets (Net)	(18.04)		(55.15)	
Changes in Capital Advances	0.49		2.92	
Changes in Loans given	0.16		(0.02)	
Interest Received	0.75		1.31	
<b>Net cash flow from Investing Activities (B)</b>		<b>(16.64)</b>		<b>(50.94)</b>
<b>C Cash Flow from Financing Activities</b>				
Proceeds from Issue of share capital (net)	396.86		9.30	
Proceeds from Sale of Shares of Subsidiary (Net)	254.86		-	
Changes in share application money	-		(8.51)	
Changes in long term Borrowings	(8.97)		85.82	
Changes in short term borrowings	(138.00)		220.17	
Principal repayment of lease liabilities	(35.12)		(130.77)	
Interest and Other Borrowing Cost Paid	(119.76)		(130.21)	
<b>Net Cash flow from Financing Activities (C)</b>		<b>349.87</b>		<b>45.80</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents (A) +(B)+(C)</b>		<b>(4.53)</b>		<b>(2.41)</b>
Cash & Cash equivalent at the beginning of the period		9.94		7.72
Cash & Cash equivalent at the end of the period		5.41		5.31

### Reconciliation of Cash & Cash equivalents:

Particulars	Half Year ended		Half Year ended	
	September 30, 2020		September 30, 2019	
<b>Cash and cash equivalents comprise of:</b>				
Cash on Hand		0.01		0.04
Balances with Banks		7.21		5.50
		7.22		5.54
Less: Bank Overdraft		1.81		0.23
<b>Cash and cash equivalents</b>		<b>5.41</b>		<b>5.31</b>

For Sorab S. Engineer & Co.  
Chartered Accountants  
Firm Registration No. 110417W  
*Chokshi Shreyas B.*  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892

Ahmedabad  
November 12, 2020



For Arvind Fashions Limited

**Suresh Jayaraman**  
Managing Director & CEO  
DIN: 03033110

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### 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 as amended from time to time.
- 2 The above consolidated financial results for the quarter and half year ended September 30, 2020 which have been subjected to review by the Statutory Auditors, were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on November 12, 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.
- 3 The Group is primarily engaged in the business of Branded Apparels (Garments and Accessories) which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting segment.
- 4 Due to Covid19, the fashion business has been severely impacted. This has led to lower sales, resulting into inventory build-up and slower collection of receivables.

The Group has taken several steps including raising of equity capital by way of rights issue of Rs. 399.79 Crores, strategic partnership with Flipkart India Private Limited for its youth brands Flying Machine which has resulted in cash flow of Rs. 260 Crores, discontinuation of certain brands, sharp reduction in overheads and closure of unviable stores. With objectives of faster releasing cash and have fresh inventory offered to customers, the Group has decided to offer higher discounts to liquidate old inventory rapidly and take back goods sold from customers where collection of funds is getting delayed and sell it through other channels for faster liquidation. In order to achieve these objectives, during the quarter and half year ended September 30, 2020, the Group has made special provision of Rs. 157.11 Crores consisting of Rs. 34.74 Crores for Margin on Sales Return and Scheme and Discounts, Rs. 96.83 Crores for Inventory Dormancy and Rs. 25.54 Crores for Allowance for Doubtful Debtors (Quarter and year ended March 31, 2020: Rs. 60.69 Crores, Rs. 37.49 Crores, Rs. 13.19 Crores and Rs. 10.01 Crores respectively) which are disclosed under Exceptional Items.

- 5 The Parent Company and Arvind Lifestyle Brands Limited (ALBL), a wholly owned subsidiary Company have transferred by way of sale, the wholesale trading business and retail trading business of "Flying Machine" ("FM") brand respectively as a going concern to Arvind Youth Brands Private Limited (AYBPL), a subsidiary company on a slump sale basis for a lump sum consideration of Rs. 61.90 Crores and Rs. 151.30 Crores respectively.

The Flipkart India Private Limited has purchased a significant minority stake in AYBPL through purchase of Compulsorily Convertible Preference Shares for Rs. 260 Crores. Rs. 111.91 crores, being the gain on sale of shares has been disclosed under Exceptional Items.

- 6 The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116-Leases, by inserting a practical expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Group has applied the practical expedient by accounting the unconditional rent concessions (including rent concessions pertaining to discontinuing operations) of Rs. 14.31 Crores for the quarter ending September 30, 2020 (quarter ended June 30, 2020: 64.88 Crores, half year ended September 30, 2020: Rs. 79.19 Crores) (including Rs. 14.84 Crores pertaining to periods after September 30, 2020).

- 7 During the quarter, the Company has not allotted any equity shares (quarter ended June 30, 2020: Nil, quarter ended September 30, 2019: 44,706, year ended March 31, 2020: 6,84,691) pursuant to exercise of stock options by employees.

- 8 The National Company Law Tribunal (NCLT), vide its order dated July 14, 2020 has approved the scheme of amalgamation of Tommy Hilfiger Arvind Fashion Private Limited with Calvin Klein Arvind Fashion Private Limited now renamed as PVH Arvind Fashion Private Limited. The scheme has become effective with appointed date i.e. April 01, 2019. As required by applicable accounting standard the consolidated financial results of previous periods have been restated.

- 9 On June 21, 2020, the Board of Directors of the Company had approved the revised size of Rights Issue of 3,99,79,347 shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 100 per Rights Equity Shares (including premium of Rs. 96 per Rights Equity Share) in the ratio of 62:91, i.e. 62 Rights Equity Shares for every 91 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. March 18, 2020. On July 24, 2020, the Company has approved the allotment of 3,99,79,347 equity shares of face value Rs. 4/- each to the eligible equity shareholders as fully paid up. There is no deviation in use of proceeds from the objects stated in the Offer document for Right Issue.

Pursuant to IND AS 33, basic and diluted earnings per share for the previous periods have been restated for the bonus element in respect of right issue.

- 10 The Management of Arvind Lifestyle Brands Limited (ALBL), a wholly owned subsidiary of the Company has decided to discontinue Brands like GAP, Hanes, New Port and Ruf & Tuf. Accordingly, the activities of these brands business that are considered as disposal group are presented as a discontinued operation in accordance with the provisions of Indian Accounting Standard 105 - 'Non-current Assets Held for Sale and Discontinued Operations'. Consequently, Loss before tax and tax expenses relating to these brands business have been disclosed separately as discontinued operations as part of the above results. The previous periods have been re-classified to give effect to the presentation requirements of Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

- 11 The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contribution by the Company towards Provident Fund, Gratuity and ESIC. The Code have been published in the Gazette of India. However effective date has yet not been notified. the Group will assess the impact of the Code and will record related impact in the period it becomes effective.

- 12 Previous period's figures have been regrouped/rearranged wherever necessary, to conform to current period presentation.

For Sorab S. Engineer & Co.  
Chartered Accountants  
Firm Registration No. 110417W  
CA. Chokshi Shreyas B.  
Partner  
Membership No. 100892

Ahmedabad  
November 12, 2020



For Arvind Fashions Limited

Suresh Jayaraman  
Managing Director & CEO  
DIN:03033110

Bengaluru  
November 12, 2020



Arvind

Read. Office : Main Building, Arvind Limited Pharmacy, Naroda Road, Ahmedabad - 380 025

**SORAB S. ENGINEER & CO. (Regd.)**

**CHARTERED ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS OF ARVIND FASHIONS LIMITED**

**TO THE BOARD OF DIRECTORS OF ARVIND FASHIONS LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Arvind Fashions Limited ("the Company") for the quarter and half year ended September 30, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's 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 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are 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 of unaudited standalone financial results prepared in accordance with applicable 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.
5. We draw your attention to note 4 of the Statement which describes the uncertainties and management's assessment of the financial impact due to COVID-19 pandemic situation, for which a definitive assessment in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

For **Sorab S. Engineer & Co.**

Chartered Accountants

Firm Registration No. 110417W

*Chokshi Shreyas B.*

**CA. Chokshi Shreyas B.**

Partner

Membership No.100892

UDIN: 20100892AAABBZ5187



Ahmedabad

November 12, 2020

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# ARVIND FASHIONS LIMITED

A MEMBER OF THE LALBHAI GROUP

Corporate Office: Du Parc Trinity, 8<sup>th</sup> Floor, 17, M G Road, Bengaluru - 560 001  
Tel: 91 -80-4155 0601  
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## Statement of Unaudited Standalone Financial Results for the Quarter and the Half Year Ended Sept 30, 2020

(Rs. in Crores except per share data)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.20	30.06.20	30.09.19	30.09.20	30.09.19	31.03.20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Income</b>						
(a) Revenue from operations	58.40	29.65	277.96	88.05	449.72	854.11
(b) Other Income	4.58	4.40	3.25	8.98	5.41	12.44
<b>Total Income</b>	<b>62.98</b>	<b>34.05</b>	<b>281.21</b>	<b>97.03</b>	<b>455.13</b>	<b>866.55</b>
<b>2 Expenses</b>						
(a) Cost of Trims and accessories consumed	-	-	(0.17)	-	0.61	4.52
(b) Purchases of stock-in-trade	(76.42)	16.79	215.15	(59.63)	344.39	577.52
(c) Changes in inventories of stock-in-trade	101.50	(5.08)	(12.39)	96.42	(36.38)	4.69
(d) Employee benefits expense	9.41	6.12	14.35	15.53	32.95	56.10
(e) Finance costs	9.72	12.37	8.61	22.09	16.19	37.32
(f) Depreciation and amortisation expense	4.77	3.98	2.86	8.75	5.61	13.04
(g) Other expenses	12.44	16.92	53.58	29.36	91.24	161.43
<b>Total Expenses</b>	<b>61.42</b>	<b>51.10</b>	<b>281.99</b>	<b>112.52</b>	<b>454.61</b>	<b>854.62</b>
<b>3 Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>1.56</b>	<b>(17.05)</b>	<b>(0.78)</b>	<b>(15.49)</b>	<b>0.52</b>	<b>11.93</b>
<b>4 Exceptional items (Refer Note 4)</b>	<b>(45.73)</b>	<b>-</b>	<b>-</b>	<b>(45.73)</b>	<b>-</b>	<b>(19.26)</b>
<b>5 Profit/(Loss) Before Tax (3-4)</b>	<b>(44.17)</b>	<b>(17.05)</b>	<b>(0.78)</b>	<b>(61.22)</b>	<b>0.52</b>	<b>(7.33)</b>
<b>6 Tax Expense</b>						
Current Tax	-	-	(0.10)	-	0.18	-
(Excess)/short provision related to earlier years	-	-	(0.17)	-	(0.17)	(0.17)
Deferred Tax Charge/ (Credit)	0.04	0.66	0.80	0.70	1.03	(2.27)
<b>Total Tax Expense/(Credit)</b>	<b>0.04</b>	<b>0.66</b>	<b>0.53</b>	<b>0.70</b>	<b>1.04</b>	<b>(2.44)</b>
<b>7 Net Profit/(Loss) for the period (5-6)</b>	<b>(44.21)</b>	<b>(17.71)</b>	<b>(1.31)</b>	<b>(61.92)</b>	<b>(0.52)</b>	<b>(4.89)</b>
<b>8 Other Comprehensive Income/ (Loss) (Net of Tax)</b>						
(a) Items that will not be classified to profit and loss						
(i) Re-measurement gain/(loss) on defined benefit plans	0.55	(0.30)	(0.11)	0.25	(0.38)	(0.26)
(ii) Income Tax related to the item above	(0.17)	0.08	0.03	(0.09)	0.13	0.09
(b) Items that will be classified to profit and loss						
(i) Effective portion of gains / (loss) on cash flow hedges	-	-	(0.02)	-	0.03	-
(ii) Income Tax related to the item above	-	-	0.01	-	(0.01)	-
<b>Other Comprehensive Income/ (Loss) (Net of Tax)</b>	<b>0.38</b>	<b>(0.22)</b>	<b>(0.09)</b>	<b>0.16</b>	<b>(0.23)</b>	<b>(0.17)</b>
<b>9 Total Comprehensive Income/ (Loss) for the Period (7+8)</b>	<b>(43.83)</b>	<b>(17.93)</b>	<b>(1.40)</b>	<b>(61.76)</b>	<b>(0.75)</b>	<b>(5.06)</b>
<b>10 Paid-up Equity Share Capital (Face Value ₹ 4/- per share)</b>	<b>39.46</b>	<b>23.47</b>	<b>23.47</b>	<b>39.46</b>	<b>23.47</b>	<b>23.47</b>
<b>11 Other Equity</b>						<b>1,325.79</b>
<b>12 Earning Per Share in Rs (Not Annualised)</b>						
-Basic	(5.20)	(2.30)	(0.17)	(7.50)	(0.07)	(0.63)
-Diluted	(5.18)	(2.29)	(0.17)	(7.47)	(0.07)	(0.63)

(See accompanying notes to the Standalone Financial Results)

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  
November 12, 2020



For Arvind Fashions Limited

*Suresh Jayaraman*  
Suresh Jayaraman  
Managing Director & CEO  
DIN: 03033110

Bengaluru  
November 12, 2020





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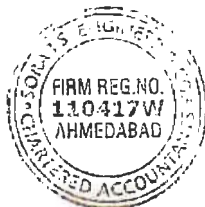
## Unaudited Standalone Statement of Assets and Liabilities

		(Rs in Crores)	
		As at	As at
		September 30, 2020	March 31, 2020
		Unaudited	Audited
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment		23.23	31.01
(b) Intangible assets		25.05	26.69
(c) Financial assets			
(i) Investments		1,599.69	1,301.48
(ii) Loans		-	0.03
(iii) Other financial assets		14.15	18.15
(d) Deferred tax assets (net)		20.01	19.81
(e) Other non-current assets		0.03	0.19
<b>Sub-Total-Non-current Assets</b>		<b>1,682.16</b>	<b>1,397.36</b>
<b>II. Current assets</b>			
(a) Inventories		147.50	247.93
(b) Financial assets			
(i) Trade receivables		123.54	185.97
(ii) Cash and cash equivalents		1.49	8.00
(iii) Bank balance other than (ii) above		1.57	0.22
(iv) Loans		134.67	110.86
(v) Others financial assets		15.68	0.47
(c) Current tax assets (net)		15.18	15.18
(d) Other current assets		67.43	67.83
<b>Sub-Total-Current Assets</b>		<b>507.06</b>	<b>636.46</b>
<b>Total Assets</b>		<b>2,189.22</b>	<b>2,033.82</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital		39.46	23.47
(b) Other equity		1,649.09	1,325.79
<b>Sub-Total -Equity</b>		<b>1,688.55</b>	<b>1,349.26</b>
<b>LIABILITIES</b>			
<b>I. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings		17.58	20.97
(ii) Other financial liabilities		2.31	4.14
(b) Long-term provisions		3.36	4.55
<b>Sub-Total - Non-current Liabilities</b>		<b>23.25</b>	<b>29.66</b>
<b>II. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings		137.56	234.42
(ii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises		43.82	57.97
b) total outstanding dues of creditors other than micro enterprises and small enterprises		268.81	338.42
(iii) Other financial liabilities		24.04	18.90
(b) Other current liabilities		1.44	3.57
(c) Short-term provisions		1.75	1.62
<b>Sub-Total - Current Liabilities</b>		<b>477.42</b>	<b>654.90</b>
<b>Total Equity and Liabilities</b>		<b>2,189.22</b>	<b>2,033.82</b>

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

CA. Chokshi Shreyas B.  
Partner  
Membership No. 100892

Ahmedabad  
November 12, 2020



For Arvind Fashions Limited

Suresh Jayaraman  
Managing Director & CEO  
DIN:03033110

Bengaluru  
November 12, 2020



Arvind

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CIN: L52399GJ2016PLC085595

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## Standalone Statement of Cash Flows for the half year ended September 30, 2020

(Rs in Crores)

Particulars	Half Year ended September 30, 2020		Half Year ended September 30, 2019	
<b>A Operating activities</b>				
Profit/(Loss) Before taxation		(61.22)		0.52
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation /Amortization	8.75		5.61	
Interest Income	(6.53)		(3.80)	
Interest and Other Borrowing Cost	22.09		16.19	
Financial guarantee commission	(2.04)		(1.41)	
Provisions for Doubtful Debts	-		0.40	
Provision for Litigation/Disputes	-		0.15	
(Profit)/Loss on Sale of Property, Plant & Equipment /Intangible assets	-		(0.04)	
Share based payment expense	0.41		0.12	
		22.68		17.22
<b>Operating Profit before Working Capital Changes</b>		(38.54)		17.74
Working Capital Changes:				
(Increase) / Decrease in Inventories	70.35		(37.59)	
(Increase) / Decrease in trade receivables	(2.80)		0.39	
(Increase) / Decrease in other assets	(20.49)		16.01	
(Increase) / Decrease in other financial assets	(4.69)		(3.25)	
(Increase) / Decrease in other bank balances	(1.35)		(0.04)	
Increase / (Decrease) in trade payables	(18.02)		2.34	
Increase / (Decrease) in other liabilities	(1.44)		(13.04)	
Increase / (Decrease) in other financial liabilities	(0.42)		(2.33)	
Increase / (Decrease) in provisions	(0.81)		(0.41)	
<b>Net Changes in Working Capital</b>		20.33		(37.92)
<b>Cash Generated from Operations</b>		(18.21)		(20.18)
Direct Taxes paid (Net of Income Tax refund)		-		(1.19)
<b>Net Cash flow from Operating Activities (A)</b>		(18.21)		(21.37)
<b>B Cash Flow from Investing Activities</b>				
Purchase of Property, Plant & Equipment /Intangible assets (Net)	(3.39)		(5.27)	
Proceeds from Sale of Property, Plant & Equipment	0.59		0.20	
Proceeds from Sale of Undertaking	61.90		-	
Purchase of Investments	(293.70)		-	
Changes in Capital Advances	0.16		0.26	
Changes in Loans given	(34.41)		(71.41)	
Interest Received	-		0.61	
<b>Net cash flow from Investing Activities (B)</b>		(268.85)		(75.61)
<b>C Cash Flow from Financing Activities</b>				
Proceeds from issue of share capital (Net)	396.86		9.30	
Changes in Share application money	-		(8.51)	
Changes in long term Borrowings	(3.07)		(1.34)	
Changes in short term borrowings	(96.86)		112.13	
Principal repayment of lease liabilities	-		(0.64)	
Interest and Other Borrowing Cost Paid	(16.38)		(14.37)	
<b>Net Cash flow from Financing Activities (C)</b>		280.55		96.57
<b>Net Increase/(Decrease) in cash &amp; cash equivalents (A) +(B)+(C)</b>		(6.51)		(0.41)
Cash & Cash equivalent at the beginning of the period		8.00		1.16
Cash & Cash equivalent at the end of the period		1.49		0.75

### Reconciliation of Cash & Cash equivalents:

Particulars	Half Year ended September 30, 2020	Half Year ended September 30, 2019
<b>Cash and cash equivalents comprise of:</b>		
Cash on Hand	-	0.03
Balances with Banks	1.49	0.72
<b>Cash and cash equivalents</b>	<b>1.49</b>	<b>0.75</b>

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

CA. Chokshi Shreyas B.  
Partner  
Membership No. 100892

Ahmedabad  
November 12, 2020



For Arvind Fashions Limited

Suresh Jayaraman  
Managing Director & CEO  
DIN:03033110

Bengaluru  
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Arvind

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### **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 as amended from time to time.
- 2 The above standalone financial results for the quarter and half year ended September 30, 2020 which have been subjected to review 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 November 12, 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.
- 3 The Company is primarily engaged in the business of Branded Apparels (Garments and Accessories) which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting segment.
- 4 Due to Covid19, the fashion business has been severely impacted. This has led to lower sales, resulting into inventory build-up and slower collection of receivables.

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- 5 The Company has transferred by way of sale, the wholesale trading business of "Flying Machine" ("FM") brand as a going concern to Arvind Youth Brands Private Limited (AYBPL), a subsidiary company on a slump sale basis for a lump sum consideration of Rs. 61.90 Crores.
- 6 During the quarter, the Company has not allotted any equity shares (quarter ended June 30, 2020: Nil, quarter ended September 30, 2019: 44,706, year ended March 31, 2020: 6,84,691) pursuant to exercise of stock options by employees.
- 7 On June 21, 2020, the Board of Directors of the Company had approved the revised size of Rights Issue of 3,99,79,347 shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 100 per Rights Equity Shares (including premium of Rs. 96 per Rights Equity Share) in the ratio of 62:91, i.e. 62 Rights Equity Shares for every 91 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. March 18, 2020. On July 24, 2020, the Company has approved the allotment of 3,99,79,347 equity shares of face value Rs. 4/- each to the eligible equity shareholders as fully paid up. There is no deviation in use of proceeds from the objects stated in the Offer document for Right issue.  
  
Pursuant to IND AS 33, basic and diluted earnings per share for the previous periods have been restated for the bonus element in respect of right issue.
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- 9 Previous period's figures have been regrouped/rearranged wherever necessary, to conform to current period presentation.

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

**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892

Ahmedabad  
November 12, 2020



For **Arvind Fashions Limited**

**Suresh Jayaraman**  
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DIN:03033110

Bengaluru  
November 12, 2020



**ARVIND**

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