

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.arvind-fashions.com>

September 02, 2020

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

Security Code: 542484
Security ID: ARVINDFASN

National Stock Exchange of India Ltd.
Listing Dept., Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

Symbol : ARVINDFASN

Dear Sir / Madam,

Sub: Outcome of the Meeting of the Board of Directors held on September 02, 2020

Ref.: Regulations 30, 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

1. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended on June 30, 2020, approved by the Board of Directors of the Company at their meeting held today along with Limited Review Reports by the Sorab S. Engineer & Co., Statutory Auditors of the Company, for the said quarter.
2. A copy of the press release being issued by the Company in respect of unaudited financial results for the quarter ended on June 30, 2020.
3. Investor Presentation for Q1 issued in this regard.

The meeting of the Board of Directors of the Company commenced at 02.00 p.m. and concluded at 3:10 p.m

You are requested to bring this to the notice of all concerned.

Thanking you,

Yours faithfully,
For Arvind Fashions Limited


Vijay Kumar B S
Company Secretary

Encl : As above.

ARVIND

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

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

TELEPHONE : +91 79 29700466
: +91 79 48006782
EMAIL : sseahm@sseco.in
sseahm@hotmail.com
WEB : www.sseco.in



804, SAKAR-IX,
BESIDES OLD RBI,
ASHRAM ROAD,
AHMEDABAD-380 009

Independent Auditor's Review Report on Quarterly Unaudited Standalone Financial Results of Arvind Fashions Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Arvind Fashions Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Arvind Fashions Limited ("the Company") for the quarter ended June 30, 2020 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
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 as amended, 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 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.
4. Based on our review conducted as above, 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 Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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

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

SORAB S. ENGINEER & CO. (Regd.)

5. We draw attention to Note 4 of the Statement which describes management's assessment of the impact of the COVID 19 pandemic on the Company's operations and carrying value of assets as at June 30, 2020. 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: 20100892AAAA 005668



Ahmedabad
September 02, 2020

ARVIND FASHIONS LIMITED

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Corporate Office: Du Parc Trinity, 8th Floor, 17, M.G. Road, Bengaluru – 560 001
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Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30, 2020

(Rs. in Crores except per share data)

Particulars	Quarter Ended		Year ended	
	30.06.20 Unaudited	31.03.20 (Refer Note 8)	30.06.19 Unaudited	31.03.20 Audited
1 Income				
(a) Revenue from operations	29.65	205.28	171.76	854.11
(b) Other Income	4.40	3.73	2.16	12.44
Total Income	34.05	209.01	173.92	866.55
2 Expenses				
(a) Cost of Trims and accessories consumed	-	3.86	0.78	4.52
(b) Purchases of stock-in-trade	16.79	119.24	129.24	577.52
(c) Changes in inventories of stock-in-trade	(5.08)	5.48	(23.99)	4.69
(d) Employee benefits expense	6.12	10.75	18.60	56.10
(e) Finance costs	12.37	9.69	7.58	37.32
(f) Depreciation and amortisation expense	3.98	5.41	2.75	13.04
(g) Other expenses	16.92	35.33	37.66	161.43
Total Expenses	51.10	189.76	172.62	854.62
3 Profit/(Loss) before exceptional items and tax (1-2)	(17.05)	19.25	1.30	11.93
4 Exceptional items (Refer Note 4)	-	(19.26)	-	(19.26)
5 Profit/(Loss) before tax (3-4)	(17.05)	(0.01)	1.30	(7.33)
6 Tax Expense				
Current Tax	-	-	0.28	-
(Excess)/short provision related to earlier years	-	-	-	(0.17)
Deferred Tax Charge/ (Credit)	0.66	0.09	0.23	(2.27)
Total Tax Expense/(Credit)	0.66	0.09	0.51	(2.44)
7 Profit/(Loss) for the period after tax (5-6)	(17.71)	(0.10)	0.79	(4.89)
8 Other Comprehensive Income/ (Loss) (Net of Tax)				
(a) Items that will not be classified to profit and loss				
(i) Re-measurement gain/(loss) on defined benefit plans	(0.30)	0.22	(0.27)	(0.26)
(ii) Income Tax related to the item above	0.08	(0.08)	0.10	0.09
(b) Items that will be classified to profit and loss				
(i) Effective portion of gains / (loss) on cash flow hedges	-	-	0.05	-
(ii) Income Tax related to the item above	-	-	(0.02)	-
Total other comprehensive income/(loss), net of tax	(0.22)	0.14	(0.14)	(0.17)
9 Total Comprehensive Income/ (Loss) for the Period (7+8)	(17.93)	0.04	0.65	(5.06)
10 Paid-up Equity Share Capital (Face Value ₹ 4/- per share)	23.47	23.47	23.45	23.47
11 Other Equity				1,325.79
12 Earning Per Share in ₹ (Face Value ₹ 4) (Not Annualised, excluding year end)				
- Basic	(3.02)	(0.02)	0.14	(0.84)
- Diluted	(3.00)	(0.02)	0.13	(0.83)
(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
September 02, 2020



For Arvind Fashions Limited

Suresh J.
Suresh J.
Managing Director

Bengaluru
September 02, 2020



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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 ended June 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 September 02, 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) through retail and departmental store facilities, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting segment.
- 4 COVID 19 pandemic has had a significant impact on the business operations and the financial results of the Company for the quarter ended June 30, 2020. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results, in determination of the recoverability and carrying value of financial assets and non-financial assets. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial results, whereby actual outcome may differ from those assumptions and estimates considered as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions. The Company continues to take various precautionary measures to ensure health and safety of its customers, employees and their families from COVID-19. Given the unprecedented circumstances, the results for the current quarter are not comparable to previous corresponding period results.

During the quarter and year ended March 31, 2020, the Company has taken additional provisions arising out of Covid of Rs. 19.26 Crores consisting of Rs. 12.52 Crores for Margin on Sales Return, Rs. 4.89 Crores for Inventory Dormancy and Rs. 1.85 Crores for Allowance for Doubtful Debtors which are disclosed under Exceptional Items.

- 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, a wholly owned subsidiary company on a slump sale basis for a lump sum consideration which will not be less than book value of FM division as appearing on the date of closure of the transaction. The Company will receive lumpsum consideration of Rs. 61.90 Crores from the transaction, subject to working capital adjustments.
- 6 During the quarter, the Company has not allotted any equity shares (quarter ended March 31, 2020: Nil, quarter ended June 30, 2019: 6,39,985, year ended March 31, 2020: 6,84,691) pursuant to exercise of stock options by employees.
- 7 Board of Directors at its meeting held on June 21, 2020, has approved the revised size of Rights Issue from Rs. 299.64 Crores to Rs. 399.79 Crores. The Rights Issue was 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. The Rights issue was open for subscription from Monday, June 29, 2020 to Friday July 17, 2020 which was fully subscribed.
- 8 The standalone 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 the unaudited year-to-date figures up to December 31, 2019 being the date of the end of the third quarter of the financial year which were subjected to limited review by the auditor.
- 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.
CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
September 02, 2020



For Arvind Fashions Limited

Suresh J.
Suresh J.
Managing Director

Bengaluru
September 02, 2020



ARVIND

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CIN: L52399GJ2016PLC085595

SORAB S. ENGINEER & CO. (Regd.)
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TELEPHONE : +91 79 29700466
: +91 79 48006782
EMAIL : sseahm@sseco.in
: sseahm@hotmail.com
WEB : www.sseco.in



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Independent Auditor's Review Report on Quarterly Unaudited Consolidated Financial Results of Arvind Fashions Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
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 ended June 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 (the "Listing Regulations").
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 as amended, 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. 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 No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

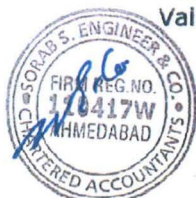
4. The Statement includes the results of the following entities:

Parent Company

Arvind Fashions Limited

Subsidiary Companies

Arvind Lifestyle Brands Limited
Arvind Beauty Brands Retail Private Limited
Calvin Klein Arvind Fashion Private Limited
Arvind Youth Brands Private Limited
Value Fashion Retail Limited



Head Office : 902, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-400 021.
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Bengaluru Branch : F-1, Vaastu Jayalaxmi, B Street, Opp. Fortis Hospital, 1st Main Road, Sheshadripuram, Bengaluru-560020.
Telephone : +91 9925879234 • Email : sseblr@sseco.in

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 6 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 Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 4 of the Statement which describes management's assessment of the impact of the COVID 19 pandemic on the Group's operations and carrying value of assets as at June 30, 2020. 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 revenues of Rs. 111.90 Crores, total net loss after tax of Rs. 158.71 Crores and total comprehensive loss of Rs. 159.04 Crores, for the quarter ended June 20, 2020, as considered in the Statement. This interim financial result 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 includes the interim financial results of three subsidiaries which have not been reviewed by the auditors, whose interim financial results reflect total revenue of Rs. 23.02 Crores, total net loss after tax of Rs. 32.72 Crores and total comprehensive loss of Rs. 35.46 Crores for the quarter ended June 30, 2020, respectively, 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 the above matters.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner

Membership No.100892

UDIN: 20100892AAAAUP3496



Ahmedabad
September 02, 2020

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Statement of Unaudited Consolidated Financial Results for the Quarter Ended June 30, 2020

(Rs. in Crores except per share data)

Particulars	Quarter Ended			Year Ended
	30.06.20	31.03.20	30.06.19	31.03.20
	Unaudited	(Refer Note 10)	Unaudited	Audited
1 Income				
(a) Revenue from operations	104.05	710.46	900.94	3,866.30
(b) Other Income (Refer Note 6)	66.04	41.77	0.88	59.78
Total Income	170.09	752.23	901.82	3,926.08
2 Expenses				
(a) Cost of trims and accessories consumed	-	3.55	0.98	5.15
(b) Purchases of stock-in-trade	19.06	438.91	494.03	2,211.17
(c) Changes in inventories	57.72	(59.97)	(5.69)	(84.83)
(d) Employee benefits expense	48.89	76.61	101.27	349.23
(e) Finance costs	68.48	72.04	68.42	289.11
(f) Depreciation and amortisation expense	79.58	103.22	96.26	437.51
(g) Other expenses	97.76	261.22	290.51	1,154.47
Total Expenses	371.49	895.58	1,045.78	4,361.81
3 Profit/(Loss) before exceptional items and tax (1-2)	(201.40)	(143.35)	(143.96)	(435.73)
4 Exceptional Items (Refer Note 4)	-	(60.69)	-	(60.69)
5 Profit/(Loss) Before Tax (3-4)	(201.40)	(204.04)	(143.96)	(496.42)
6 Tax Expense				
Current Tax	-	-	2.35	-
(Excess)/short provision related to earlier years	-	-	-	(0.17)
Deferred Tax Charge/ (Credit)	11.73	4.09	(51.23)	(99.22)
Total Tax Expense/(Credit)	11.73	4.09	(48.88)	(99.39)
7 Net Profit/(Loss) for the period (5-6)	(213.13)	(208.13)	(95.08)	(397.03)
Attributable to:				
Equity Holders of the Parent	(196.77)	(204.34)	(97.43)	(399.66)
Non-controlling interest	(16.36)	(3.79)	2.35	2.63
	(213.13)	(208.13)	(95.08)	(397.03)
8 Other Comprehensive Income/ (Loss) (Net of Tax)				
(a) Items that will not be classified to profit and loss				
(i) Re-measurement gain/(loss) on defined benefit plans	(0.83)	2.59	(1.12)	1.04
(ii) Income Tax related to the item above	0.26	(0.68)	0.39	(0.19)
(b) Items that will be classified to profit and loss				
(i) Effective portion of gains / (loss) on cash flow hedges	(2.74)	2.62	(1.84)	5.77
(ii) Income Tax related to the item above	-	-	0.14	-
Other Comprehensive Income/ (Loss) (Net of Tax)	(3.31)	4.53	(2.43)	6.62
Attributable to:				
Equity holders of the Parent(ii)	(1.94)	2.88	(1.56)	3.46
Non-controlling interest(ii)	(1.37)	1.65	(0.87)	3.16
	(3.31)	4.53	(2.43)	6.62
9 Total Comprehensive Income/ (Loss) for the Period (7+8)	(216.44)	(203.60)	(97.51)	(390.41)
Attributable to:				
Equity holders of the Parent	(198.71)	(201.46)	(98.99)	(396.20)
Non-controlling interest	(17.73)	(2.14)	1.48	5.79
	(216.44)	(203.60)	(97.51)	(390.41)
10 Paid-up Equity Share Capital (Face Value ₹ 4/- per share)	23.47	23.47	23.45	23.47
11 Other Equity				573.83
12 Earning Per Share in ₹ (Annualised, except for quarters)				
-Basic	(33.53)	(34.84)	(16.65)	(68.17)
-Diluted	(33.36)	(34.67)	(16.50)	(67.69)

(See accompanying notes to the Consolidated 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
September 02, 2020



For Arvind Fashions Limited

Suresh J.
Managing Director

Bengaluru
September 02, 2020



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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 ended June 30, 2020 which have been subjected to review by the Auditors of the Group, were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on September 02, 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) through retail and departmental store facilities, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting segment.
- 4 COVID 19 pandemic has had a significant impact on the business operations and the financial results of the Group for the quarter ended June 30, 2020. The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results, in determination of the recoverability and carrying value of financial assets and non-financial assets. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Group's financial results, whereby actual outcome may differ from those assumptions and estimates considered as at the date of approval of these financial results. The Group will continue to closely monitor any material changes to future economic conditions. The Group continues to take various precautionary measures to ensure health and safety of its customers, employees and their families from COVID-19. Given the unprecedented circumstances, the results for the current quarter are not comparable to previous corresponding period results.

During the quarter and year ended March 31, 2020, the Group has taken additional provisions arising out of Covid of Rs. 60.69 Crores consisting of Rs. 35.35 Crores for Margin on Sales Return, Rs. 13.19 Crores for Inventory Dormancy, Rs. 10.01 Crores for Allowance for Doubtful Debtors and Rs. 2.34 Crores for Schemes and Discounts 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, a subsidiary company on a slump sale basis for a lump sum consideration which will not be less than book value of FM division as appearing on the date of closure of the transaction. The Company and ALBL will receive lumpsum consideration of Rs. 61.90 Crores and Rs. 151.30 Crores respectively from the transaction, subject to working capital adjustments.
- 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 during the quarter ended June 30, 2020 by accounting the unconditional rent concessions of Rs. 64.88 Crores (including Rs. 28.58 Crores pertaining to periods after June 30, 2020) in Other income in the Statement of Profit and Loss.
- 7 During the quarter, the Group has not allotted any equity shares (quarter ended March 31, 2020: Nil, quarter ended June 30, 2019: 6,39,985, 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 (subsidiaries of the Group). 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 quarters and year have been restated.
- 9 Board of Directors of the Holding Company at its meeting held on June 21, 2020, has approved the revised size of Rights Issue from Rs. 299.64 Crores to Rs. 399.79 Crores. The Rights Issue was 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. The Rights issue was open for subscription from Monday, June 29, 2020 to Friday July 17, 2020 which was fully subscribed.
- 10 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 the unaudited year-to-date figures up to December 31, 2019 being the date of the end of the third quarter of the financial year which were subjected to limited review by the auditor.
- 11 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
Chokshi Shreyas B.
C.A. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
September 02, 2020



For Arvind Fashions Limited

Suresh J.
Suresh J.
Managing Director

Bengaluru
September 02, 2020



ARVIND

Regd. Office : Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380 025.
CIN: L52399GJ2016PLC085955

PRESS RELEASE

Arvind Fashions strengthens balance sheet and continues to make robust progress towards normalcy post COVID

Bengaluru, September 02, 2020: Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the first quarter ended June 30, 2020.

Key Points

- FY21 Q1 sales & financial performance was significantly impacted by disruptions on account of lockdowns caused by the COVID pandemic
- 70% of stores were operational at the end of Q1 FY21. Currently, ~80% of stores have opened. Overall, we have reached 46% of sales in Aug'20, compared to same month last year
- Balance sheet strengthened in Q2 FY21 through infusion of Rs. 660 Crores of non-debt funds
 - Strategic investment by Flipkart in Flying Machine will provide significant growth impetus to this youth focused brand, especially in terms of omni-channel retail approach
 - Rights Issue for Rs. 400 Crores which was oversubscribed 1.4 times
- Implemented deep cost rationalization across various fixed cost-heads; reduced Q1 FY21 costs by 63% compared to Q1 FY20 and reduction of 57% compared to Q4 FY20. On track to realize 35-40% reduction in fixed costs during FY21
- Digital transformation journey is making significant progress, creating seamless omni-channel solutions backed by strong supply chain capabilities. Overall online channel consumer offtake has increased by 30%; 3.5x growth in NNNow.com sales post unlock

Commenting on the performance of the company, **Mr. J Suresh, MD & CEO** said "This quarter was challenging for business operations with near complete closure in April & May. While COVID had a significant impact on the financial performance, we have utilised the opportunity provided by this disruption to reshape our business through increased investments in upgrading our digital capabilities along with significant cost optimisation and multiple actions to control gross working capital. These actions combined with our inherent strengths in categories recovering faster, AFL is well positioned to emerge stronger when normalcy returns"

Consolidated Financial Performance Summary (Incl. IndAS 116 impact)

Rs. Crore	Q1 FY21
Revenues	104
EBITDA	(54)
PAT	(197)

Q1 FY21 was the toughest quarter as the entire world and Indian economy was hit by the unprecedented COVID pandemic, with its attendant human suffering and economic impact. Apparel retail industry is one of the worse impacted industry by COVID. After certain hesitant relaxations in May, economy started gradually opening up from June post Unlock 1.0, though the opening up has been staggered and uneven, with occasional localized rollbacks and operational disruptions.

During this tough time, the company has pursued strategic initiatives around capability building, cost restructuring, cash conservation and strengthening the balance sheet, apart from focusing on restart and ramp up of the operations and ensuring safety of its employees and customers. In addition, special actions have been taken to realize cost savings for Q1 and Q2 to mitigate the COVID impact on



business. We believe that the structural initiatives will help the Company become more digital, agile and resilient, and deliver longer term benefits as business returns to normal.

About AFL

Arvind Fashions Ltd is India's no. 1 casual and denim player, a lifestyle powerhouse with a strong portfolio of fashion brands catering to consumers across the sub-categories and price points. With a host of renowned brands, both international and indigenous, like US Polo Assn., Arrow, GAP, Tommy Hilfiger, Calvin Klein, Flying Machine and Sephora, it has presence across lifestyle brands, value fashion and prestige beauty.

For more information, please contact:

Ankit Arora

Head – Investor Relations

Arvind Fashions Limited

Ankit.arora@arvindbrands.co.in

Direct: +91 80 4048 8814

Mobile: +91 99206 64475

Disclaimer:

This document by Arvind Fashions Limited ('the Company') contains forward-looking statements that represent our beliefs, projections and predictions about future events or our future performance. These forward-looking statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results performance to differ materially from any future results or performance described in or implied by such statements. The forward-looking statements contained herein include statements about the Company's business prospects, its ability to attract customers, its expectation for revenue generation and its outlook. These statements are subject to the general risks inherent in the Company's business. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgments that prove to be incorrect. In addition, the Company's business and operations involve numerous risks and uncertainties, many of which are beyond the control of the Company, which could result in the Company's expectations not being realized or otherwise materially affect the financial condition, results of operations and cash flows of the Company. The forward-looking statements are made only as of the date hereof, and the Company does not undertake any obligation to (and expressly disclaims any obligation to) update any forward-looking statements to reflect events or circumstances after the date such statements were made, or to reflect the occurrence of unanticipated events.



Arvind Fashions Limited

Q1 FY21 Performance Highlights
Sep 2020



Agenda

Q1 Performance Highlights



Q1 Results



Way Forward Strategy



Making AFL Stronger - Fit for Growth Strategy

➤ Portfolio Rationalization

Completed

➤ Cost Optimization

On Track - Accelerated during Covid

➤ Working Capital Optimization

On Track - Multiple Actions to Reduce Inventory & Debtors

➤ Debt Reduction - Equity infusion of Rs 660 Crs completed in July

In Rs Crs.	Mar	Jun	Aug
Debt	1210	1301	1019

➤ Step Change in Digital Capabilities

On Track

Making AFL Stronger & Fit for Growth - Q1 Highlights

1	Restarted operations quickly post lockdown as allowed	70% / 77% Store network open by Jun/Aug
2	Early investment in technology paying rich dividends - Exponential growth in digitally enabled sales	3.5X ↑
3	Cost structure brought down significantly to minimize cash loss	63% ↓
4	Drop in Gross Working Capital despite lockdown impacting operations	Rs 130 Crs. ↓
5	Expanded into new product categories in line with current consumer requirements	Masks/ Comfortwear

Rs 660 Crs of Equity Infusion

1 Flipkart investment in Flying Machine

Rs 260
Crs.

2 Successful Rights Issue - Oversubscribed 1.4 times

Rs 400
Crs.

Making AFL Stronger & Fit for Growth - Q1 Highlights

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Opening Up With Safety as #1 Priority

Safety Measures & Guidelines at Office and Stores



- Masks & sanitizers provided to employees
- Periodic sanitization at offices and stores
- Well laid out SOP & Guidelines

Supporting our partners



- Sanitizer disposal stands provided to partners
- Supporting partners in liquidating unsold stock

Supply Chain Operations



- Smooth WHS operations post unlock with strong safety procedures in place
- Increased E-Commerce fulfilment capabilities by 4x
- 93% order fulfilment despite partial lockdown (post unlock till Aug)
- Initiated warehouse consolidation by exiting six warehouses. Potential savings 35% of warehouse cost

Innovative delivery models



- Click and collect
- Ship from store
- Kerbside delivery & drive thru options
- Home delivery by store staff

Digital push

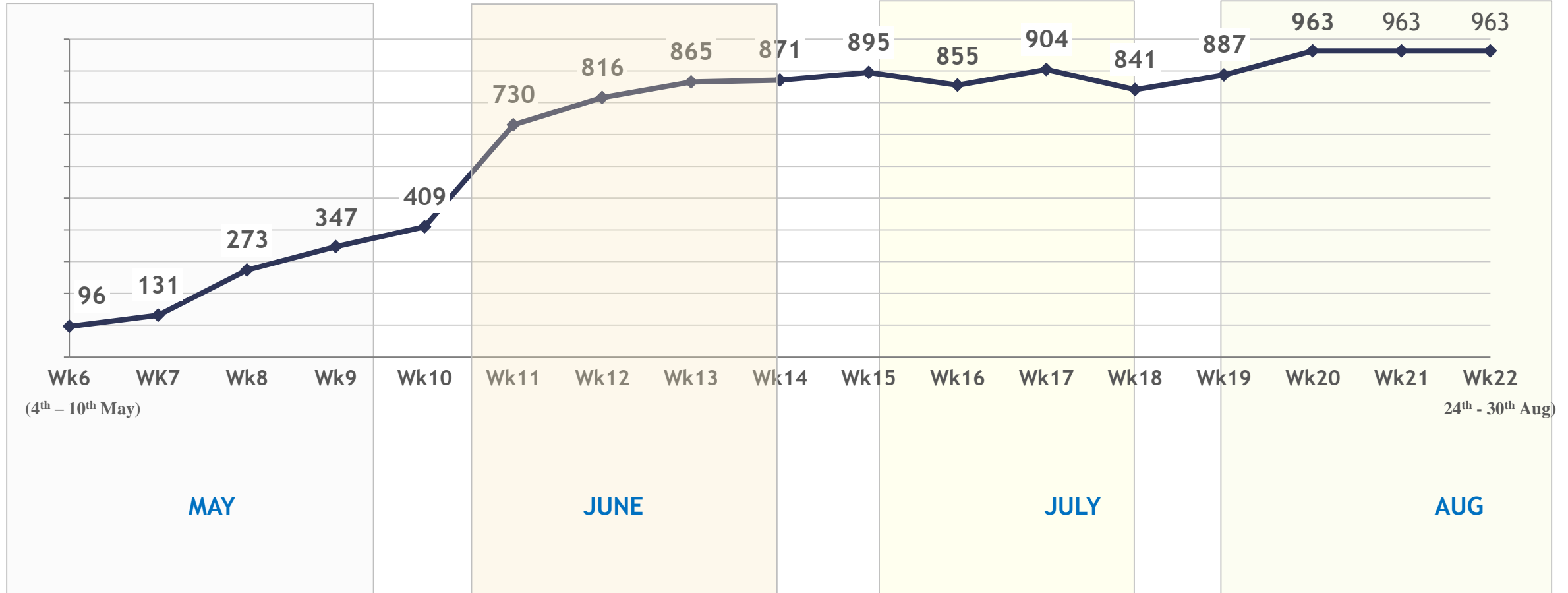


- Marketplaces integration with stores and warehouses
- Conversational commerce
- Digital store front with hyperlocal fulfilment
- One view of customer

Post Lockdown Store Opening

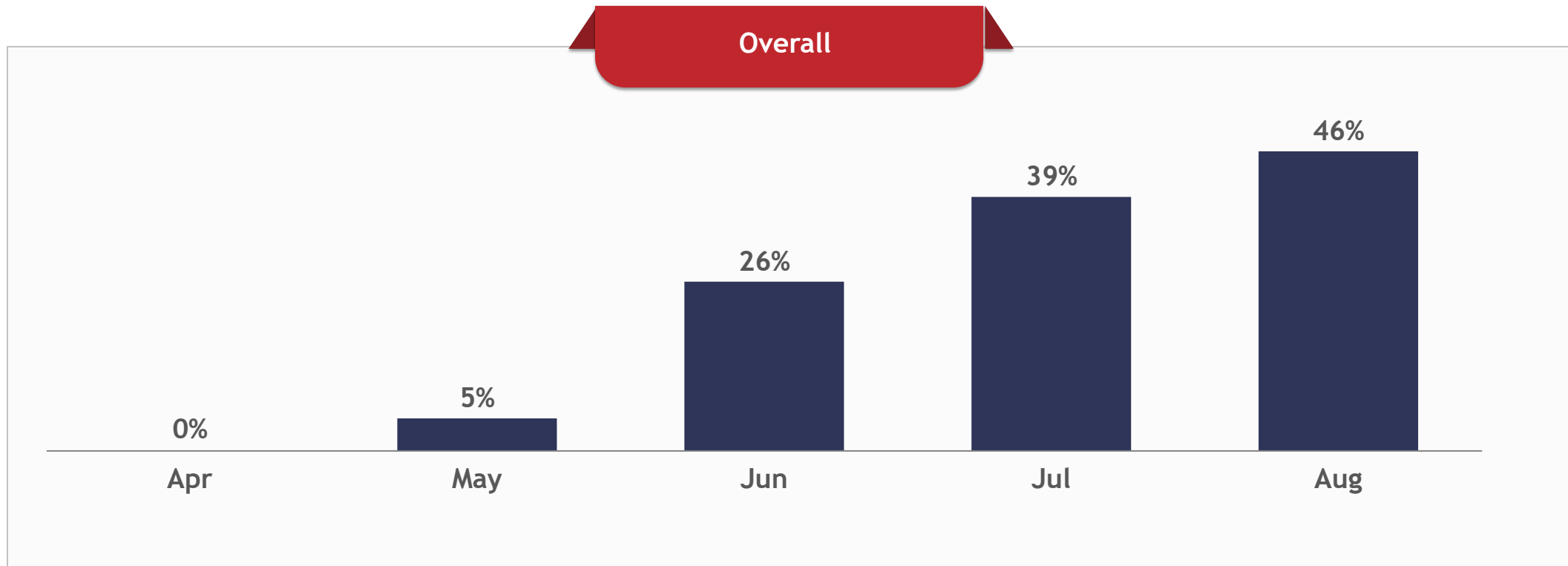
Stores Open

Store Universe
1250



Post Lockdown Sales Trend - Overall

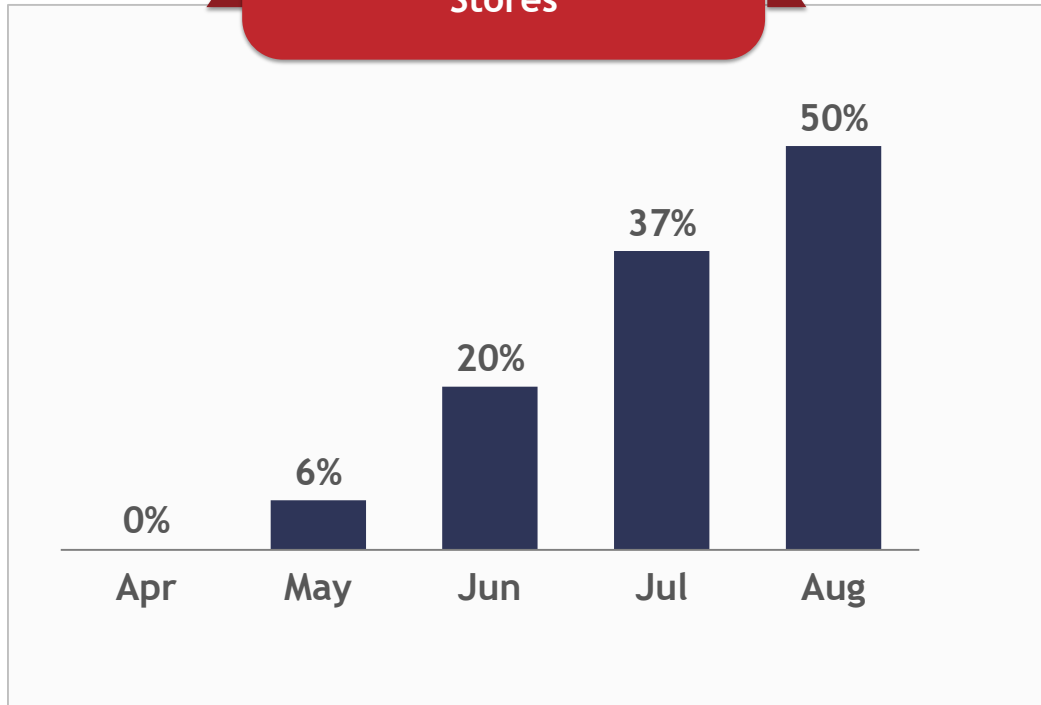
This year sales as % of last year same month sales



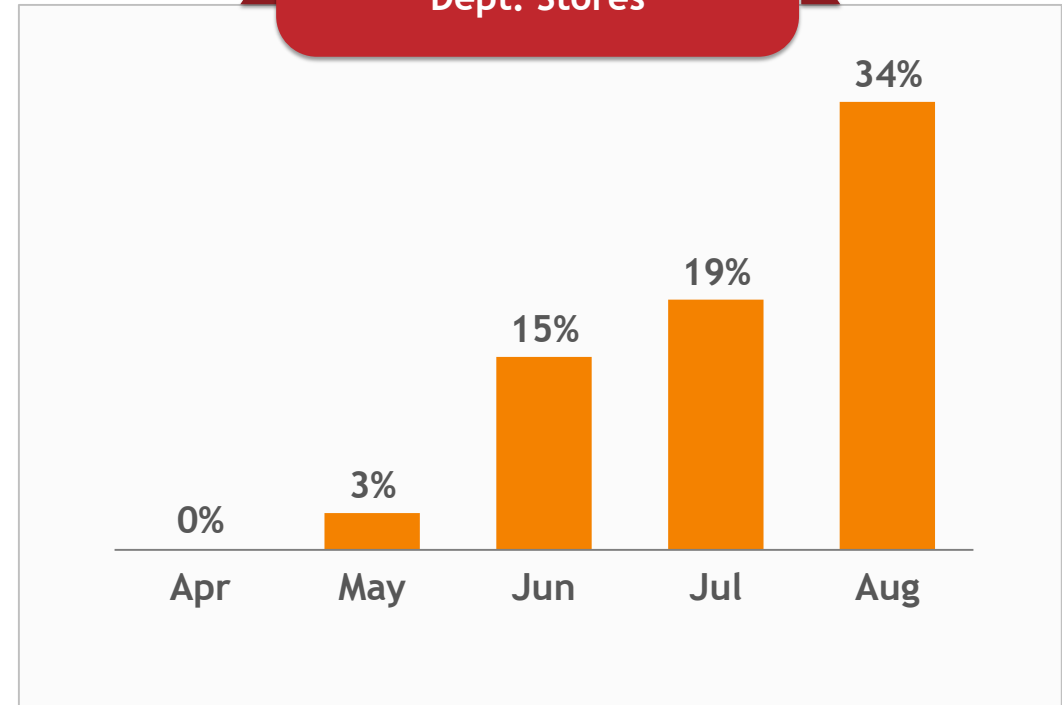
Post Lockdown Sales Trend

This year sales as % of last year same month sales

Stores



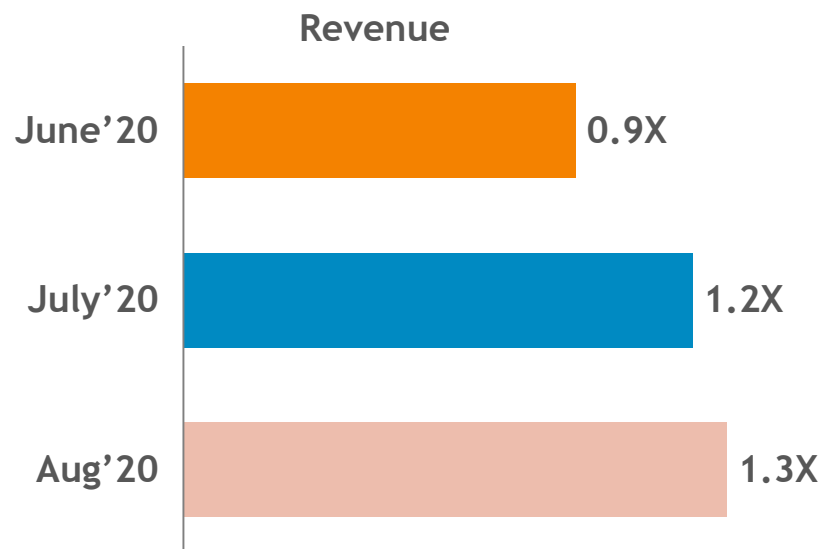
Dept. Stores



Started slow, now picking up

Post Lockdown Revenue Trend - Online Channel


Growth over last year same month






Key Drivers

- **NNNOW.com**
 - Search engine optimization led to improved organic traffic growth of 3X leading to 3.5X sales post unlock
 - 15-20% stores sales delivered through sales initiated through NNNOW improving store productivity despite low footfalls
- **Marketplaces**
 - 'One view of inventory' through integration of stores and warehouse to online platforms - Myntra, Flipkart, Amazon, Tata Cliq and Ajio
- **Fulfilment capacity**
 - Scaled up to service 25K B2C orders/day
 - Setting up of e-commerce only warehouses in Bangalore, Mumbai and Delhi

Channel Focus

<p>Online</p> 	<div style="display: flex; justify-content: space-around; align-items: center;">     </div> <p style="text-align: center; background-color: #ffffcc; padding: 5px;">Focus channel for the year - Target double digit growth</p>
-------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>Exclusive Brand Stores</p> 	<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">  </div> <div style="width: 30%; background-color: #e0e0e0; padding: 10px;"> <ul style="list-style-type: none"> ➤ Focus on high street stores ➤ Small town expansion </div> <div style="width: 30%;">  </div> <div style="width: 30%; background-color: #e0e0e0; padding: 10px;"> <ul style="list-style-type: none"> ➤ Malls currently underperforming ➤ Improve sales through Omni & Hyperlocal fulfilment ➤ Parallely work on additional cost efficiency </div> </div>
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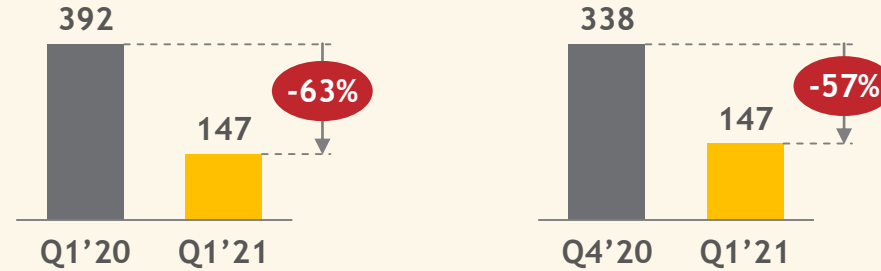
<p>Department Stores & MBOs</p>	<ul style="list-style-type: none"> ➤ Leverage strong category play ➤ Reduce operation cost
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Making AFL Stronger & Fit for Growth - Q1 Highlights

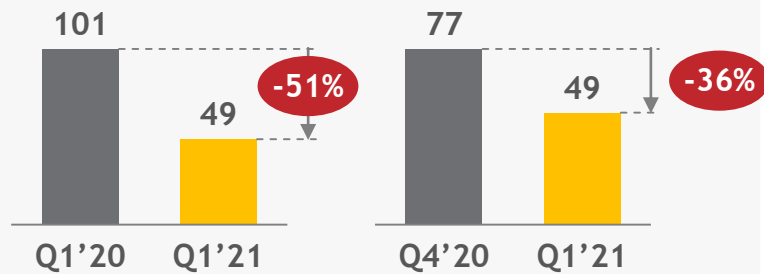
1	Restarted operations quickly post lockdown as allowed	70% / 77% Store network open by Jun/Aug
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Substantial Reduction in Costs

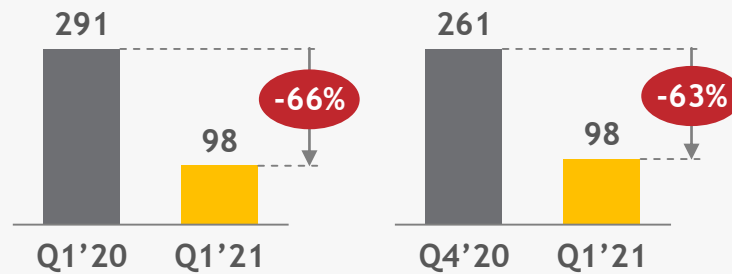
Total (Rs Crs.)



Employee Emoluments (Rs Crs.)



Other Expenses (Rs Crs.)



Rent Savings (Rs Crs.)

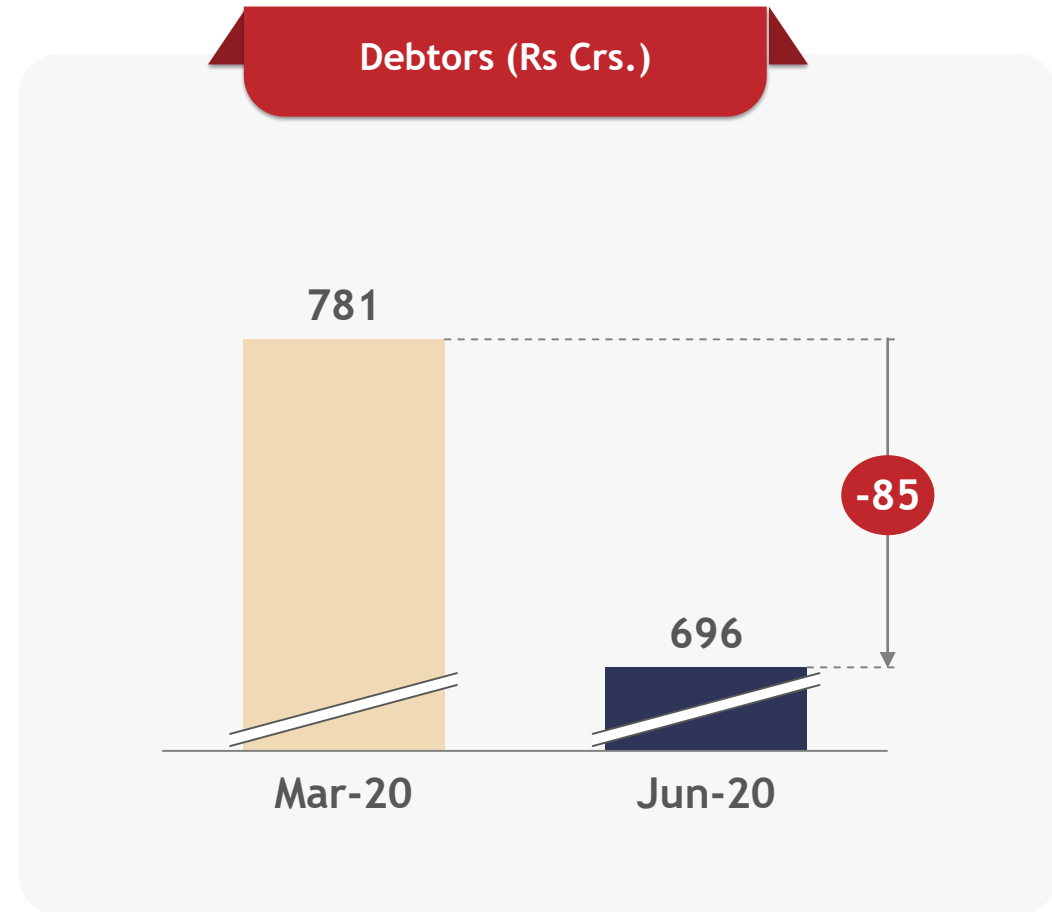
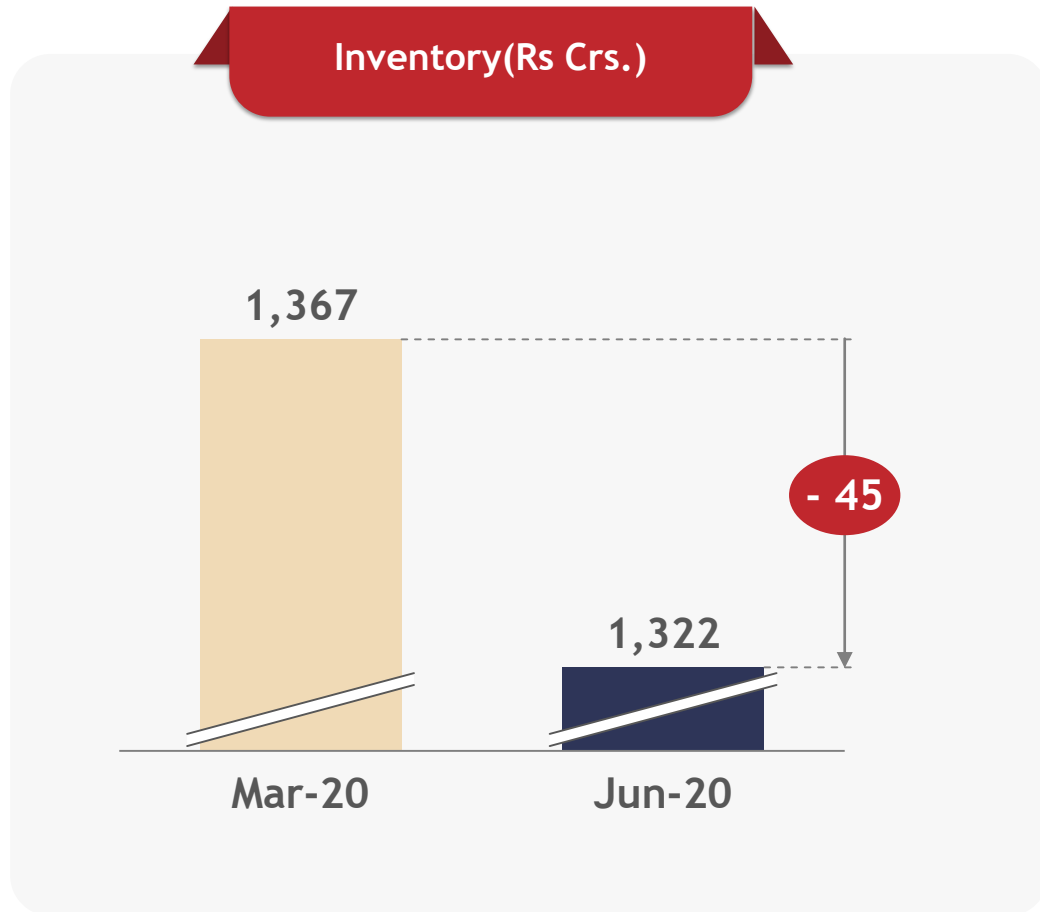
Total: 70

Q1	Q2	Q3	Q4
41.3	18.0	8.5	2.5

Making AFL Stronger & Fit for Growth - Q1 Highlights

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Working Capital Reduction of Rs 130 Crs.



Making AFL Stronger & Fit for Growth - Q1 Highlights

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Strong Presence in Categories Recovering Faster

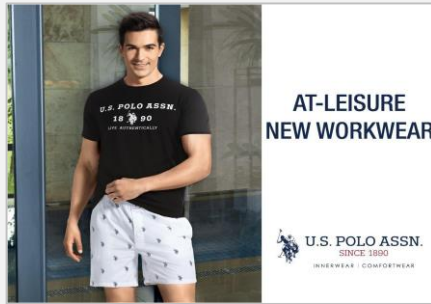
Accelerated Casualization & Work from Home

T-Shirts



- USPA, GAP, TH - Preferred brands for T-Shirts gaining momentum
- Recovery rate **60%** in Aug

Innerwear/ Comfortwear



- Supported with comfort wear launch
- Recovery rate **95%** in Aug

Casual Footwear



- Product categories of casual footwear and open footwear being preferred post Covid benefitting USPA footwear which offers the above range
- Recovery rate **100%** in Aug

Kidswear



- Strong demand for kids clothing
- Recovery rate **60%** in Aug

DIY Beauty



- Strong omni-push for stores
- Recovery rate **66%** in Aug

Agenda

Q1 Performance Highlights



Q1 Results



Way Forward Strategy



Q1 FY21 - Performance Snapshot






	IndAS 116		
	Q1 FY20	Q1 FY21	Growth
Revenue from Operations	901	104	(88%)
Other Income (Rent concessions)	-	65	-
Total Income	901	169	(81%)
EBITDA	20	(54)	-
PBT	(144)	(201)	-
PAT	(97)	(197)	-

All figures in Rs Crs.

Q1 FY21 - Performance Snapshot

All Figures in Rs Cr.	Q1 FY20	Q1 FY21	Q4 FY20
Revenue from Operations	901	104	710
Other Income (Rent concessions)	-	65	
Total income	901	169	710
Cost of Goods Sold	489	77	383
Employees' Emoluments	101	49	77
Other Expenses	291	98	261
EBIDTA	20	(54)	(10)

Groupwise Performance Snapshot

	Sales (Rs Crs.)			EBITDA (Rs Crs.)	
	Q1 FY20	Q1 FY21	Growth	Q1 FY20	Q1 FY21
 Power Brands	518	53	(90%)	61	(35)
 Specialty Retail	274	39	(86%)	19	0
 Emerging Brands	120	12	(90%)	8	(20)
Total	912	104	(89%)	88	(54)
Total including Discontinued Brands	901	104	(88%)	20	(54)

Agenda

Situation Update



Q1 Performance




Way Forward Strategy



FY21 Outlook - Q2/Q3/Q4

RECOVERY DRIVERS

- **Increasing trend in retail sales**
 - Estimate 8-10% improvement in recovery every month
 - **Online on growth path. Estimated to accelerate growth on the back of**
 - Increased stores integration with online platforms
 - Festival based events in online platforms
 - Flying Machine online acceleration leveraging on Flipkart strategic investment
 - **MBOs expected to start buying for winter and festival, estimated to get back to 40-50% level in the 2nd half**
 - **Portfolio/Category strength - Well placed to recover faster**
 - Market leading portfolio of casual brands
 - Strong presence in categories recovering faster - Beauty/Innerwear/Footwear/Kids
 - **Strong cost reduction initiatives to build profitability as sales grow towards 70%+**
 - **Multiple actions to control Gross Working Capital**
- 
- **Sustain FY cost reduction @ 40%**
 - **Release Rs 250 Crs. in Gross Working Capital**
 - **Reduce debt by Rs 200 Crs.**
 - **Minimize cash loss. Exit year with close to breakeven on cash**
 - **Exit the year stronger riding on post Covid trends favorable to AFL**
 - Channel shift to online
 - Casualization and Work from home theme
 - Do it Yourself beauty

Exit FY21 - Well Positioned for Value Creation in Medium and Long Term

1. 7 strong brands
2. Leader in casualwear
3. De-risked Unlimited/Emerging brands business model
4. Good momentum in high potential categories - Kidswear, Innerwear, Footwear and Beauty
5. Head start in online - strengthened with strategic investment from Flipkart
6. Structural cost reduction of ~15%
7. New ways of buying to release working capital



Thank You