

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>

July 09, 2020

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

Scrip Code : 542484
Scrip 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 July 09, 2020

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

We hereby inform you that the Board of Directors of the Company at its meeting held today has:

1. Approved the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended on March 31, 2020.

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

1. Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended on March 31, 2020, along with Auditors' Reports for the said quarter and year.
2. A copy of the press release being issued by the Company in respect of Audited Financial results for the quarter and year ended on March 31, 2020.
3. Investor Presentation for Q4 issued in this regard.

Further, pursuant to Regulation 33(3)(d) of SEBI LODR Regulations, we hereby declare that the Statutory Auditors, M/s. Sorab S. Engineer & Co, Chartered Accountants have issued the Audit Reports with unmodified opinion on Standalone and Consolidated Financial Results of the Company for the quarter and year ended on March 31, 2020.

The meeting of the Board of Directors of the Company commenced at 11.30 a.m. and concluded at 01:00 p.m.

We shall inform you in due course the date on which the Company will hold Annual General Meeting for the year ended March 31, 2020.

You are requested to take the above on your records and 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



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF ARVIND FASHIONS LIMITED

Report on the audit of the Standalone Financial Results

Opinion

1. We have audited the accompanying standalone annual financial results of Arvind Fashions Limited ("the Company") for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date ("standalone financial results"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
 - i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India of loss and other comprehensive income and other financial information for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the standalone financial results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraph

4. We draw your attention to note 6 of the standalone financial results which explains the uncertainties and management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government of India and other conditions related to the 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.



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Telephone : +91 9925879234 • **Email :** sseblr@sseco.in

SORAB S. ENGINEER & CO. (Regd.)

Management's Responsibilities for the Standalone Financial Results

5. These standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation of standalone financial results that give a true and fair view of the loss and other comprehensive income and other financial information of the Company and the standalone statement of assets and liabilities and the standalone statement of cash flows in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

8. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,



SORAB S. ENGINEER & CO. (Regd.)

we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

11. Due to COVID-19 related lockdown restrictions, management was able to perform year end physical verification of inventories, only at certain locations, subsequent to the year-end. Also, we were not able to physically observe the stock verification, wherever carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" which includes inspection of supporting documentation relating to purchases, sales, results of cyclical count performed by the Management through the year and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these standalone financial results.

Our report on the Statement is not modified in respect of this matter.

12. The standalone financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

13. The standalone financial results dealt with by this report has been prepared for the express purpose of filing with stock exchanges on which the Company's shares are listed. These results are based on and should be read with the audited standalone financial statement of the Company for the year ended March 31, 2020 on which we issued an unmodified audit opinion vide our report dated July 09, 2020.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

UDIN: 20100892AAAA0N3950



Place: Ahmedabad

Date: July 09, 2020

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Statement of Unaudited Standalone Financial Results for the Quarter and Year Ended March 31, 2020

₹ In Crores except per share data

Particulars	Quarter Ended			Year ended	
	31.03.20	31.12.19	31.03.19	31.03.20	31.03.19
	(Refer Note 11)	Unaudited	(Refer Note 11)	Audited	Audited
1 Income					
(a) Revenue from operations	205.28	199.11	217.82	854.11	1,009.90
(b) Other Income	3.73	3.30	0.60	12.44	1.79
Total Income	209.01	202.41	218.42	866.55	1,011.69
2 Expenses					
(a) Cost of Trims and accessories consumed	3.86	0.05	1.13	4.52	2.72
(b) Purchases of stock-in-trade	119.24	113.90	142.70	577.52	781.64
(c) Changes in Inventories of stock-in-trade	5.48	35.58	(7.65)	4.69	(141.55)
(d) Employee benefits expense	10.75	12.40	19.47	56.10	66.33
(e) Finance costs	9.69	11.44	5.32	37.32	17.98
(f) Depreciation and amortisation expense	5.41	2.02	4.90	13.04	15.30
(g) Other expenses	35.33	34.86	54.52	161.43	207.04
Total Expenses	189.76	210.25	220.39	854.62	949.46
3 Profit/(Loss) before exceptional items and tax (1-2)	19.25	(7.84)	(1.97)	11.93	62.23
4 Exceptional items (Refer Note 6)	(19.26)	-	-	(19.26)	-
5 Profit/(Loss) before tax (3-4)	(0.01)	(7.84)	(1.97)	(7.33)	62.23
6 Tax Expense					
Current Tax	-	(0.18)	(11.69)	-	13.43
(Excess)/short provision related to earlier years	-	-	-	(0.17)	-
Deferred Tax Charge/ (Credit)	0.09	(3.39)	(10.90)	(2.27)	(12.71)
Total Tax Expense/(Credit)	0.09	(3.57)	(22.59)	(2.44)	0.72
7 Profit/(Loss) for the period after tax (5-6)	(0.10)	(4.27)	20.62	(4.89)	61.51
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	0.22	(0.10)	(1.46)	(0.26)	(2.11)
(ii) Income Tax related to the item above	(0.08)	0.04	0.51	0.09	0.74
(b) Items that will be classified to profit and loss					
(i) Effective portion of gains / (loss) on cash flow hedges	-	(0.03)	0.09	-	(0.07)
(ii) Income Tax related to the item above	-	0.01	(0.03)	-	0.02
Total other comprehensive income/(loss), net of tax	0.14	(0.08)	(0.89)	(0.17)	(1.42)
9 Total Comprehensive Income/ (Loss) for the Period (7+8)	0.04	(4.35)	19.73	(5.06)	60.09
10 Paid-up Equity Share Capital (Face Value ₹ 4/- per share)	23.47	23.47	23.20	23.47	23.20
11 Other Equity				1,325.79	1,326.65
12 Earning Per Share in ₹ (Annualised, except for quarters)					
- Basic	(0.02)	(0.73)	3.57	(0.84)	10.64
- Diluted	(0.02)	(0.72)	3.49	(0.83)	10.40

(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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
July 09, 2020



For Arvind Fashions Limited

Suresh J.
Managing Director

Bengaluru
July 09, 2020



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Audited Standalone Statement of Assets and Liabilities		
₹ in Crores		
Particulars	Year Ended	
	31.03.20	31.03.19
	Audited	Audited
ASSETS		
I. Non-current assets		
(a) Property, plant and equipment	31.01	29.62
(b) Capital work-in-progress	-	5.50
(c) Intangible assets	26.69	9.21
(d) Intangible assets under development	-	1.93
(e) Financial assets		
(i) Investments	1,301.48	1,243.99
(ii) Loans	0.03	0.14
(iii) Other financial assets	18.15	14.26
(f) Deferred tax assets (net)	19.81	17.39
(g) Other non-current assets	0.19	0.28
Sub-Total-Non-current Assets	1,397.36	1,322.32
II. Current assets		
(a) Inventories	247.93	249.14
(b) Financial assets		
(i) Trade receivables	185.97	147.39
(ii) Cash and cash equivalents	8.00	1.16
(iii) Bank balance other than (iii) above	0.22	0.03
(iv) Loans	110.86	31.49
(v) Others financial assets	0.47	0.69
(c) Current tax assets (net)	15.18	13.07
(d) Other current assets	67.83	71.90
Sub-Total-Current Assets	636.46	514.87
Total Assets	2,033.82	1,837.19
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	23.47	23.20
(b) Other equity	1,325.79	1,326.65
Sub-Total -Equity	1,349.26	1,349.85
LIABILITIES		
I. Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	20.97	18.94
(ii) Other financial liabilities	4.14	1.20
(b) Long-term provisions	4.55	5.09
Sub-Total - Non-current Liabilities	29.66	25.23
II. Current liabilities		
(a) Financial liabilities		
(i) Borrowings- short term	234.42	51.70
(ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	57.97	30.28
b) total outstanding dues of creditors other than micro enterprises and small enterprises	338.42	343.70
(iii) Other financial liabilities	18.90	18.49
(b) Other current liabilities	3.57	16.73
(c) Short-term provisions	1.62	1.21
Sub-Total - Current Liabilities	654.90	462.11
Total Equity and Liabilities	2,033.82	1,837.19

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
July 09, 2020



For Arvind Fashions Limited

Suresh J.
Managing Director

Bengaluru
July 09, 2020



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Standalone Statement of Cash Flows for the year ended March 31, 2020				
(₹ in Crores)				
Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A Operating activities				
Profit/(Loss) Before taxation		(7.33)		62.23
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation /Amortization	13.04		15.30	
Financial guarantee commission	(3.72)		(1.48)	
Interest Income	(8.22)		(0.19)	
Interest and Other Borrowing Cost	37.32		17.98	
Gain on Reassessment of Lease	(0.05)		0.00	
Bad Debts Written off	0.09		1.29	
Allowance of doubtful debts/advances	0.98		0.95	
Provision for Utigation/Disputes	0.45		0.64	
Foreign Exchange difference	-		(0.58)	
(Profit)/Loss on Sale of Property, Plant & Equipment /Intangible assets	0.33		(0.01)	
Share based payment expense	0.48		0.72	
	40.70			34.62
Operating Profit before Working Capital Changes	33.37			96.85
Working Capital Changes:				
(Increase) / Decrease in Inventories	1.21		(108.42)	
(Increase) / Decrease in trade receivables	(39.37)		(77.23)	
(Increase) / Decrease in other assets	3.79		102.55	
(Increase) / Decrease in other financial assets	(3.67)		(2.50)	
(Increase) / Decrease in other bank balances	(0.19)		-	
Increase / (Decrease) in trade payables	22.41		157.76	
Increase / (Decrease) in other liabilities	(13.16)		(20.36)	
Increase / (Decrease) in other financial liabilities	(2.88)		2.42	
Increase / (Decrease) in provisions	(0.84)		(0.18)	
Net Changes in Working Capital	(32.70)			54.04
Cash Generated from Operations	0.67			150.89
Direct Taxes paid (Net of Income Tax refund)	(1.94)			(26.99)
Net Cash from Operating Activities (A)	(1.27)			123.90
B Cash Flow from Investing Activities				
Purchase of Property, Plant & Equipment /Intangible assets (Net)	(25.67)		(26.21)	
Proceeds from disposal of Property, Plant & Equipment	1.52		0.56	
Changes in Capital Advances	0.09		1.25	
Changes in Loans and advances	(79.26)		(29.99)	
Purchase of Investments	(50.00)		(100.00)	
Interest Received	8.22		0.19	
Net cash flow from Investing Activities (B)	(145.10)			(154.20)
C Cash Flow from Financing Activities				
Proceeds from issue of share capital	9.30		3.41	
Share application money received	(8.51)		8.51	
Changes in long term Borrowings	2.86		20.70	
Changes in short term borrowings	182.72		(12.52)	
Principal Repayment of Lease Liabilities	(0.78)		-	
Interest and Other Borrowing Cost Paid	(32.38)		(14.79)	
Net Cash flow from Financing Activities (C)	153.21			5.31
Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	6.84			(24.99)
Cash & Cash equivalents at the beginning of the year	1.16			8.05
Add: Adjustment due to business combination	-			18.10
	1.16			26.15
Cash & Cash equivalents at the end of the year	8.00			1.16

Reconciliation of Cash & Cash equivalents:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash and cash equivalents comprise of:		
Cash on Hand	-	0.02
Balances with Banks	8.00	1.14
Cash and cash equivalents	8.00	1.16

As per our report of even date
For Sorab S. Engineer & Co.
Chartered Accountants
Firm Registration No. 110417W
Chaitali Shreyas B.
CA. Chaitali Shreyas B.
Partner
Membership No. 100892

Ahmedabad
July 09, 2020



For Arvind Fashions Limited

Suresh J.
Suresh J.
Managing Director

Bengaluru
July 09, 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 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.
- 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 Effective from April 1, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach as per para C8 (C) (i) to its leases. Consequently, the Company has recorded lease liability of Rs. 2.47 Crores calculated as the present value of the remaining lease payments discounted at the incremental borrowing rate. Right of use asset has been recognised at Rs. 2.31 Crores determined at net of the amount calculated by applying the standard since the date of the commencement of lease and the resulting depreciation up to the date of adoption. The net effect of Rs. 0.10 Crores (net of deferred tax asset of Rs. 0.06 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. Nil (quarter ended December 31, 2019: Rs. 0.14 Crores and year ended March 31, 2020: Rs. 0.86 Crores) to "depreciation expense" of Rs. Nil (quarter ended December 31, 2019: Rs. 0.05 Crores and year ended March 31, 2020: Rs. 0.67 Crores) for the right-to-use assets and "finance cost" of Rs. Nil (quarter ended December 31, 2019: Rs. 0.01 Crores and year ended March 31, 2020: Rs. 0.08 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.

- 5 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.
- 6 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 Company 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 Company has gradually started opening its offices in certain geographies with limited workforce in-line with the Government's directives issued as on date.

The Company is engaged in the business of trading and retailing of readymade garments and accessories. It has a large retail and wholesale network. The operations of the Company has been severely affected by this disruption. Both retail and wholesale operations have remain under suspension for substantial part of Q1FY21. The effects such as lower than normal business, other disruptions are expected to have continuing effect at least for the next few quarters based on current assessment.

The Company has made detailed assessment of its liquidity position and of the recoverability and carrying value of its assets as at balance sheet date and has made appropriate adjustment along with adjustment to revenue recognition and actuarial assumptions. In assessing the recoverability of its assets including receivables and inventories, the Company has considered internal and external information up to the date of approval of these financial statements including economic forecasts. However, the overall environment continues to remain uncertain and our assumptions used for preparing the financial statements may undergo change depending on the evolving economic and health environment in the Country. The Company will continue to monitor the situation and constantly assess the financial impact to its retail as well wholesale operations.



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The Company has taken additional provisions arising out of Covid, the impact of which are disclosed under Exceptional Items and the details are as under:

Particulars	Quarter Ended			Year ended	
	31.03.20	31.12.19	31.03.19	31.03.20	31.03.19
(a) Margin on Sales Return Provision	12.52	-	-	12.52	-
(b) Inventory Dormancy Provision	4.89	-	-	4.89	-
(c) Allowance for Doubtful Debtors	1.85	-	-	1.85	-
Total	19.26	-	-	19.26	-

- 7 The Board of Directors of the Company in its meeting held on February 21, 2020, has recommended and subsequently approved by the members of the Company, the proposal to transfer the "Flying Machine" ("FM") wholesale trading business of the Company as a going concern to Arvind Youth Brands Private Limited, a wholly owned subsidiary of the Company by way of slump sale at 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.
- 8 The Company has initiated discussion for lease rent waiver on account of pandemic and have received confirmations from some of the landlord. The Company has accounted for revised rentals on account of modification only where it has received signed confirmation from landlord.
- 9 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.
- 10 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 Company has, at its meeting held on March 26, 2020, decided to defer the Rights Issue of the 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.
- 11 The standalone figures of the last quarter are the balancing figure between the audited figures in respect of the full financial year upto March 31, 2020 and March 31, 2019 and the unaudited year-to-date figures upto 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.
- 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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Ahmedabad

July 09, 2020



For **Arvind Fashions Limited**

Suresh J.

Suresh J.

Managing Director



Bengaluru

July 09, 2020

ARVIND

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

CIN: L52399GJ2016PLC085595



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF ARVIND FASHIONS LIMITED

Report on the Audit of Consolidated Financial Results

Opinion

1. We have audited the accompanying consolidated annual financial results of Arvind Fashions Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date ("consolidated financial results"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiary, the aforesaid consolidated financial results:

- (i) include the annual financial 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

Tommy Hilfiger Arvind Fashion Private Limited

Arvind Youth Brands Private Limited

Value Fashion Retail Limited

- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial results section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the



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SORAB S. ENGINEER & CO. (Regd.)

ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraph

4. We draw your attention to note 6 of the consolidated financial results which explains the uncertainties and management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government of India and other conditions related to the 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.

Board of Directors' Responsibilities for the Consolidated Financial Results

5. These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.
6. In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.



SORAB S. ENGINEER & CO. (Regd.)

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entity included in the consolidated financial results, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



Other Matters

12. The consolidated financial results include the audited financial results of two subsidiaries, whose financial statements reflect total assets of Rs. 3,264.90 Crores and net assets of Rs. 467.41 Crores as at March 31, 2020, total revenue of Rs. 2854.94 Crores, total comprehensive loss of Rs. 340.12 Crores and cash outflow (net) of Rs. 2.30 Crores for the year ended March 31, 2020, as considered in the consolidated financial results, which have been audited by other auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as are as stated in paragraph above.

Our opinion on the consolidated financial results is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

13. The consolidated financial results includes the financial results of two subsidiaries, whose financial statements reflect total assets of Rs. 0.02 Crores and net assets of Rs. 0.02 Crores as at March 31, 2020, total revenue of Rs. Nil, total comprehensive income of Rs. Nil and cash flow (net) of Rs. 0.02 Crores for the year ended March 31, 2020, as considered in the consolidated financial results. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Board of the Directors. Our conclusion on the Statement is not modified in respect of the above matters.

14. Due to COVID-19 related lockdown restrictions, management was able to perform year end physical verification of inventories, only at certain locations, subsequent to the year-end. Also, we were not able to physically observe the stock verification, wherever carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" which includes inspection of supporting documentation relating to purchases, sales, results of cyclical count performed by the Management through the year and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these consolidated financial results. Our report on the Statement is not modified in respect of this matter.

15. The consolidated financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.



SORAB S. ENGINEER & CO. (Regd.)

16. The consolidated financial results dealt with by this report has been prepared for the express purpose of filing with stock exchanges on which the Company's shares are listed. These results are based on and should be read with the audited consolidated financial statement of the Company for the year ended March 31, 2020 on which we issued an unmodified audit opinion vide our report dated July 09, 2020.

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

Chartered Accountants

Firm Registration No. 110417W



CA. Chokshi Shreyas B.

Partner

Membership No. 100892

UDIN: 20100892AAAA007186

Place: Ahmedabad

Date: July 09, 2020

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

www.arvindfashions.com

Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2020

₹ in Crores except per share data

Particulars	Quarter Ended			Year Ended	
	31.03.20 (Refer Note 12)	31.12.19 Unaudited	31.03.19 (Refer Note 12)	31.03.20 Audited	31.03.19 Audited
1 Income					
(a) Revenue from operations	710.46	1,135.45	1,168.96	3,866.30	4,643.86
(b) Other Income	41.77	10.67	0.02	59.78	4.13
Total Income	752.23	1,146.12	1,168.98	3,926.08	4,647.99
2 Expenses					
(a) Cost of trims and accessories consumed	3.55	0.26	1.54	5.15	5.85
(b) Purchases of stock-in-trade	438.91	469.10	651.95	2,211.17	2,739.07
(c) Changes in inventories	(59.97)	160.68	(107.00)	(84.83)	(456.20)
(d) Employee benefits expense	76.61	85.80	95.72	349.23	407.76
(e) Finance costs	72.04	77.95	35.01	289.11	126.21
(f) Depreciation and amortisation expense	103.22	122.93	44.11	437.51	153.16
(g) Other expenses	261.22	310.30	441.56	1,154.47	1,659.26
Total Expenses	895.58	1,227.02	1,162.89	4,361.81	4,635.11
3 Profit/(Loss) before exceptional items and tax (1-2)	(143.35)	(80.90)	6.09	(435.73)	12.88
4 Exceptional items (Refer Note 6)	(60.69)	-	-	(60.69)	-
5 Profit/(Loss) Before Tax (3-4)	(204.04)	(80.90)	6.09	(496.42)	12.88
6 Tax Expense					
Current Tax	(0.36)	0.63	(7.38)	3.19	21.16
(Excess)/short provision related to earlier years	-	-	-	(0.17)	-
Deferred Tax Charge/ (Credit)	4.44	(31.00)	(7.85)	(100.08)	(29.76)
Total Tax Expense/(Credit)	4.08	(30.37)	(15.21)	(97.06)	(8.60)
7 Net Profit/(Loss) for the period (5-6)	(208.12)	(80.53)	21.30	(399.36)	21.48
Attributable to:					
Equity Holders of the Parent(I)	(204.33)	(52.00)	19.56	(400.82)	16.61
Non-controlling Interest - P	(3.79)	1.47	1.74	1.46	4.87
8 Other Comprehensive Income/ (Loss) (Net of Tax)	(208.12)	(80.53)	21.30	(399.36)	21.48
(a) Items that will not be classified to profit and loss					
(i) Re-measurement gain/(loss) on defined benefit plans	2.59	(0.33)	(4.67)	1.04	(6.58)
(ii) Income Tax related to the item above	(0.84)	0.08	1.79	(0.33)	2.45
(b) Items that will be classified to profit and loss					
(i) Effective portion of gains / (loss) on cash flow hedges	2.62	2.99	(2.95)	5.77	(3.32)
(ii) Income Tax related to the item above	(0.30)	(0.70)	0.71	(1.04)	0.77
Other Comprehensive Income/ (Loss) (Net of Tax)	4.07	2.04	(5.12)	5.44	(6.68)
Attributable to:					
Equity holders of the Parent(II)	2.65	0.94	(4.11)	2.87	(5.67)
Non-controlling Interest(II)	1.42	1.10	(1.01)	2.57	(1.01)
9 Total Comprehensive Income/ (Loss) for the Period (7+8)	(204.05)	(48.49)	16.18	(393.92)	14.80
Attributable to:					
Equity holders of the Parent	(201.68)	(51.04)	15.45	(397.95)	10.94
Non-controlling Interest	(2.37)	2.57	0.73	4.03	3.86
10 Paid-up Equity Share Capital (Face Value ₹ 4/- per share)	23.47	23.47	23.20	23.47	23.20
11 Other Equity				575.03	1,106.21
12 Earning Per Share in ₹ (Annualised, except for quarters)					
-Basic	(34.84)	(8.86)	3.38	(68.37)	2.87
-Diluted	(34.67)	(8.77)	3.31	(67.89)	2.81

(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. 111411/W

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
July 09, 2020



For Arvind Fashions Limited

Suresh J.
Managing Director

Bengaluru
July 09, 2020



Arvind

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Audited Consolidated Statement of Assets and Liabilities		
Particulars	Year Ended	
	31.03.20	31.03.19
	Audited	Audited
ASSETS		
I. Non-current assets		
(a) Property, plant and equipment	298.87	373.10
(b) Capital work-in-progress	1.44	5.74
(c) Right-of-use asset	733.69	-
(d) Goodwill on consolidation	111.23	111.23
(e) Intangible assets	90.37	53.13
(f) Intangible assets under development	-	5.70
(g) Financial assets		
(i) Investments	-	0.02
(ii) Loans	0.07	0.31
(iii) Other financial assets	206.65	235.97
(h) Deferred tax assets (net)	440.06	269.18
(i) Other non-current assets	7.75	11.04
Sub-Total-Non-current Assets	1,890.13	1,065.42
II. Current assets		
(a) Inventories	1,305.83	1,184.16
(b) Financial assets		
(i) Trade receivables	781.35	878.72
(ii) Cash and cash equivalents	10.09	7.72
(iii) Bank balance other than (ii) above	1.54	4.35
(iv) Loans	4.17	3.65
(v) Others financial assets	47.13	27.82
(c) Current tax assets (net)	38.38	30.23
(d) Other current assets	372.62	322.27
Sub-Total-Current Assets	2,561.11	2,458.92
Total Assets	4,451.24	3,524.34
EQUITY AND LIABILITIES		
Equity		
Equity share capital	23.47	23.20
Other equity	575.03	1,106.21
Sub-Total -Equity	598.50	1,129.41
Non Controlling Interest	88.86	91.17
LIABILITIES		
I. Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	162.78	86.30
(ii) Lease liabilities	830.62	-
(iii) Other financial liabilities	79.00	66.94
(b) Long-term provisions	19.65	21.36
(c) Other non-current liabilities	0.23	-
Sub-Total - Non-current Liabilities	1,092.28	174.60
II. Current liabilities		
(a) Financial liabilities		
(i) Borrowings- short term	1,047.61	704.50
(ii) Lease liabilities	87.70	-
(iii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	177.32	135.41
b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,147.98	1,103.55
(iv) Other financial liabilities	141.05	104.47
(b) Other current liabilities	47.70	59.94
(c) Short-term provisions	22.24	21.29
Sub-Total - Current Liabilities	2,671.60	2,129.16
Total Equity and Liabilities	4,451.24	3,524.34

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

Ahmedabad
July 09, 2020



For Arvind Fashions Limited

Suresh J.
Suresh J.
Managing Director

Bengaluru
July 09, 2020



Arvind

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Consolidated Statement of Cash Flows for the year ended March 31, 2020

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A Operating activities		
Profit/(Loss) Before taxation	(496.42)	12.88
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization	437.51	153.16
Interest Income	(2.61)	(2.21)
Interest and Other Borrowing Cost	289.11	126.21
Advances written off	2.32	0.19
Bad Debt written off	0.25	-
Allowance of doubtful debts	1.88	2.41
Provision for Litigation/Disputes	2.01	4.30
Gain on reassessment of lease	(52.61)	-
Investment written off	0.02	-
Foreign Exchange difference	-	(1.19)
Property, Plant & Equipment written off	0.59	0.50
(Profit)/Loss on Sale of Property, Plant & Equipment /Intangible assets	(1.79)	(0.07)
Share based payment expense	3.74	1.48
	680.42	284.78
Operating Profit before Working Capital Changes	184.00	297.66
Working Capital Changes:		
(Increase) / Decrease in Inventories	(121.67)	(250.92)
(Increase) / Decrease in trade receivables	95.24	(61.98)
(Increase) / Decrease in other assets	(55.86)	86.68
(Increase) / Decrease in other financial assets	14.38	(19.17)
(Increase) / Decrease in Other Bank Balances	2.81	11.78
Increase / (Decrease) in trade payables	86.34	170.99
Increase / (Decrease) in other liabilities	(12.01)	(9.11)
Increase / (Decrease) in other financial liabilities	25.40	(10.52)
Increase / (Decrease) in provisions	(1.73)	(3.44)
Net Changes in Working Capital	32.90	(85.69)
Cash Generated from Operations	216.90	211.97
Direct Taxes paid (Net of Income Tax refund)	(11.17)	(36.88)
Net Cash from Operating Activities (A)	205.73	175.09
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment /Intangible assets (Net)	(126.56)	(153.38)
Changes in Capital Advances	6.48	(0.06)
Changes in Loans given	(0.28)	1.10
Interest Received	2.70	2.41
Net cash flow from Investing Activities (B)	(117.66)	(149.93)
C Cash Flow from Financing Activities		
Proceeds from issue of share capital	9.30	3.41
Share application money received	(8.51)	8.51
Changes in long term Borrowings	76.61	(34.84)
Changes in short term borrowings	343.11	96.76
Principal repayment of lease liabilities	(240.21)	-
Interest and Other Borrowing Cost Paid	(265.67)	(119.78)
Net Cash flow from Financing Activities (C)	(85.37)	(45.94)
Net Increase/(Decrease) in cash & cash equivalents (A) +(B)+(C)	2.70	(20.78)
Cash & Cash equivalent at the beginning of the year	7.24	9.92
Add: Adjustment due to business combination	-	18.10
	7.24	28.02
Cash & Cash equivalent at the end of the year	9.94	7.24

Reconciliation of Cash & Cash equivalents:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash and cash equivalents comprise of:		
Cash on Hand	0.01	0.04
Balances with Banks	10.08	7.68
	10.09	7.72
Less: Book Overdraft	0.15	0.48
Cash and cash equivalents	9.94	7.24

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
July 09, 2020



For Arvind Fashions Limited

Suresh J.
Managing Director

Bengaluru
July 09, 2020



ARVIND

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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 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.
- 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 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 recognised 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).

- 5 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.
- 6 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.

The Group is engaged in the business of trading and retailing of readymade garments and accessories. It has a large retail and wholesale network. The operations of the Group has been severely affected by this disruption. Both retail and wholesale operations have remain under suspension for substantial part of Q1FY21. The effects such as lower than normal business, other disruptions are expected to have continuing effect at least for the next few quarters based on current assessment.

The Group has made detailed assessment of its liquidity position and of the recoverability and carrying value of its assets as at balance sheet date and has made appropriate adjustment along with adjustment to revenue recognition and actuarial assumptions. In assessing the recoverability of its assets including receivables and inventories, the Group has considered internal and external information up to the date of approval of these financial statements including economic forecasts. However, the overall environment continues to remain uncertain and our assumptions used for preparing the financial statements may undergo change depending on the evolving economic and health environment in the Country. The Group will continue to monitor the situation and constantly assess the financial impact to its retail as well wholesale operations.



ARVIND

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

CIN: L52399GJ2016PLC085595

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

www.arvindfashions.com

The Group has taken additional provisions arising out of Covid, the impact of which are disclosed under Exceptional Items and the details are as under:

Particulars	Quarter Ended		Year ended	
	31.03.20	31.03.19	31.03.20	31.03.19
(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	-
Total	60.69	-	60.69	-

- 7 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 sale at 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.
- 8 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.
- 9 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.
- 10 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 Hilfiger 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.
- 11 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.
- 12 The consolidated figures of the last quarter are the balancing figure between the audited figures in respect of the full financial year upto March 31, 2020 and March 31, 2019 and the unaudited year-to-date figures upto 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.
- 13 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


C.A. Chokshi Shreyas B.

Partner

Membership No. 100892

Ahmedabad

July 09, 2020



For Arvind Fashions Limited



Suresh J.
Managing Director



Bengaluru

July 09, 2020

ARVIND

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

CIN: L52399GJ2016PLC085595

PRESS RELEASE

Arvind Fashions declares it FY20 Q4 and full year results

Bengaluru, July 09, 2020: Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the fourth quarter and fiscal year ended March 31, 2020.

- Arvind Fashions Limited continued its progress on key initiatives during Q4 completing the exit from non-strategic emerging brands and market corrections in trade sales
- Pre-Covid its power brands achieved 7% like to like growth during January and February 2020
- During January and February, company was on track to meet its internal plan. However, revenue was severely hit in March as Covid19 impacted sales across the channels. This has adversely impacted the reported Q4 FY20 revenues and profitability
- After the lockdown, our stores have gradually opened, and currently 75% of our stores are operational
- Board has approved launch of company's rights issue from June 29th, which was earlier deferred in March'20. The size of the rights issue has also been increased from ~Rs. 300 Crore to ~Rs. 400 Crore. The rights issue will close on 17th July, 2020

Commenting on the performance of the company, **Mr. J Suresh, MD & CEO** said "Completion of the key strategic steps during the year have lent fundamental strength to our business. While COVID has been an unprecedented event which has significantly impacted the entire retail industry, as a leading casual wear company with a portfolio of brands with leading market positions and key capabilities in digital and omni-channel, we expect to gain market-share as business get back to normal."

Financial performance Summary

Rs. Crore	Q4 FY20		Q4 FY19	
	Revenue	EBITDA	Revenue	EBITDA
Reported Results (Incl. IndAS 116 impact)	710	(10)	1,169	85
Results (Excl. IndAS 116 impact)	710	(92)	1,169	85
Normalized Results *	1,052	43	1,169	85
<i>Continuing brands</i>	<i>1,050</i>	<i>48</i>		
<i>Discontinued brands</i>	<i>2</i>	<i>(5)</i>		

* Normalized revenue and EBITDA are internal estimates of the company based on estimated revenue and EBITDA losses arising out of Covid19

Rs. Crore	FY20		FY19	
	Revenue	EBITDA	Revenue	EBITDA
Reported Results (Incl. IndAS 116 impact)	3,866	231	4,644	288
Results (Excl. IndAS 116 impact)	3,866	(117)	4,644	288
Normalized Results *	4,207	18	4,644	288
<i>Continuing brands</i>	<i>4,200</i>	<i>91</i>		
<i>Discontinued brands</i>	<i>7</i>	<i>(73)</i>		

COVID Update

Arvind Fashions Ltd is India's leading casual and denim player, a lifestyle powerhouse with a strong portfolio of fashion brands catering to consumers across sub-categories and price points. The Company has a network of 1,290 stores, presence across approximately 10,000 multi-brand outlets with 3,700+ point of sales in department stores across India.

Impact of COVID-19 on the business

- COVID-19 pandemic has had a significant negative impact on the economies, businesses and lives around the world. Operations of the company have been impacted by the various COVID-19 pandemic related developments. With the outbreak of COVID-19, while footfalls had started getting impacted from early March, malls were already being asked to close by mid-March, a complete lockdown implemented across the country starting March 25th. This led to full shutdown of the store network, offices and warehouses. These developments have had a significant adverse impact on revenue and profitability for Q4.
- Company has taken proactive measures to ensure the safety and wellbeing of our employees and customers. The store staff have been enabled to operate with higher hygiene while maintaining social distancing norms and the company transitioned the corporate staff to work from home (WFH) leveraging appropriate technology.

Current status and response to the situation

- Post lockdown, the company has been progressively reopening its stores following due regulatory guidelines and following due safety and hygiene SOPs and ensuring appropriate social distancing norms. Currently 75% of our stores are operational, though footfalls and revenue remain well below pre-Covid levels. In the meantime, company has invested behind and scaled up its digital and omni capabilities and good traction is being achieved in this important channel.
- Situation continues to remain fluid on the ground and we continue to assess its impact on company's operations on an ongoing basis.
- While in the short run, there would indeed be disruptions, AFL is a leading casual and denim player with a strong portfolio of fashion brands catering to consumers across sub-categories and price points. Company expects that strength of its brands, coupled with launch of new relevant product and investments in digital and omni-channels will help it overcome the challenges and react to evolving situation faster.
- Company has put in place a comprehensive cost management plan that covers significant reduction in costs during the lockdown period and until sales normalize. In addition, structural reductions have been effected in the cost structure that will have the impact of reducing company's breakeven levels by 35%. Actions have also been initiated to conserve cash by cutting down capex, reducing inventory levels, controlling immediate buys and bringing a strategic flexibility in the buying process
- We continue to engage continuously with our entire operational ecosystem (including vendors, franchisee, rental partners etc.) to be ready to operate at full scale of operations, as the business normalcy happens. We have also been able to resume the operations across all our warehouses and have significantly increased our fulfillment capacity

Outlook

The company has a strong portfolio of brands and is a leading casual wear player in the industry. It possesses multi-category play across premium casual and denimwear, kidswear, innerwear and prestige beauty which provides exciting growth opportunities. As market re-opens post the lockdown, we are well-positioned to resume our full operations at the earliest. With sharpened product portfolio suiting to customer requirements, entrenched distribution network along with capability build-up in analytics for demand planning and fulfilment as well as omni-channel, AFL is strongly placed to recover faster from the impact of ongoing pandemic.

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:

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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

Q4 FY20 Performance Highlights
Jul 2020



Agenda

Strategic Investment



Q4 & FY20 Results Update



Covid Actions & Opportunities



Arvind Fashion Inducts Flipkart as an Investor in its Flying Machine Business, Strengthens the Partnership

- AFL to sell shares in its subsidiary company, Arvind Youth Brands Private Limited (AYBPL), which houses Flying Machine business, to Flipkart for a cash consideration of Rs 260 Crs. With this Flipkart will acquire significant minority in AYBPL
- Flying Machine is a youth oriented brand with strong online presence
- This transaction gives impetus to Flying Machine
 - Accelerate digital first strategy & rapidly scale up in online channel
 - Leverage consumer insights to build appropriate product propositions and establish itself as an iconic youth brand
- This transaction allows AFL to discover and unlock value in one of its home grown brands and set it up for rapid growth



Arvind FASHIONS



Partnership to Accelerate Flying Machine's Journey to Rs. 1000 Crs. Brand



Building Flying Machine as #1 youth brand leveraging Flipkart reach

Agenda

Strategic Investment



Q4 & FY20 Results Update



Covid Actions & Opportunities



FY20 : Strategic Priorities

1

Power Brands set up for accelerated growth with alignment between primary & secondary sales, energizing retail, category expansion with improved working capital efficiency

2

Gap, Sephora and retained emerging brands positioned to deliver next wave of growth in sales and profitability

3

Unviable brands and stores exited

4

Unlimited restructured to contain losses

5

Scale up digital capabilities to build a strong omni-channel business



Hits & Misses FY20



Q4 Highlights

Power Brands



- On recovery path to growth before COVID (Jan/Feb) - LTL growth of 7% with double digit EBITDA
- Small town expansion of Flying Machine on track - Opened 30 stores between Q3 and Jan-Feb

Specialty Retail



- GAP & Sephora continuing its growth path with improved profitability
- Completed network optimization & cost restructuring in Unlimited

Emerging Brands



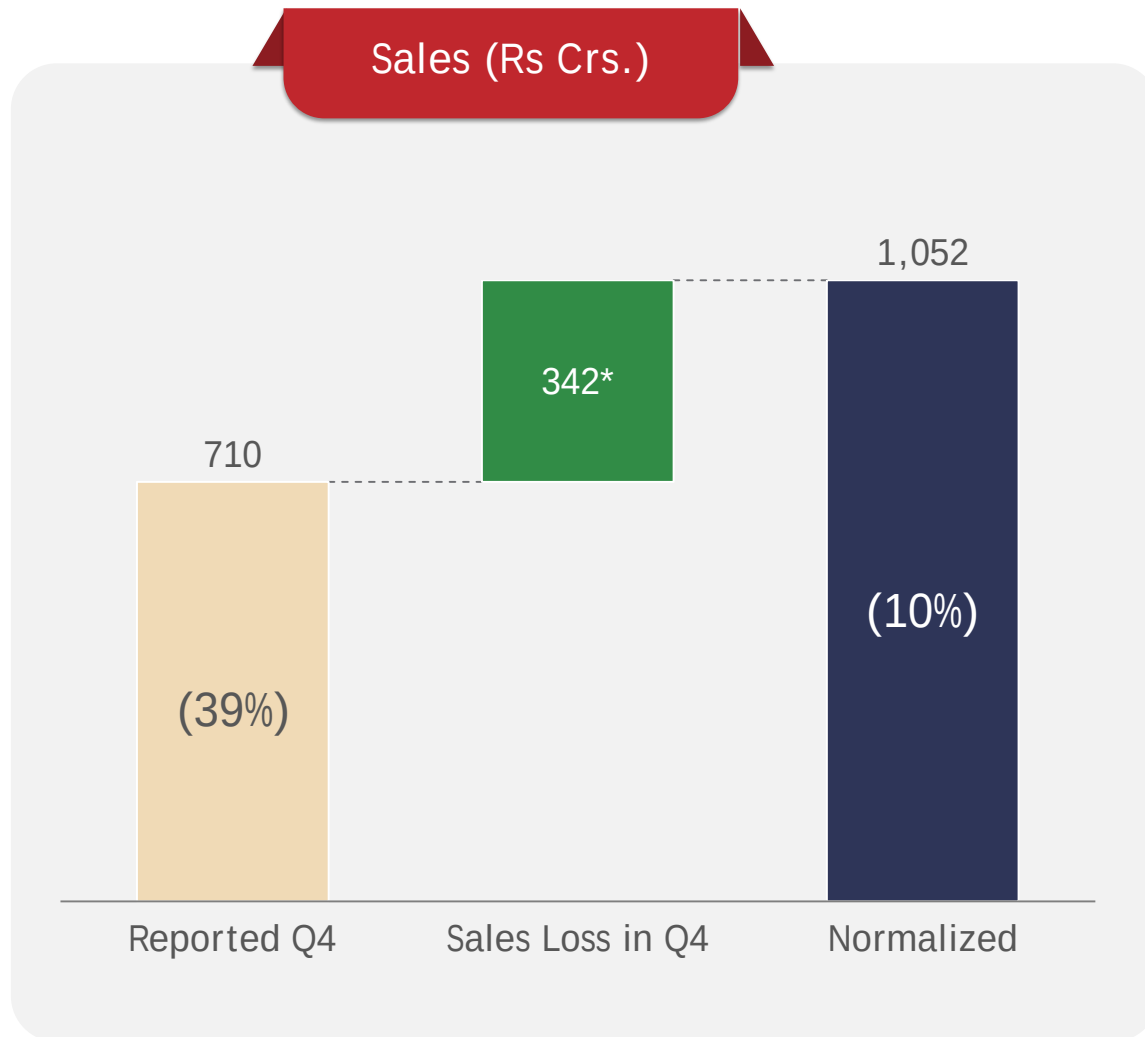
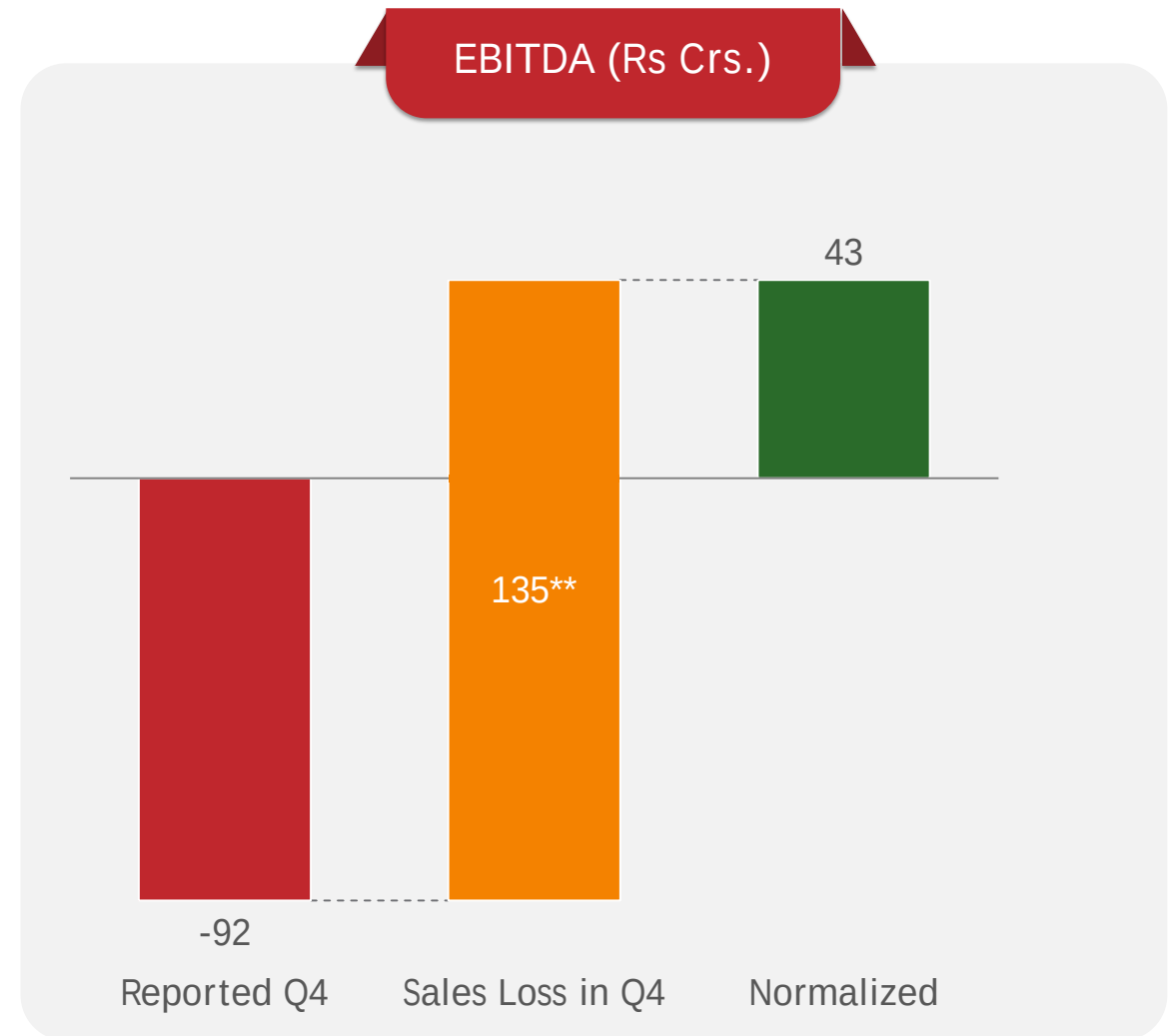
- Growth momentum continues in Calvin Klein - LTL growth of 8%
- Restructuring rest of emerging brands portfolio completed

Q4 FY20 - Performance Snapshot



	Without IndAS116 Impact			IndAS116
	Q4 FY19	Q4 FY20	Growth	Q4 FY20
Sales (Rs Crs.)	1169	710	(39%)	710
EBITDA (Rs Crs.)	85	(92)	-	(10)
EBITDA %	7.3%	(13.0%)	-	(1.4%)
PBT (Rs Crs.)	6	(177)	-	(143)
PBT (Rs Crs.) (Incl Exceptional Items)	6	(237)	-	(204)
PAT (Rs Crs.)	20	(238)	-	(204)

Q4 FY20 - Result Update Normalised for Covid Impact



* Including additional returns provision on account of Covid 19

**Impact of Margin on account of additional return provision for Covid-19 is included in Exceptional Items

FY20 - Performance Snapshot



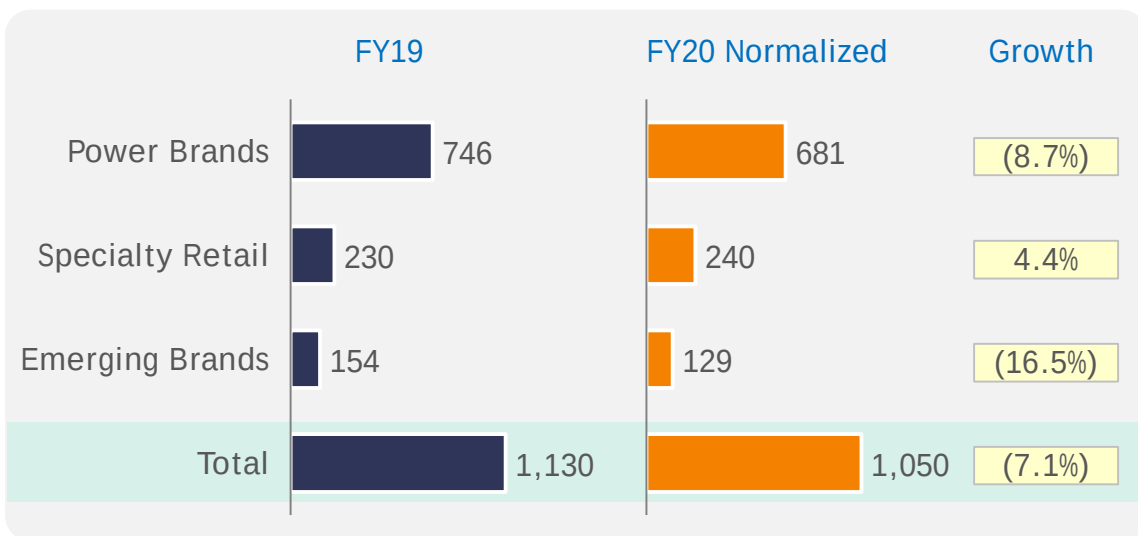
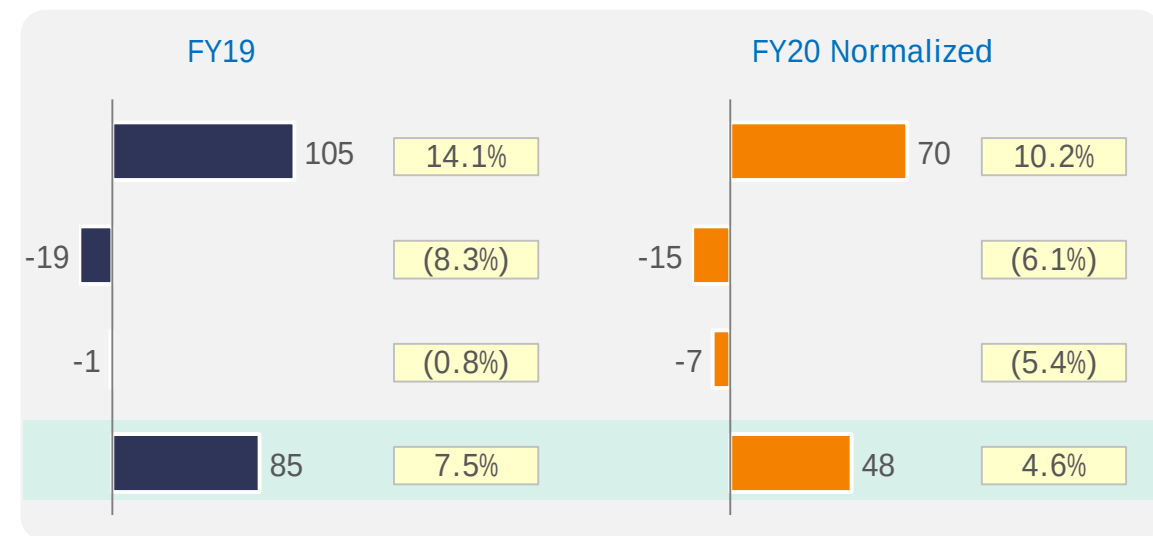
	Without IndAS116 Impact			IndAS116
	FY19	FY20	Growth	FY20
Sales (Rs Crs.)	4644	3866	(17%)	3866
EBITDA (Rs Crs.)	288	(117)	-	231
EBITDA %	6.2%	(3.0%)	-	6.0%
PBT (Rs Crs.)	13	(453)	-	(436)
PBT (Rs Crs.) (Incl Exceptional Items)	13	(513)	-	(496)
PAT (Rs Crs.)	17	(418)	-	(401)

Groupwise Performance - Continuing business

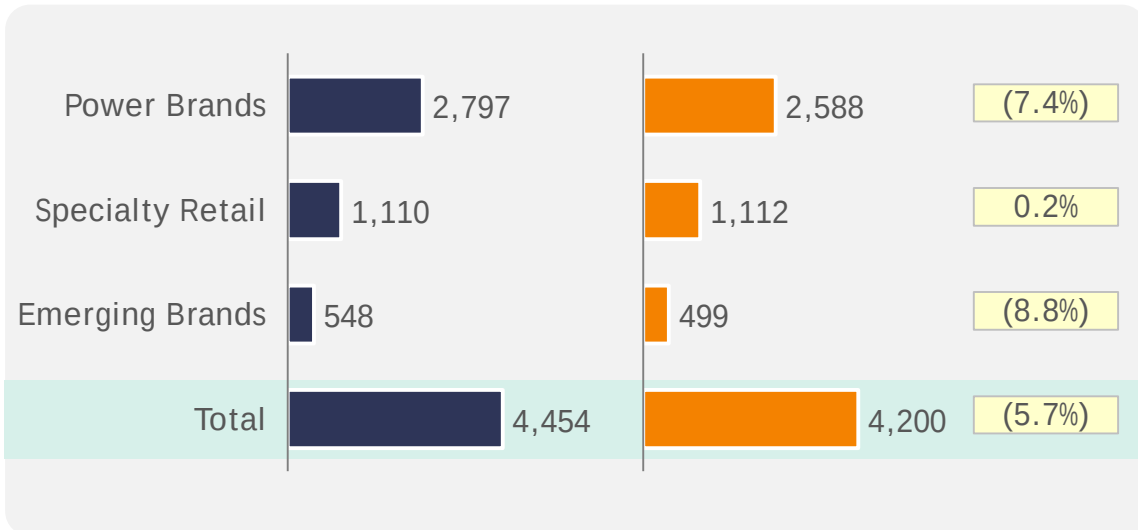
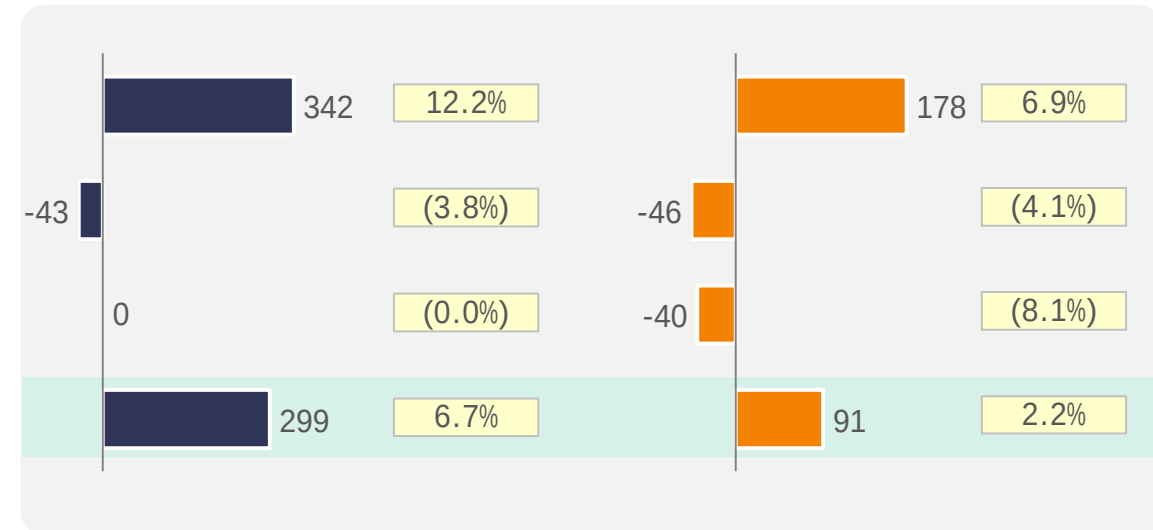
Sales (Rs Crs.)

EBITDA (Rs Crs. & % of Sales)

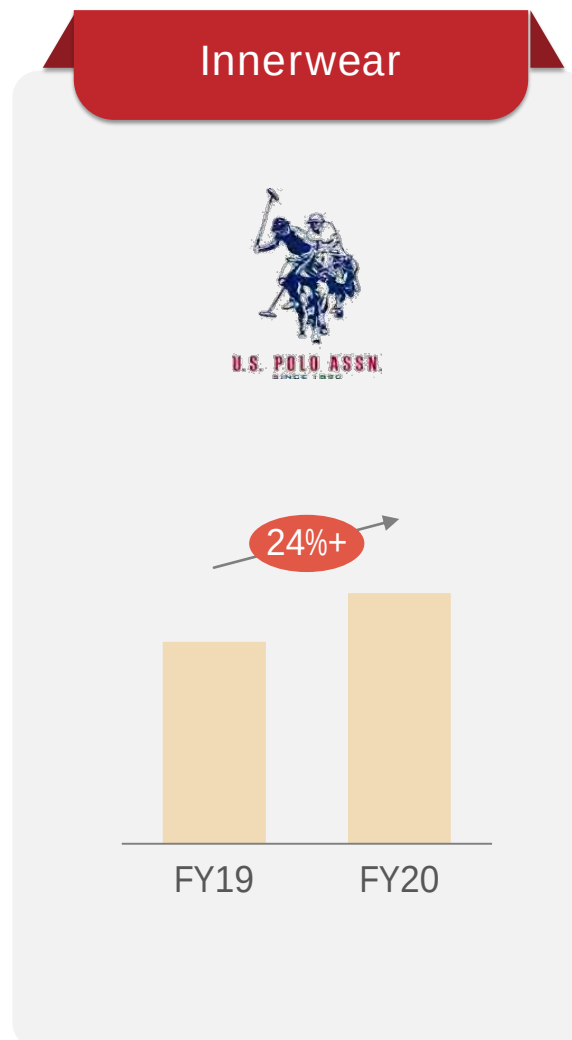
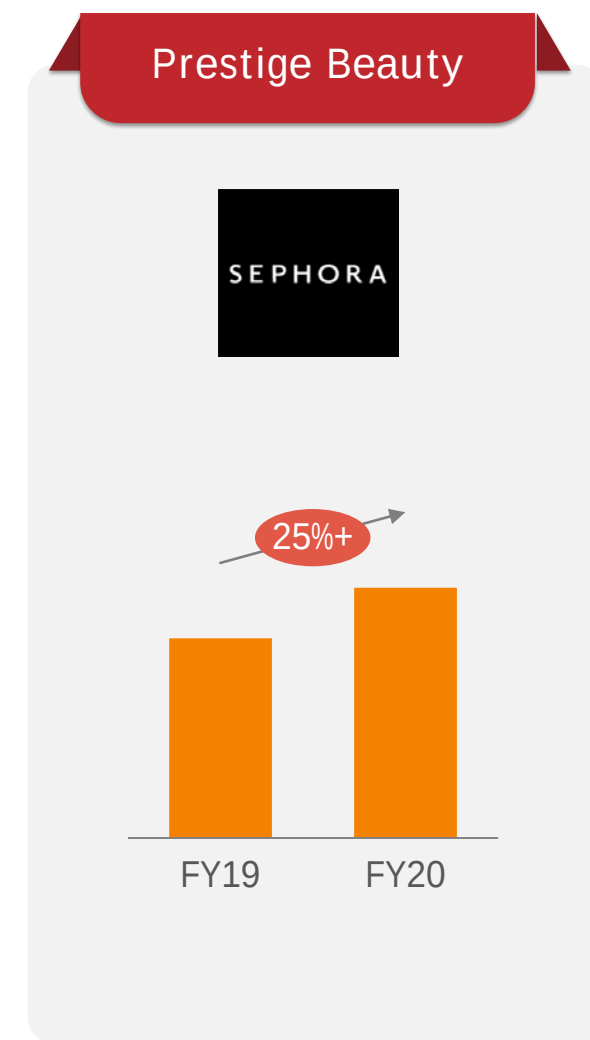
Qtr. 4



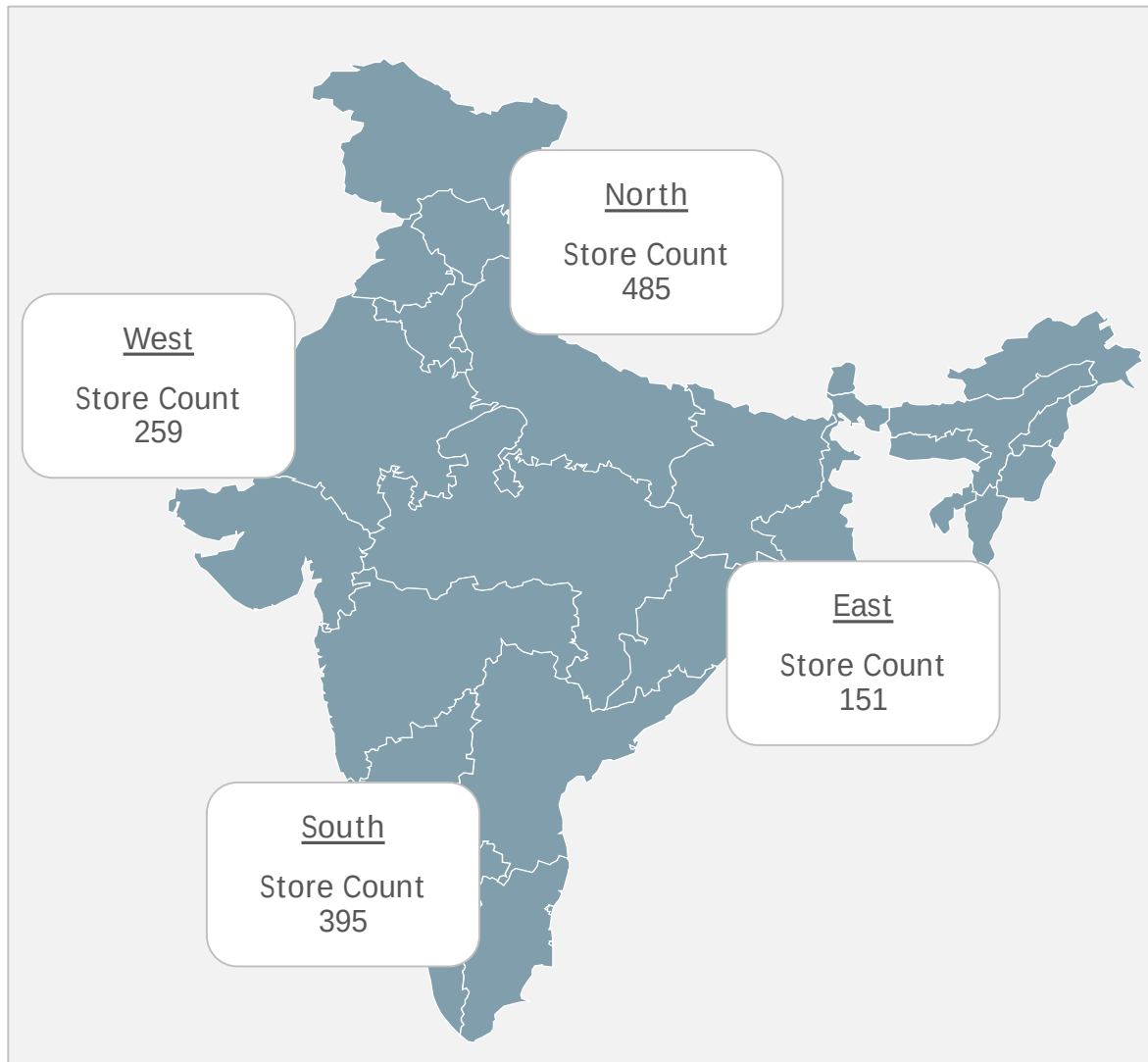
Full Year



Focus Categories Growing at 20%+*



Distribution Footprint Well Entrenched Across Multi-Channels



	Q4 FY20 Exit	
	Store Count	Sq Ft (Lacs)
Stores	1290	20.7
Dept. Stores	3729	-
MBO	10000+	-
Innwer wear MBO	14000+	-

Balance Sheet As On 31.03.2020

Particulars (in Rs Cr.)	31.03.20	31.03.19	31.12.19
Net Worth	687	1221	892
Borrowings	1210	791	1105
Capital Employed	1898	2011	1997
Inventory	1367	1216	1270
Receivables	781	879	968
Creditors	1325	1239	1344
Net Working Capital	823	856	893
Net Fixed Asset	502	549	505
Other Assets	573	607	599
Capital Employed	1898	2011	1997

Agenda

Strategic Investment



Q4 & FY20 Results Update



Covid Actions & Opportunities



Making AFL Stronger & Fit For Growth

FY20 Reset	<ul style="list-style-type: none">➤ Portfolio rationalization➤ Debtors control - Trade
FY21 Covid	<ul style="list-style-type: none">➤ Cost and Cash<ul style="list-style-type: none">• Minimise cash burn through deep cost cuts across all elements• Repurpose SS20 inventory to AW20. Cancellation of 60% of AW20 order to release cash• Rs. 660 Cr of non debt cash infusion
FY21 Structural	<ul style="list-style-type: none">➤ Permanent reduction in fixed cost structure (Rs 120-150 Crs.)➤ New ways of sourcing<ul style="list-style-type: none">• Cash release through inventory reduction➤ Step change in digital capabilities
FY22 Onwards	Getting back to growth with improved profitability & ROCE

Post Portfolio Rationalization, Focus Resources Behind Growing Seven Strong Brands with Market Leadership Positions

	#1 in Casuals
	Among Top 3 Denim Brands
	Among Top 5 Formalwear Brands
TOMMY HILFIGER	#1 & #2 in Premium Casuals
CALVIN KLEIN	
SEPHORA	#1 in Prestige Beauty
	Brand with Strong Recall

Rest of the Brands - Business De-Risked & Resource Allocation Minimized



Strong actions to reduce burn

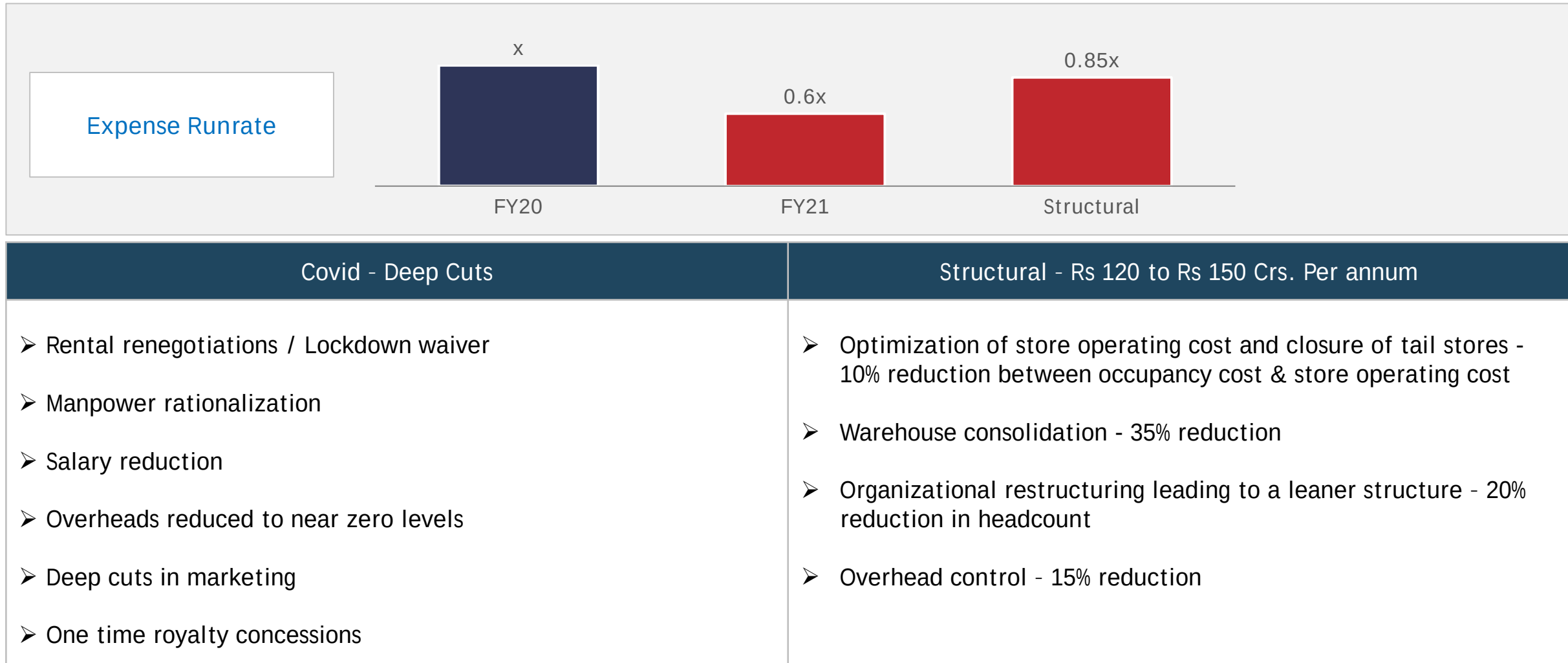
- Cost rationalization & team restructuring - Reduced cost base by 30%
- Changed sourcing strategy from seasonal to once in two months buy, improving sell through and optimizing inventory
- Network optimization - Exited all unviable stores and markets
- Scaling up online/omni business



- Leverage these brands to tap into the category opportunities in online
 - Aeropostale/EdHardy - Youth opportunity
 - TCP - Kids opportunity

**Capital Employed release of
Rs 180 Crs
through brand exits and
store closures of retained
emerging brands**

Multiple Initiatives Implemented to Sharply Reduce the Fixed Cost Structure of the Company



Cash Release through Inventory Reduction

Key actions to deliver reduction in Inventory in Mar-21 compared to Mar-20

1. Covid related actions to minimize inventory	<ul style="list-style-type: none">➤ Repurpose SS20 inventory to AW20. Cancellation of 60% of AW20 order to release cash➤ Spring Summer 21 buy based on sales trends
2. Flexible and agile sourcing	<ul style="list-style-type: none">➤ Power brands<ul style="list-style-type: none">• Built in flexibility of in-season buy triggers• Option to vary 20% orders based on in-season sales trends➤ ‘Once in two months’ buy vs ‘Seasonal’ buy in Unlimited
3. Brand exits to result reduction in inventory	

Scaling Up Digital

- Create **‘One view of inventory’** - Connecting offline inventory to online demand
 - Connecting demand from NNNow.com and third party marketplaces to the stores. Has accounted for more than 20% of stores sales for June
 - Enables reduction in discounts, higher inventory turns and better store productivity
- Strengthened fulfillment capabilities for e-commerce
 - Increased e-commerce service capacity of warehouse to 4x of original capacity. Put in processes for much higher efficiency and better turn around time
- Strengthened capabilities to drive Omni-sales at the stores
 - Shop a store feature to allow stores to service loyal customers at home
 - Same-day and next-day delivery being rolled out across the network through NNNow.com
- Leveraging analytics to personalize communication to the customers

Getting Back to Growth With Improved Profitability and ROCE

Power Brands



- Grow Through
 - Product Innovation
 - Channel Expansion
 - Category Expansion
 - Omni
- Healthy improvement in profitability going forward

Specialty Retail



- Drive high growth and improved profitability through
 - Store expansion and Omni in GAP
 - Store expansion and expansion in online in Sephora
- Reduced burn in Unlimited post restructuring

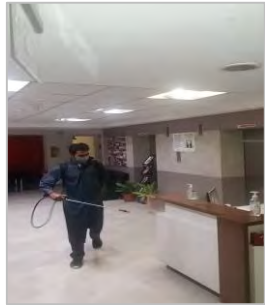
Emerging Brands



- Grow Calvin Klein in double digits profitably
- Minimized burn in retained emerging brands through de-risked business model by focusing in online and shop in shop channels

Unlock 1.0 - Opening up with Safety #1 Priority

Safety Measures & Guidelines at Office



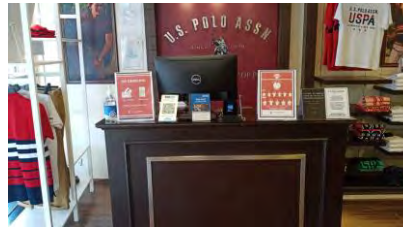
- Periodic office sanitization
- 50% employees coming to office on rotational basis

- Set of 3 re-usable masks & sanitizers provided to each employee
- Social distancing measures & norms at office



Back to Office
Transitioning Guidelines

Safety Measures & Guidelines at Stores



- Well defined SOP in place at stores for our staff and customers well being

Store Operation Procedure
post COVID-19 lockdown

Supporting Our Partners



- Stands with sanitizer disposal mechanism

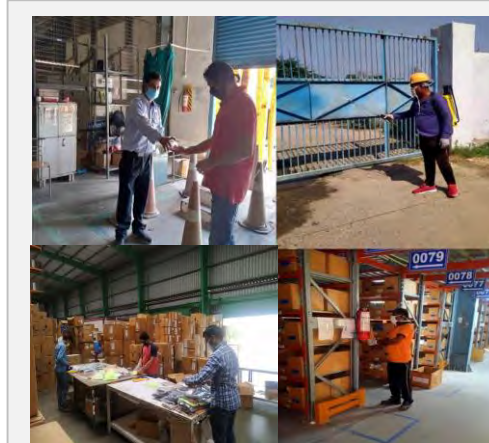
Unlock 1.0 - Moved Swiftly to Restart Operations

Store opening



- Quick to be off the block in opening the stores/ marketplaces post approval
- 75% of network of stores open

Smooth warehouse operations post lockdown opening up



- Consolidated into single warehouse operations, initiating vacation of six warehouses
- Increased E-Commerce fulfilment capabilities by 4x

Innovative delivery models

Retail store → Hyperlocal fulfilment centres

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

Launch of new categories such as masks



- Set up large capacity for masks production
- Have launched masks across different price points and functionalities

June'20 Sales has reached 30% of Normal Month Sales

		High Street	Malls
		<p>545 440</p> <p>Universe Open</p>	<p>675 365</p> <p>Universe Open</p>
Exclusive Brand Stores	Avg. Sales	60-65%	15-20%
Online	<ul style="list-style-type: none"> ➤ Sales - Own + 3rd Party: 1.2 times in June'20 ➤ Own online sales up 3X 		
Departmental Stores	<ul style="list-style-type: none"> ➤ Slow pick up ➤ Averaging 15% of last year sales 		
MBOs	<ul style="list-style-type: none"> ➤ Mixed performance <ul style="list-style-type: none"> • Stores in a few states like Punjab, Andhra Pradesh, North East better than, in states with high incidence of Covid like Delhi/TN 		

Portfolio Well Suited for Changed Consumer Behaviour Post Covid

➤ Product focus (1/2)

- Given the leadership position in casual clothing, well positioned to take advantage of boom in casualwear
- Portfolio of kidswear also well positioned to take advantage of improved demand for premium kidswear



Portfolio Well Suited for Changed Consumer Behaviour Post Covid

➤ Product focus (2/2)

- Range of products in the portfolio suited for work from home culture - Comfort wear, Innerwear, Essentials, DIY Beauty products and Footwear



AT-LEISURE
NEW WORKWEAR

U.S. POLO ASSN.
SINCE 1890
INNERWEAR | COMFORTWEAR



PREPARED
FOR THE
INDOORS

U.S. POLO ASSN.
SINCE 1890



HAPPIER
INDOORS

U.S. POLO ASSN.
SINCE 1890



STAY IN, STAY
COMFORTABLE

U.S. POLO ASSN.
SINCE 1890



FASHION SLIPPERS

Stay home in style. Elevated
fashion styles & supports
with fine materials.



HOME SLIPPERS

Tightly cushioned perfectly
soft, designed to offer
greater comfort.

Channel Focus

<p>Online</p> 	<div data-bbox="583 351 1016 486">  </div> <div data-bbox="1098 365 1460 472">  </div> <div data-bbox="1531 365 1791 465">  </div> <div data-bbox="1900 365 2288 465">  </div> <p>Focus channel for the year - Target double digit growth</p>
<p>Exclusive Brand Stores</p> 	<div data-bbox="486 758 825 1001">  </div> <div data-bbox="843 701 1383 1076"> <ul style="list-style-type: none"> ➤ Focus on high street stores ➤ Small town expansion </div> <div data-bbox="1421 758 1755 1001">  </div> <div data-bbox="1798 701 2333 1076"> <ul style="list-style-type: none"> ➤ Malls currently underperforming ➤ Improve sales through Omni & Hyperlocal fulfilment ➤ Parallely work on additional cost efficiency </div>
<p>Department Stores & MBOs</p>	<ul style="list-style-type: none"> ➤ Leverage strong category play ➤ Reduce operation cost

In spite of Covid Uncertainty in the short term, Company Well Positioned to be a Dominant Player in the medium term

Growth Drivers

- 7 strong brands with leading market positions to drive growth with improved profitability and ROCE
- **As a leading Casual wear player, product portfolio well suited to 'new normal' consumer requirements**
- Strongly placed to grow fast in Kidswear, Innerwear and Beauty
- Strategic tie-up with Flipkart to unlock significant growth opportunities for Flying Machine
- Early investment in technology enabling the company to scale up omni and e-commerce sales

Cost & Cash

- Structural reduction in cost to improve profitability when sales get back to normal
- New ways of buying to release cash through reduction in inventory
- Company adequately capitalized by ~Rs. 660 Crores through a combination of rights issue and strategic investment



Annexure



Financials - P&L

	Comparable P&L		IndAS116
All Figures in Rs Cr.	Q4 FY20	Q4 FY19	Q4 FY20
Revenue from Operations	710.5	1,169.0	710.5
Cost of Goods Sold	382.5	546.5	382.5
Employees' Emoluments	76.6	95.7	76.6
Others	343.6	441.6	261.2
EBIDTA	(92.3)	85.2	(9.9)
Margin	(13.0%)	7.3%	(1.4%)
Other Income	4.1		41.8
Interest & Finance Cost	47.5	35.0	72.0
Cash Accruals	(135.7)	50.2	(40.1)
Depreciation	41.0	44.1	103.2
Profit Before Taxes	(176.6)	6.1	(143.3)
Exceptional Items	60.7		60.7
Profit Before Taxes (after exceptional Item)	(237.4)	6.1	(204.0)
Tax / DTA	4.1	(15.2)	4.1
Minority Interest	(3.8)	1.7	(3.8)
Profit After Tax	(237.7)	19.6	(204.3)

IND AS 116 Impact Summary

Impact on Income Statement (INR Crs)

Particulars	FY20	Q4
Lease Rent (Other Exp grouping)	348	82
EBIDTA	348	82
Depreciation - ROU Assets	(263)	(59)
Accelerated Depreciation on Lease Assets	(11)	(3)
EBIT	74	20
Interest on Lease Liability	(110)	(25)
Gain on Assessment (Termination of lease)	53	38
PBT	17	33

Impact on Balance Sheet - Transition

ROU Assets	1,118
ROU Liability	(1,311)
Net Difference	(213)
Deferred Tax	(71)
Balance to be adjusted to Opening Retained Earnings	(142)
Net Worth on 31st Mar 2019	1,221
Net Worth post IND AS 116 adjustment	1,079

- ❖ IND AS 116 applicable from 1st Apr 2019 and replaced existing Ind AS17
- ❖ No distinction between Financial and Operating Lease.
- ❖ All leases to be recognised in the Balance Sheet as an Asset and Liability
 - The Lease Liability is measured at present value of minimum lease payments to be made over the primary lease term.
 - The Right To Use Asset is initially measured at lease liability, adjusted for prepayment, if any.
 - Interest is added to the Lease Liability and actual lease rentals are reduced from lease liability
 - Right to Use Asset is depreciated over the lease term on straight line method.
 - Exemption is available for short term leases (lease period < 12 months) and assets having low values.
 - In effect, lease expenses will be replaced with Depreciation and Interest cost.
- ❖ There are 3 approaches 1) Retrospective 2) Modified Retrospective 3) Prospective.
- ❖ Applied Modified Retrospective Method. This means:
 - Lease Liability has been recognised at present value of lease for the remaining lease period as on April 1, 2019
 - Right to Use Asset has been recognised at present value of lease on the start date of lease less accumulate depreciation until March 31, 2019.
- ❖ Previous Year financials have not been impacted
- ❖ Life of Leasehold assets have been realigned to Lease period and an additional impact of depreciation considered for the same.
- ❖ All long Term leases where company has given minimum commitments have been considered.
- ❖ The company has assumed Rate of Interest @ 9.5%



Thank You