

# ARVIND FASHIONS LIMITED

A MEMBER OF THE LALBHAI GROUP

Corporate Office: Du Parc Trinity, 8th Floor, 17, M.G. Road, Bengaluru - 560 001

Tel : 91-80-4155 0601, Fax : 91-80-4155 0651

Website : <http://www.arvindfashions.com>

February 21, 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 Board Meeting**

**Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We wish to inform that, the Board of Directors of Arvind Fashions Limited and Arvind Lifestyle Brands Limited, a wholly owned subsidiary of the Company at their meetings held today approved in principle, the transfer by way of sale, of the wholesale trading business and the retail trading business in "Flying Machine" brand respectively to a wholly owned subsidiary (which is being incorporated). The Board of Directors of the respective Companies have approved the sale as a "going concern" on a slump sale basis for a lump sum consideration to be mutually agreed of not less than the book value of the division as appearing on the date of actual transaction. As at 31<sup>st</sup> December 2019, the book value of the division is about Rs. 48.6 crores in the Company and Rs. 127.3 crores in Arvind Lifestyle Brands Limited as certified by an Independent Chartered Accountant.

The proposed sale by Arvind Fashions Limited, amounts to sale of one of the substantial undertakings under Section 180(1)(a) of the Companies Act, 2013, hence it is subject to approval of the shareholders by a special resolution. The said transaction is also subject to requisite approvals/consents as may be necessary from statutory /regulatory authorities and subject to such terms and conditions as may be imposed by them if any.

Please find enclosed disclosure pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 as Annexure to this letter.

Thanking You,

Yours faithfully,  
For Arvind Fashions Limited,

Vijay Kumar B S  
Company Secretary \*



**Arvind**

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

CIN: L52399GJ2016PLC085595

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## ANNEXURE

### Sale or disposal of unit or division of the listed entity

(a)	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	<p>For the FY 2018-19, the turnover of business under “Flying Machine” brand was approximately INR 365.2 Crores on a standalone basis which accounted for 36% of the standalone revenue of Arvind Fashions Limited and INR 436.0 Crores on a consolidated basis (after eliminating inter-company transactions) which accounted for 10% of the consolidated revenue of Arvind Fashions Limited. As at 31<sup>st</sup> March 2019, The Net Assets pertaining to the business under “Flying Machine” brands were INR 89.4 crores on a consolidated basis (after eliminating inter-company transactions) which accounted for 7% of the total consolidated assets of Arvind Fashions Limited.</p> <p>The turnover of business under “Flying Machine” brand in Arvind Lifestyle Brands Limited was INR 190.4 Crores which accounted for 6% of the revenue for the same period. The Net Assets pertaining to the business under “Flying Machine” brands in Arvind Lifestyle Brands Limited were INR 132.0 crores which accounted for 10% of total.</p>
(b)	Date on which the agreement for sale has been entered into	The proposed transaction is subject to approval of the shareholders by means of a Special Resolution. The agreement for sale would be entered after approval of the shareholders and incorporation of proposed wholly owned subsidiary company and completion of other necessary formalities.
(c)	The expected date of completion of sale/disposal	Subject to the approval of the shareholders and other regulatory/statutory approvals, if any, the sale would be completed with effect from the close of business hours on or before June 30, 2020.
(d)	Consideration received from such sale/disposal	It is thus proposed that the business be transferred to Arvind Youth Brands Private Limited, a wholly owned subsidiary of the Company which is being incorporated for a lump sum consideration to be mutually agreed of not less than book value as appearing on the date of closure of the transaction subject to the necessary adjustments as per applicable accounting policies. As at 31 <sup>st</sup> December 2019, the book value of the division is about Rs. 48.6 crores in the Company and Rs. 127.3 crores in Arvind Lifestyle Brands Limited as certified by an Independent Chartered Accountant.
(e)	Brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof	<p>The same is being incorporated.</p> <p>The name of the proposed buyer will be Arvind Youth Brands Private Limited and will operate as a wholly owned subsidiary of the Company.</p>
(f)	Whether the transaction would fall within related party transactions? If yes, whether	Yes, the transaction is with a related party and further details refer point (d) above.



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	the same is done at “arms’ length”?	
(g)	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation / merger, shall be disclosed by the listed entity with respect to such slump sale.	<p><u>Area(s) of business of the entity(ies):</u></p> <p><u>Seller:</u></p> <p>The Company is engaged in the business of designing, sourcing, marketing and selling a wide portfolio of men’s, women’s and kids’ branded readymade apparel, footwear and other accessories across multiple owned and licensed brands.</p> <p><u>Buyer:</u></p> <p>Arvind Youth Brands Private Limited is being incorporated as a wholly owned subsidiary of the Company and would be engaged in the business of wholesale and retail trading in “Flying Machine” brand.</p> <p><u>Rationale:</u></p> <p>To provide more focus to “Flying Machine” business and to enable raising capital to allow the company to accelerate its growth.</p> <p><u>Consideration and Share Exchange Ratio:</u></p> <p>Please refer clause (d)</p> <p><u>Shareholding Pattern (Pre and Post):</u></p> <p>No change in shareholding of the Company.</p>



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