

ARVIND FASHIONS LIMITED

A MEMBER OF THE LALBHAI GROUP

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

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Website : <http://www.arvind-fashions.com>

September 02, 2020

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

Security Code: 542484
Security ID: ARVINDFASN

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

Symbol : ARVINDFASN

Dear Sir / Madam,

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

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

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

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

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

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

Thanking you,

Yours faithfully,
For Arvind Fashions Limited


Vijay Kumar B S
Company Secretary

Encl : As above.

ARVIND

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

PRESS RELEASE

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

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

Key Points

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

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

Consolidated Financial Performance Summary (Incl. IndAS 116 impact)

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

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

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



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

About AFL

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

For more information, please contact:

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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.