

# 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>

August 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.: Disclosure of Material Impact of CoVID-19 pandemic under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith disclosure on material impact of COVID-19 pandemic on the Company.

Kindly take the above on record.

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

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## DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

### 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 25<sup>th</sup>. 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



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