

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>

Date: February 03, 2021

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

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

Security Code : 542484
Security ID : ARVINDFASN

Symbol : ARVINDFASN

Dear Sir/ Madam,

Sub: Outcome of the Meeting of the Board of Directors of Arvind Fashions Limited (“the Company”) held on February 03, 2021

Ref: Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”)

Further to our letters dated January 25, 2021 and January 31, 2021 for intimation of Board Meeting, and in accordance with the provisions of Regulation 30 of the SEBI LODR Regulations, this is to inform that the Board of Directors of the Company, at its meeting held today (i.e., on February 03, 2021) has, *inter alia*, considered and approved the following business:

1. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended on December 31, 2020 along with Limited Review Reports by the Sorab S. Engineer & Co., Statutory Auditors of the Company, for the said quarter and nine months;
2. Raising of funds through issuance and allotment of equity shares of face value of Rs. 4 each (“Equity Shares”) for an aggregate amount of up to Rs. 200 crores (Rupees Two Hundred Crores), on a Rights basis to the eligible equity shareholders of the Company as on a record date (to be notified subsequently) on such terms and conditions as may be decided by the Board or Committee thereof subject to receipt of regulatory/statutory approvals, in accordance with the applicable laws including the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder, as amended from time to time (“Rights Issue”); and
3. Delegation of powers to Committee of Directors in respect of Rights Issue including powers to decide all terms and conditions for Rights Issue and the matters connected and incidental thereto.

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

- a. Unaudited Standalone and Consolidated Financial Results of the Company for the third quarter and nine months ended on December 31, 2020, along with Limited Review Reports.
- b. A copy of the press release being issued by the Company in respect of unaudited financial results for the third quarter and nine months ended on December 31, 2020.



Arvind

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

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- c. Investor Presentation on unaudited financial results for third quarter and nine months ended on December 31, 2020 issued in this regard.

The meeting of the Board of Directors commenced at 11:30 a.m. and concluded at 1:30 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 & Compliance Officer
Membership No.: FCS 10,458
Encl: As above.



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PRESS RELEASE

Arvind Fashions delivers strong performance with 106% Q-o-Q growth and cash breakeven; Continues journey of strengthening balance sheet

Bengaluru, February 3, 2021: Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the third quarter and nine months ended Dec 31, 2020.

Key Points

- Q3 FY21 revenue grew sequentially by 106%, driven by Q-o-Q momentum on account of stronger festive season and winter shopping, along with increased footfalls across the stores as the lockdown gradually lifted. This was further aided by continued traction in the online channel
- Overall, revenue reached 86% of last year levels in Q3 FY21. Sales recovery trajectory (Y-o-Y) was stronger across all the channels
- Power brands achieved a sales recovery of 91% with similar profitability compared to Q3 FY20, after investing behind the brands significantly and higher liquidation of old inventories to improve freshness going forward
- Unlimited achieved a positive EBIDTA for the quarter due to good sales recovery (for like-to-like stores) and the significant restructuring of costs
- Seamless omni-channel and digital solutions are yielding significant results. Overall online channel sales increased by 130% Y-o-Y in Q3 FY21; Direct to consumer online sales witnessed 3.3x growth over last year and now comprise 38% of our digital sales
- Deep execution on revenue as well as cost management enabled the company to achieve turnaround in profitability during the quarter for its continuing business, to post EBITDA (pre-IndAS) of 34 Crs in Q3 FY21 compared to 30 Crs in Q3 FY20. Continuing business achieved cash breakeven for the quarter
- Balance Sheet has been strengthened compared to Mar'20 with
 - Gross & net working capital reduction by 400+ and 250+ Crs respectively in YTD FY21 through efficient inventory management and new ways of buying
 - Reduction in net debt by 300+ Crs

Commenting on the performance of the company, **Mr. J Suresh, MD & CEO** said "We're quite pleased with better than expected sales recovery through improved footfalls during the festival period which has resulted in significantly improved profitability and a cash breakeven for continuing business in Q3 FY21. Our focus on digital and omni-channel initiatives and a deep cost focus continue to deliver robust outcomes. At the back of strong Q3, we expect H2 FY21 to be significantly better in terms of sales & profitability growth"

Mr. Shailesh Chaturvedi, newly appointed MD & CEO said, "AFL has emerged stronger from the pandemic crisis and I'm quite excited to lead our journey of providing enhanced customer experience. Our leadership positioning in casual, denim and prestige beauty segment will enable AFL to pursue accelerated growth in the long term and create value for all our stakeholders"

Consolidated Financial Performance Summary

Rs. Crore	Q3 FY21	Q3 FY20	Y-o-Y Growth	Q2 FY21	Q-o-Q Growth
Revenues	901	1,052	(14%)	437	106%
EBITDA	84	124	(32%)	(18)	
PBT before exceptional items	(34)	(67)		(151)	
PAT including discontinued Operations	(68)	(51)		(212)	

With the benefit of the lower inventory levels and new ways of buying resulting in improved freshness of our stock across the channels and continued normalization of customer sentiments, we remain optimistic to improve sales through for the upcoming season, barring any significant flare up in COVID 19 pandemic.

Rights Issue

The Board has approved issue of equity shares for an amount up to Rs. 200 Crs on rights basis. The Board evaluated various options and is of the view that rights issue would be an equitable mode of fund raising as it gives its shareholders an equal opportunity to participate in the growth of the Company. The Company intends to utilize the funds to meet its objectives of strengthening its balance sheet and for general corporate purposes, including working capital for growth.

Subject to finalization of terms & conditions of the issue, the Promoter and Promoter Group, collectively intend to fully subscribe to their rights entitlement and have reserved their right to subscribe to any additional Equity Shares, in the event of under-subscription of the said Issue, subject to applicable laws.

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, Tommy Hilfiger, Calvin Klein, Flying Machine and Sephora, it has presence across lifestyle brands, value fashion and prestige beauty.

For more information, please contact:

Ankit Arora

Head – Investor Relations

Arvind Fashions Limited

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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.