

November 19, 2021

To  
**BSE Limited**  
Listing Dept./ Dept. of Corporate Services  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400001

**Security Code : 500101**  
**Security ID : ARVIND**

To  
**National Stock Exchange of India Limited**  
Listing Dept., Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G. Block  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai - 400051

**Symbol : ARVIND**

Dear Sirs,

**Sub.: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").**

Pursuant to Regulation 30 of the Listing Regulations, please find enclosed herewith a brief note on change in GST Rate for fabrics and garments of all types and value from 5% to 12% which will result in unblocking of GST credits and improvement of the cash flow and reduction of the working capital requirement of the Company.

You are requested to take note of the above and arrange to bring this to the notice of all concerned.

Thanking you,

Yours faithfully,

For Arvind Limited

  
**R.V. Bhimani**  
Company Secretary



Encl.: As above

As you may be aware, that GST rates for fabrics and garments of all types and value have been rationalized and with effect from January 1, 2022 there will be a uniform rate of 12%.

The following are the key changes in GST rates:

- 1) Fabrics of all types -12% from 5% for cotton and 12% for non-cotton
- 2) Manmade Fibre 12% from 18%
- 3) Garments -12% (as of now, garments below Rs. 1000 were taxed at 5% and rest at 12%)

The following rates have been maintained at existing levels.

- 4) Manmade yarns at 12%
- 5) Cotton, Cotton Yarn at 5%

Currently, the textile sector has inverted duty structure (which means that input taxes as a whole are higher than output taxes). This resulted in a very large amount of funds getting blocked in GST credits. As an example, Arvind Limited has about Rs. 80 + crores funds blocked in GST. This welcome change will help textile companies including Arvind to utilize the GST credit and improve the cash flow and reduce the working capital.

Arvind's exports constitute 55% of sales on which there is no GST and sale to domestic garment companies and brands (which in turn take input credit) constitute about 20-25% of sales.