Arvind Fashions Limited

December 14, 2021

Ratings

Facilities	Amount (Rs. crore)	Rating[1]	Rating Action
Long Term Bank Facilities	52.08	**CARE A-; Negative (Single A Minus; Outlook: Negative)**	**Reaffirmed**
Long Term / Short Term Bank Facilities	145.00	**CARE A-; Negative/ CARE A2+ (Single A Minus; Outlook: Negative/ A Two Plus)**	**Reaffirmed**
Short Term Bank Facilities	17.50	**CARE A2+ (A Two Plus)**	**Reaffirmed**
Total Bank Facilities	**214.58 (Rupees Two hundred fourteen crore and fifty-eight lakh only)**		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities of Arvind Fashions Limited (AFL) continue to derive strength from AFL being part of the Ahmedabad based 'Arvind Lalbhai' group which has a track record of over a decade in the apparel brands and retail business, AFL's strong brand portfolio of owned and licensed international brands, its pan-India retail presence across multiple sales channel and diversified revenue mix; albeit concentrated towards men's wear.

The ratings also favourably factor equity infusion of over Rs.1,200 crore in AFL during last one and half years apart from realizing Rs.167 crore from sale of its value retail 'Unlimited' business, the proceeds from which have been utilized for funding of its significant losses incurred on a continuous basis during FY20 (refers to the period April 01 to March 31), FY21 and H1FY22 as well as towards reduction of its consolidated debt and creditors, and shoring up its liquidity. Further, the ratings take cognizance of discontinuation of operations of most of AFL's loss-incurring apparel brands including sale of 'Unlimited' which coupled with various cost rationalisation measures undertaken by the company and gradual recovery in sales since July 2021 on the back of growing online sales and improving footfalls in stores is envisaged to result in improvement in its profitability and return on capital employed (ROCE).

The ratings are, however, constrained on account of higher than envisaged losses from discontinued brands during H1FY22 on the back of net loss of Rs.596 crore already incurred by the company at a consolidated level during FY21 which was also higher than previously envisaged. The losses were higher than envisaged during H1FY22 mainly due to higher than envisaged provisioning/ cost associated with discontinuation of some of the apparel brands. The ratings also continue to remain constrained on account of its presence in a highly competitive fashion retail industry and susceptibility of its operations to the prevailing pandemic which could lead to lower demand for discretionary products in the near term. Furthermore, AFL is expected to incur a net loss at a consolidated level in FY22 primarily due to adverse impact of second wave of Covid-19 pandemic in Q1FY22 and losses from discontinued brands during H1FY22, though the overall loss is expected to be significantly lower than those incurred in FY20 and FY21 as the sales have witnessed improvement in Q2FY22 both on y-o-y and q-o-q basis apart from strong demand recovery during festival season in Q3FY22.

Outlook: Negative

The 'Negative' outlook on the rating of AFL reflects its continuing weak profitability and ROCE due to adverse impact of second wave of Covid-19 in H1FY22. Moreover, the sustenance of demand recovery depends upon the pace of vaccination and is contingent upon the occurrence and extent of impact of third wave of Covid-19, if any. The debt coverage indicators of the company are also expected to remain moderate in the medium-term; albeit adequate liquidity cushion is available from the latest round of equity infusion of Rs.400 crore and proceeds of Rs.167 crore from sale of 'Unlimited' during September 2021. The outlook may be revised to 'Stable' on sustained improvement in its profitability and debt coverage indicators from its core business operations.

Rating Sensitivities

Positive Factors – Factors that could lead to positive rating action/upgrade:

- Revival in consumer demand to normalcy levels leading to significant improvement in its PBILDT margins to more than 14% and ROCE of more than 18% on a sustained basis
- Significant improvement in its total debt to PBILDT below 4 times
- Gross working capital cycle improving to around 180 days on sustained basis along with company maintaining adequate liquidity cushion

Negative Factors – Factors that could lead to negative rating action/downgrade:

- Its revenue and profitability remain significantly inferior than envisaged during FY22, thereby impacting its debt coverage indicators

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE publications

- Continued subdued performance arising from its inability to achieve meaningful improvement in its profitability margins and ROCE even after discontinuation of its loss-incurring apparel brands
- Negative impact on the fashion retail sector due to Covid-19 pandemic

Detailed description of the key rating drivers
Key Rating Strengths
Part of Ahmedabad based Arvind Lalbhai Group with experienced and qualified management
AFL is a part of the Ahmedabad based Arvind Lalbhai group which was founded by Late Mr. Kasturbhai Lalbhai in 1931. The group is a diversified conglomerate having presence in textile, apparel retailing, engineering, waste water treatment and real estate business. Arvind Limited (*Arvind; rated CARE AA-; Stable/ CARE A1+*), the flagship company of the group, is one of India's leading vertically integrated textile companies having presence of more than eight decades in the industry. Post its demerger from Arvind; AFL got separately listed on the stock exchanges on March 08, 2019. The Lalbhai family of Arvind is the largest shareholder in AFL while Multiples Private Equity fund managed by Ms. Renuka Ramnath; ex-MD and CEO of ICICI Ventures Ltd., holds nearly 9% equity stake in the company.
Mr. Sanjay Lalbhai is the Chairman of AFL while his sons, Mr. Punit Lalbhai and Mr. Kulin Lalbhai, are non-Executive Directors on the Board of AFL. The management team of AFL includes Mr. Shailesh Chaturvedi (Managing Director and Chief Executive Officer (CEO)) and Mr. Pramod Gupta (Chief Financial Officer). Further, the board of AFL comprises of eminent industry experts such as Mr. Nilesh Shah, Mr. Vallabh Bhansali and Ms. Nithya Easwaran.

Strengthening of net worth base along with debt reduction backed by raising of significant equity/non debt fund
Financial flexibility of AFL had improved post listing of its equity shares on March 08, 2019. During July 2020, AFL raised Rs.660 crore (Rs.400 crore from rights issue and Rs.260 crore from sale of minority stake in its Flying Machine brand to Flipkart Group). Moreover, during Mar'21-June'21, AFL raised further equity of Rs.200 crore from another round of rights issue. Post fund infusion through the above-mentioned non-debt proceeds, the net worth base of the company stood at Rs.553 crore as on March 31, 2021 as against Rs.487 crore as on March 31, 2020 despite sizable net loss incurred in FY21. The company could also reduce its debt level (excl. lease liability) sizably by nearly Rs.300 crore during FY21 partly through operational cash flow and partly through equity infusion.
During September 2021, AFL received the previously envisaged sale proceeds of Rs.167 crore from sale of its 'Unlimited' business. Moreover, AFL raised equity capital of Rs.400 crore by way of preferential allotment of shares to various investors and promoters post which the net worth of the company further strengthened to around Rs.800 crore as on September 30, 2021 despite net loss incurred in H1FY22. AFL has utilized above proceeds towards reduction of debt and creditors apart from funding of losses during H1FY22. The consolidated bank debt of AFL stood at Rs.479 crore as on October 17, 2021, as compared to Rs.947 crore as on March 31, 2021. Such timely fund infusion has enabled AFL to successfully counter the challenging external operating environment.

Strong brand portfolio of own and licensed international apparel brands post discontinuation of most of its loss-incurring brands
AFL has a strong portfolio of own and licensed international apparel brands. The licenses are long term/perpetual in nature. AFL's brand portfolio is positioned across various price points and fashion styles although more focused towards casual wear. It also encompasses various segments like men's wear, women's wear, kids wear, inner wear, footwear, beauty and accessories; albeit it is skewed towards men's wear (~69% of its overall sales in FY21).
The company decided to discontinue some of its loss incurring growth/emerging brands i.e. Gant, Nautica, Elle and Izod during FY20. During FY21, the company decided to discontinue brands like GAP, Hanes and The Children's Place. Further, during H1FY22, AFL sold assets of its value retail 'Unlimited' business to V-Mart Retail Limited. AFL completed closure of these brands by end of September 2021.
Going forward, the management of AFL plans to increase its sales in beauty brand, inner wear, footwear and kids wear segment in the medium term so as to improve its demographic presence. This is envisaged to sharpen its brand portfolio by focusing on six key brands (Tommy Hilfiger, U.S. Polo, Arrow, Flying Machine, Calvin Klein and Sephora) with an aim to improve profitability. Moreover, the company has also forayed into masks, comfort-wear for work-from-home culture, in line with the current consumer requirements.

Expectation of improvement in profitability post discontinuation of many loss-incurring brands and aided by focus on six key brands which have largely had a good track record
AFL's value retail format store chain under 'Unlimited' had been incurring operating losses for last 3 years ended FY21. With discontinuation of almost all the loss-incurring brands including 'Unlimited' during past two years ended H1FY22, AFL shall now be mainly vested with six 'Focused Brands' in its portfolio: US Polo, Tommy Hilfiger, Flying Machine, Arrow, Calvin Klein and Sephora. As informed by the management, these brands occupy the top-5 positions in their respective category and have been major revenue driver for the company over past few years.
The performance of 'Arrow' had remained subdued since last 2 years ended FY21 due to gradual decline in formalwear category and growing culture of semi-formal wear. Moreover, company's decision to curtail the hitherto long-credit period offered to its wholesale channel and curtailment of the channel inventory too added to its losses. The management has taken steps to revive the sales of 'Arrow' through renewed marketing campaign by signing Hrithik Roshan as the brand ambassador, changing its offering with launch of premium range, expansion of Arrow New York modern line and relaxed work wear offerings 'Arrow Sport' along with redesigning the retail outlets to drive its future growth and profitability. During FY21, AFL has completely revamped 'Arrow' and cleared its old inventory. However, company could not capitalize upon these benefits fully due to adverse

impact of second wave of Covid-19 pandemic. Management expects turnaround of 'Arrow' in H2FY22 with positive PBILDT. Management also expects significant improvement in profitability of 'Arrow' from FY23 backed by above mentioned steps leading to improvement in overall profitability.
Focus on profitable brands coupled with discontinuation of loss-incurring brands, expected improvement in performance of 'Arrow' brand, structural cost reduction of more than Rs.100 crore and saving in interest cost post sizable debt reduction is expected to improve overall profitability going forward as the company has witnessed improvement in performance from continuing operations on sequential basis during Q2FY22. Increase in share of online sales which has almost doubled in Q2FY22 as compared to Q2FY20, now contributing more than 40% of consolidated sales of AFL, is also expected to support its operations. Moreover, with release of capital employed in loss incurring operations, ROCE of the company is also likely to improve going forward.

Wide distribution network with presence across multiple sales channels
AFL has a strong distribution network with 1,249 exclusive brand outlets (EBOs) and more than 3,700 key counters having total retail space of 19.45 lakh square feet (LSF) as on March 31, 2021. AFL's brands are sold through multiple sales channels such as its retail store network, through wholesale to Multi Brand Outlets (MBO) and large departmental stores as well as through online retailers like Flipkart, Myntra and Amazon in addition to its own website NNNOW.com. With a shift in the consumer behaviour towards online sales due to the outbreak of Covid-19 pandemic, the online channel has become the growth driver for the company thereby increasing the reach of the brand portfolio of AFL. The share of revenue from online channel in total revenue has increased significantly during FY21. The online channel has been the fastest in recovering post unlock with 38% growth in overall online sales and 3.6 times sales through NNNOW.com along with marketplace. During Q2FY22, online sales had almost doubled as compared to Q2FY20 contributing more than 40% of sales. AFL has integrated its offline stores and warehouse inventory to NNNOW.com and third-party online platforms to create 'one-view of inventory' which refers to access to the inventory of all the stores apart from online inventory. Further, AFL continued to shift its revenue from inventory and debtor led wholesale business to retail and online channel which significantly reduced wholesale channel contribution to total sales.

Liquidity: Adequate
Operations of AFL have been highly working capital intensive due to requirement of large inventory holding in its retail business and extension of credit to its wholesale/online channels. However, company has taken various steps to improve inventory turnover. Moreover, increase in online sales also results in faster inventory turnover. Further, capital employed release from discontinuation of loss-incurring brands over past two years ended FY21 coupled with reduction in gross working capital has resulted into reduction in working capital borrowings in FY21. Consequently, AFL had generated positive cash flow from operations of Rs.98 crore during FY21 despite net loss incurred during the year.
Despite losses incurred in H1FY22, liquidity of the company at a consolidated level has remained adequate on the back of latest round of equity infusion of Rs.400 crore apart from proceeds of Rs.167 crore realized from sale of Unlimited during September 2021. On a standalone level, AFL's average utilisation of fund based working capital limits stood at around 70% during the trailing 12 months ended October 2021 while average utilisation of fund-based limits of Arvind Lifestyle Brands Limited (ALBL; its major subsidiary) remained higher at 89% for the same period. As on October 31, 2021, on an aggregate level, AFL and ALBL had unutilized fund-based working capital limits of around Rs.350 crore apart from unencumbered cash and bank balance of around Rs.30-50 crore thereby providing liquidity cushion to guard against the challenging external operating environment including probable third wave of Covid-19 pandemic. Further, the company has relatively moderate term debt repayment obligation of around Rs.47 crore due in FY22. CARE also factors in the promoters' strong commitment to provide need-based support to the company in case of any exigency.

Key Rating Weaknesses
Higher than envisaged net loss during FY21 and expectation of further loss in FY22 primarily due to adverse impact of second wave of Covid-19 pandemic during Q1FY22 and higher than envisaged losses from discontinued operations during H1FY22, despite trend of recovery in its monthly sales
During Q1FY21, the revenue and profitability of AFL were significantly impacted by disruptions on account of nationwide lockdown to counter the Covid-19 pandemic. Post relaxation in lock-down, AFL witnessed a gradual recovery in revenue and profitability on quarter-on-quarter basis (recovery of 39%, 86% and 114% in sales during Q2FY21, Q3FY21 and Q4FY21 respectively) with gradual opening of stores along with improving footfalls backed by festive demand and continuing progress in online channel. However, total operating income of AFL still registered a y-o-y de-growth of around 40% in FY21. To combat the impact of Covid-19, the management took various steps to reduce its cost. During FY21, AFL reduced its overhead costs by 40% (~Rs.540 crore) and the management expects cost reduction of around Rs.100 crore to be structural in nature and sustainable in future. AFL could partially curtail operating losses of emerging brands and specialty retail despite impact of Covid-19 pandemic due to steps taken by management for cost optimization.
The subdued performance during FY21 was mainly on account of loss of sales in H1FY21 and additional provisions arising out of Covid-19 disruption coupled with loss on discontinued brands and losses incurred by its Unlimited retail chain. Moreover, PBILDT of its hitherto highly profitable 'power' brands registered significant reduction on account of the lower sales. Despite steps taken for cost reduction by management, AFL reported a higher than envisaged net loss and cash loss of Rs.596 crore and Rs.431 crore respectively during FY21. Due to net loss and cash loss incurred by AFL, debt coverage indicators marked by PBILDT interest coverage and ROCE deteriorated significantly during FY21 and remained weak. However, the cash losses during both FY20 and FY21 were funded by non-debt proceeds from rights issue and stake sale to Flipkart in Arvind Youth Brands Limited.

Performance of AFL again remained subdued in Q1FY22 due to impact of second wave of Covid-19 pandemic as its sales were affected from the month of March 2021 onwards. Despite gradual recovery in sales from the month of July 2021 onwards whereby sales improved on M-o-M and Y-o-Y basis backed by growing online sales and gradual opening of stores along with improving footfalls supported by festive demand, AFL continued to incur losses in Q2FY22. It reported net loss (before discontinued operation) of Rs.25 crore in Q2FY22 (Rs.144 crore in H1FY22). Further, the reported loss was Rs.94 crore in Q2FY22 (Rs.277 crore in H1FY22) including loss from discontinued operations of Rs.69 crore. As informed by the management, higher than previously envisaged losses during Q2FY22 were largely due to higher provisioning for future liabilities for its discontinued operations. Now, management does not expect any loss from discontinued business from Q3FY22 onwards as the same have been fully provided for in H1FY22. However, AFL is still expected to report net loss and cash loss in FY22; albeit this is expected to be significantly lower than what it incurred in last two years.

Continuous requirement of cash outlay for expanding its retail presence; albeit curtailing the same to preserve cash during the pandemic
Being in the retail business, AFL has to continuously invest in order to revamp its existing stores as well as for opening of new stores. However, management has adopted a cautious approach towards opening of stores which has been reflected from moderate level of capex incurred during past three years ended FY21. Further, the management has not incurred any major capex in FY21 on account of disruption of operations due to outbreak of Covid-19 pandemic. AFL has increased its focus on franchisee store from FY20 as share of company operated stores in total stores decreased from 47% in FY19 to 29% in FY21. Also, most of the store expansion going forward is planned to be done through franchisee route, thereby further reducing capex requirements. Going forward, realization of envisaged benefits from completed capex along with lower gestation period of newly opened stores will also be crucial for the overall performance of the company.

Highly competitive branded apparel retail industry which exerts pressure on profitability margins as well as impact of Covid-19 pandemic on the sector; albeit strong brand portfolio of AFL alleviates competition to a certain extent
Apparel retail sector in India is highly competitive with presence of many domestic and international brands as well as foray of large corporates like TATA group, Reliance group and Aditya Birla group into apparel retail segment. AFL faces tough competition from the private label brands of its established distributors. However, large expansion by retailers lead to pressure on their PBILDT margin as earnings from existing stores do not adequately offset gestation losses from high proportion of new stores added.
The demand for fashion and lifestyle segment of the retail industry has also been impacted by the Covid-19 pandemic as consumer spending on such items takes a backseat during such times despite the lockdown restrictions having remained more targeted and regionally focused during the second wave of Covid-19 vis-à-vis the national lockdown implemented during the first wave. The second wave of the pandemic has put a hold on recovery of sales witnessed in H2FY21 and delayed the recovery back to pre-Covid-19 levels till FY23 despite companies being now better prepared to follow Covid-protocols, respond to restrictions and thereby minimize loss of operations. Also, retailers may have to extend heavy discounts or extend the sale period to clear the piled-up inventory, thereby impacting their profitability.
However, a strong brand portfolio coupled with growing online sales could help AFL in managing the increasing competition and Covid disruptions in a better manner.

Analytical approach: Consolidated; CARE has considered the consolidated financials of AFL for its analytical purpose, which includes the financials of its subsidiaries/JVs. The list of subsidiaries/JVs consolidated in AFL is placed in **Annexure-3**.

Applicable Criteria
Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings
CARE's Policy on Default Recognition
Criteria for Short Term Instruments
Rating Methodology - Organized Retail Companies
Rating Methodology - Wholesale Trading
Financial ratios – Non-Financial Sector
Rating Methodology: Consolidation
Liquidity Analysis of Non-Financial Sector Entities

About the Company
AFL was originally incorporated in January 2016 as Arvind J&M Limited and its name was changed to its current form in October 2016. It is a part of Ahmedabad based 'Arvind Lalbhai' group and earlier used to be a 90% subsidiary of Arvind with the balance stake being held by Multiples Private Equity Fund. Post business restructuring undertaken within Arvind group, AFL got demerged and was separately listed on the stock exchange on March 08, 2019. Shareholders of Arvind became shareholders of AFL post demerger. AFL, through its two wholly owned subsidiaries, one joint venture (JV) and two step-down subsidiaries, is engaged in the wholesale and retailing of owned and licensed branded apparels in India. However, its wholly-owned subsidiary, ALBL, has major contribution to AFL's consolidated revenue, profitability and debt profile.

Brief details of various businesses conducted by AFL and its subsidiaries/JV:

Company Name	Business activities
AFL	Wholesale of licensed brand 'Arrow'
ALBL - 100% subsidiary of AFL	Wholesale and retailing of various international licensed brands and retailing of Arrow
Arvind Youth Brands Private Limited (AYBPL) – majority owned by ALBL	Wholesale and retailing of own brand 'Flying Machine'
PVH Arvind Fashion Private Limited (PAFPL) - 50% JV between AFL and PVH Corp, USA	Wholesale trading of 'Tommy Hilfiger' (TH) and 'Calvin Klein' branded apparels, accessories and retail trading for TH brand
Arvind Beauty Brands Retail Private Limited (ABBRPL) - 100% subsidiary of AFL	Retailing of beauty products under 'Sephora'
Value Fashion Retail Limited – wholly-owned by ALBL	Non-operational

Brief Consolidated Financials of AFL (Rs. crore)	FY20 (A)	FY21 (A)	H1FY22 (UA)
Total operating income	3,922	2,328	1,168
PBILDT	292	122	47
PAT	(399)	(596)	(277)
Overall gearing (times) @	4.46	3.18	1.61 *
PBILDT Interest coverage (times)	0.99	0.54	0.64

A: Audited; UA: Un Audited @ including lease liability in debt; * on gross debt basis

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Not Applicable

Complexity level of various instruments rated for this company: Please refer Annexure-4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based-LT/ST	-	-	-	145.00	CARE A-; Negative / CARE A2+
Fund-based - LT-Term Loan	-	-	March 2026	52.08	CARE A-; Negative
Non-fund-based - ST-Working Capital Limits	-	-	-	17.50	CARE A2+

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based-LT/ST	LT/ ST	145.00	CARE A-; Negative / CARE A2+	1)CARE A-; Negative / CARE A2+ (06-Aug-21)	1)CARE A-; Negative / CARE A2+ (29-Sep-20) 2)CARE A-; Negative / CARE A2+ (30-Apr-20)	1)CARE A-; Stable / CARE A2+ (20-Feb-20) 2)CARE A; Negative / CARE A1 (15-Oct-19) 3)CARE A; Negative / CARE A1 (20-Sep-19)	1)CARE A+; Stable / CARE A1+ (02-Aug-18)
2	Fund-based - LT-Term Loan	LT	52.08	CARE A-; Negative	1)CARE A-; Negative (06-Aug-21)	1)CARE A-; Negative (29-Sep-20)	1)CARE A-; Stable (20-Feb-20)	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
						2)CARE A-; Negative (30-Apr-20)	2)CARE A; Negative (15-Oct-19)	
3	Non-fund-based - ST-Working Capital Limits	ST	17.50	CARE A2+	1)CARE A2+ (06-Aug-21)	1)CARE A2+ (29-Sep-20) 2)CARE A2+ (30-Apr-20)	1)CARE A2+ (20-Feb-20) 2)CARE A1 (15-Oct-19)	-
4	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ ST	-	-	-	-	1)CARE AA- (CE); Stable/ CARE A1+ (CE) (20-Sep-19) 2)Withdrawn (20-Sep-19)	1)CARE AA (SO); Stable / CARE A1+ (SO) (03-Dec-18)
5	Fund-based - LT-Working Capital Limits	LT	-	-	-	-	1)Withdrawn (20-Sep-19)	1)Provisional CARE AA (SO); Stable (03-Dec-18)
6	Non-fund-based - ST-Letter of credit	ST	-	-	-	-	1)Withdrawn (20-Sep-19)	1)Provisional CARE A1+ (SO) (03-Dec-18)
7	Commercial Paper	ST	-	-	-	-	1)Withdrawn (21-Aug-19)	1)Provisional CARE A1+ (SO) (03-Dec-18)

Annexure 3: List of Subsidiaries/JVs of AFL

Name of the Company	% share-holding of AFL as on March 31, 2021	Consolidation
Arvind Lifestyle Brands Limited	100%	Fully Consolidated
Arvind Beauty Brands Retail Private Limited	100%	Fully Consolidated
PVH Arvind Fashion Private Limited (*erstwhile Calvin Klein Arvind Fashion Private Limited*) (JV)	50%	Fully Consolidated
Arvind Youth Brands Private Limited*	100%	Fully Consolidated
Value Fashion Retail Limited*	100%	Fully Consolidated

**Held by Arvind Lifestyle Brands Limited*

Annexure-4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1.	Fund-based - LT-Term Loan	Simple
2.	Fund-based - LT/ ST	Simple
3.	Non-fund-based - ST-Working Capital Limits	Simple

Annexure 5: Bank Lender Details for this company

To view the lender wise details of bank facilities please **click here**

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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