Arvind Limited

October 05, 2023

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	491.48 (Reduced from 778.80)	CARE AA-; Stable	Reaffirmed
Long-term/Short-term bank facilities	1,349.98 (Reduced from 1,373.00)	CARE AA-; Stable/ CARE A1+	Reaffirmed
Short-term bank facilities	1,211.01 (Enhanced from 801.01)	CARE A1+	Reaffirmed
Commercial paper (Carved out) *	300.00	CARE A1+	Assigned
Non-convertible debenture ^	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

* Carved out of the sanctioned working capital limits.

^ CARE Ratings Limited (CARE Ratings) has withdrawn the outstanding rating assigned to the non-convertible debenture (ISIN: INE034A07059) of Arvind Limited (Arvind) as the same has been fully paid-off.

Rationale and key rating drivers

The ratings of the bank facilities and instrument of Arvind continue to derive strength from its long-standing operational track record as an integrated textile manufacturer having presence across the textile value chain with gradual diversification of its revenue mix towards technical textile/advanced material and readymade garment (RMG), thereby reducing its dependence on the cyclical denim fabric business to an extent. The ratings also factor its large scale of operations, healthy net worth base, continued reduction in debt level over last four years ended FY23 (refers to the period April 01 to March 31) aided by healthy cash flow from operations, and expectation of further reduction in the debt level in FY24 duly supported by the vast experience of its promoters in the textile business. The ratings also take cognisance of relatively resilient performance of textile division and improved performance of advanced material business resulting in largely stable operational and financial performance in FY23 over FY22 despite textile industry facing external headwinds. CARE Ratings also takes cognisance of the expectation of improvement in the operational and financial performance of Arvind during FY24 over FY23 supported by continued superior performance of its advance material business along with improvement in denim fabric and shirting fabric business while garmenting business is expected to remain steady.

The above rating strengths are, however, tempered by moderate return ratio despite improvement over past two years ended FY23, and susceptibility of its profitability to the inherent volatility associated with cotton prices. The ratings are also tempered by the foreign exchange rate fluctuation and high dependency on creditors to fund its working capital requirement leading to moderate total outside liabilities to tangible net worth (TOL/TNW) and current ratio which remained relatively moderate compared to its peers in the textile industry. The presence in the cyclical denim fabric segment, which has witnessed moderation in the demand during past 12 months on the back of very high cotton prices and over-supply scenario, and a competitive textile industry further constrain its ratings. The ratings also take cognisance of the risk associated with adherence to stringent pollution control norms.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in its profit before interest, lease rentals, depreciation and taxation (PBILDT) margin to above 12% along with return on capital employed (ROCE) of above 18% aided by improved performance across all its major business segments.
- Significant debt reduction leading to improvement in debt coverage indicators with total debt/ PBILDT below 1.50x on a sustained basis along with availability of significant liquidity cushion.
- Improvement in its TOL/TNW to below unity on a sustained basis.

Negative factors

- Decline in its profitability resulting in moderation in its debt coverage indicators with total debt/ PBILDT moving above 3.50x on a sustained basis.
- Elongation in its operating cycle adversely affecting its cash flow from operations and liquidity on a sustained basis.

Analytical approach: Consolidated

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

CARE Ratings has considered the consolidated financials of Arvind for its analytical purpose, which includes the financials of its subsidiaries/joint ventures (JVs), whereby it has operational linkages with most of them and they are engaged in the same textile value chain. The list of entities whose financials have been consolidated in Arvind is mentioned in **Annexure-6**.

Outlook: Stable

Stable outlook reflects that Arvind is likely to maintain its market position which coupled with diversified revenue stream across textile value chain, customers and geographies should enable it to sustain its financial risk profile over the medium term.

Detailed description of the key rating drivers:

Key strengths

Vertically-integrated operations across the textile value chain along with geographically diversified presence

Arvind has vertically-integrated operations across the textile value chain starting from manufacturing of cotton yarn to grey/processed fabric to garments, which imparts strong operational flexibility. Within fabric, Arvind mainly manufactures denim and cotton shirting fabrics and is amongst the largest producers of these fabrics in India. Apart from conventional textile products, Arvind also produces high-value technical textiles, such as composites, coated fabric, human protection fabric and garment, liquid filtration solutions, etc., under its advanced material division. Arvind, through its subsidiary, Arvind Envisol Limited (AEL; rated 'CARE BBB+; Stable/ CARE A2'), is also engaged in assembling and installation of waste-water treatment plants. With increasing contribution from shirting fabric, garmenting, advanced material and waste-water treatment businesses, Arvind has gradually reduced its dependence on the cyclical denim fabric business. Moreover, the revenue stream of Arvind is also geographically diversified with exports constituting nearly 45-50% of its consolidated revenue in past two years ended FY23. Export volumes declined in FY23 as retailers and brand owners liquidated excess inventories and delayed purchase amidst high inflation in Europe and USA along with rising interest rates. Furthermore, higher cotton prices and the premium of Indian cotton compared to international cotton prices affected the demand for Indian textile products in FY23. With expected recovery in export volumes coupled with shift in sourcing from China to India, share of exports in the revenue is expected to increase in the near to medium term. CARE Ratings expects Arvind to maintain almost equal share of exports and domestic revenue in its total consolidated sales in the near to medium term.

Relatively resilient performance of textile division amidst global headwinds and improved performance of advanced material business

The textile segment of Arvind contributes over 80% of its consolidated revenue, while balance is being contributed by non-textile businesses, which majorly include advanced material business and water treatment business. Within the textile segment, the revenue share of denim fabric declined during FY23 and Q1FY24 due to higher cotton prices and muted export demand while revenue share of woven fabrics increased during the same period supported by growing domestic demand. The PBILDT margin from denim fabric declined during FY23 and Q1FY24 due to lower sales volume and significant increase in the cotton prices and other input costs while PBILDT margin of woven fabric remained largely stable. Furthermore, the PBILDT margin of garmenting segment witnessed improvement in FY23.

Segment (₹ crore)	FY21		FY22		FY23		Q1FY24	
	Revenue	PBILDT	Revenue	PBILDT	Revenue	PBILDT	Revenue	PBILDT
Textile	3,998	426	6,627	724	6,716	660	6,716	192
Non-Textile	1,100	77	1,455	93	1,790	194	457	53

The performance of its non-textile business segment during FY23, was mainly supported by its advanced material business wherein PBILDT grew by over 25% on y-o-y basis. Moreover, management expects its advanced material division to grow at healthy double-digit rate in the medium term with some improvement in profitability margin and ROCE. Furthermore, PBILDT margin from water treatment business which had declined during FY22 due to sharp increase in raw material prices, witnessed improvement in FY23 supported by softness in raw material prices along with growth in revenue. The management expects growth in revenue and improvement in profitability of water treatment business from FY24 onwards.

During November 2022, Arvind incorporated a wholly-owned subsidiary, Arvind Technical Products Private Limited (ATPPL) which is setting up a green-field manufacturing facility at Varansi and Ahmedabad to manufacture human protection fabric and garment. ATPPL plans to incur costs of nearly ₹154 crore, which is being funded through term loan of ₹91 crore and balance through equity from Arvind. The project is expected to be commissioned by the end of September 2024. ATPPL is eligible to receive the government incentive under the production linked incentive scheme (PLI).

Stable revenue with marginal improvement in profitability in FY23 despite challenges

During FY23, the total operating income (TOI) of Arvind grew by 4% over FY22 supported by increase in average sales realisation backed by higher cotton prices which was partially offset by lower sales volume of denim fabric and garments due to muted export demand. Furthermore, both advanced material and waste-water treatment divisions grew by over 15% in FY23 over FY22. The PBILDT of Arvind stood at ₹846 crore in FY23 as against PBILDT of ₹828 crore during FY22. Improvement in profitability from woven fabric, garmenting and advanced material division offset lower profitability from denim fabric. With lower depreciation charge coupled with largely stable interest cost, operating profit before tax increased to ₹401 crore in FY23 as against ₹359 crore in FY22. During FY23, Arvind reported profit of around ₹149 crore on sale of its internet business while made provision of around ₹57 crore for receivables and unbilled revenue for its water treatment business amidst civil conflict and political instability in Ethiopia; the same were reported under exceptional item. Consequently, the profit after tax (PAT) and gross cash accruals (GCA) stood at ₹417 crore and ₹536 crore, respectively, in FY23 as against PAT and GCA of ₹242 crore and ₹610 crore, respectively, in FY22.

Expectation of growth in revenue and profitability in FY24 despite moderation in performance during Q1FY24

During Q1FY24, Arvind reported TOI of ₹1,865 crore with PBILDT of ₹192 crore as against TOI of ₹2,361 crore and PBIDLT of ₹229 crore during Q1FY23. The decline in performance during Q1FY24 was mainly due to lower sales volume amidst muted export demand coupled with lower average sales realisation backed by lower input costs. As informed by the management, export demand has bottomed out and the company has a good order pipeline. Arvind is getting plenty business proposals from overseas customers to shift their orders from China to India. In the past 12 months, Arvind has added few global customers apart from category addition by existing customers. This is expected to increase exports once global brands start to procure in a meaningful way. With the expected improvement in demand on q-o-q basis from Q2FY24, CARE Ratings expects TOI of Arvind to grow by 6-8% in FY24 over FY23. Moreover, PBILDT is expected to improve with growth in sales volume, lower input costs along with savings in power cost from wind-solar hybrid power project which became operational in June 2023. CARE Ratings also expects Arvind's consolidated PBILDT margin to remain at around 10-10.5% in FY24.

Vast experience of the promoters in textile industry along with competent management

Arvind, the flagship company of the Ahmedabad-based Lalbhai group, is currently led by Sanjay Lalbhai (Chairman and Managing Director), having a total experience of over four decades in the textile industry. Furthermore, his sons, Punit Sanjay Lalbhai and Kulin Sanjay Lalbhai, are also on the Board of the company as Executive Directors. Jayesh Shah, whole-time Director and group CFO, is a Chartered Accountant with total work experience of nearly three decades and looks after the strategic function of the group. Furthermore, Arvind's Board comprises eminent industry experts and professionals. The management team of Arvind also consists of experienced professionals who have guided the company successfully through various economic cycles.

Continued reduction in debt level

The total debt of the company, which reduced by nearly ₹770 crore during March 2019-March 2022 further reduced by over ₹350 crore in FY23 despite increase in its scale of operations during the year. The reduction in debt level was supported by strong cash flow from operation and controlled capex. Consequently, its overall gearing improved to 0.54x as on March 31, 2023. Arvind's TOL/TNW also improved from 1.54x as on March 31, 2022 to 1.01x as on March 31, 2023 albeit continued to remain moderate compared to its peers in the textile industry. Arvind's TOL/TNW ratio remained moderate due to its relatively higher reliance on creditors compared to its peers. Going forward, CARE Ratings expects the total debt of Arvind to further reduce in the medium term in absence of major debt-funded capex plan coupled with scheduled repayment of term debt. The ROCE of the company improved to 12.02% in FY23 (PY: 11.46%); albeit it remained at a moderate level. However, its ROCE is expected to gradually improve to 16% by FY25. Furthermore, its total debt to PBILDT improved to 2.17x in FY23 and is further expected to improve to less than 2x in FY24.

Expected benefit from various government initiatives and 'China Plus One' sourcing strategy adopted by global brands

Export incentives play an important role in improving the competitiveness of Indian textile exporters as competing nations, such as Bangladesh and Vietnam, enjoy duty-free access to key export markets, i.e., USA and Europe. The announcement of Remission of Duties and Taxes on Exported Products (RoDTEP) scheme coupled with extension of Rebate of State and Central Taxes and Levies (RoSCTL) till March 31, 2024, by the Government of India is expected to create a level-playing field for Indian textile exporters in the global market along with long-term visibility of the scheme.

Post COVID-19 pandemic, disruptions in the supply chain have led to vendor consolidation, resulting in a significant increase in the importance of reliable suppliers. Global textile brands have realised the need to diversify their supply chain as a part of 'China Plus One' strategy, which has started benefitting India. In the near to medium term, some demand from the US and EU market is expected to shift gradually from China to other major garment manufacturers including India to reduce dependence on China and thus diversify their sourcing. Furthermore, various government initiatives such as PM Mega Integrated Textile Region and Apparel (PM MITRA) park, Production Linked Incentive (PLI), scheme, free trade agreements (FTAs) with key export markets are expected to support profitability and competitiveness of the Indian textile exporters.

Development of real estate project towards monetisation of its large land parcel

Arvind owns 525,000 square yard free-hold land in Gandhinagar district, near Ahmedabad. The company has decided to monetise the land by developing part of this land. Accordingly, the company launched Phase – I to Phase – V of "Arvind Forreste", a scheme of plotted development of Villa, which entails development of around 435,000 square yard out of the total available area under Phase – I to Phase – V by developing 451 villas. Arvind has given the development rights to its group entity, Arvind Smart Spaces Limited (ASSL), under Development Management Model. The total expected sales value of Phase – I to Phase – V of the project is around ₹650 crore over FY21-FY27. The approximate cost of construction is around ₹270 crore, which is expected to be funded entirely through the customer advances with no reliance on the external debt as articulated by Arvind's management. Availment of any debt towards its real estate business will be a negative rating sensitivity. With good response from the customers, Arvind could book sales worth ₹410 crore (i.e., nearly 63% of the total saleable area under Phase – I to Phase – V) and received the customer advance of around ₹268 crore up to July 31, 2023. Arvind plans to utilise proceeds from monetisation of land to reduce its debt level.

Liquidity: Adequate

The liquidity of Arvind remains adequate marked by healthy cash flow from operation and envisaged healthy cash accruals. The average utilisation of its fund-based working capital limits improved to a moderate level of around 80% during the trailing 12 months ended July 2023 (82% during trailing 12 months ended July 2022). Moreover, Arvind has relatively low term debt repayment obligation of ₹150-300 crore per annum during the next three years as against envisaged cash accruals in the range of around ₹650-900 crore per annum during same period, indicating adequate cushion in its debt servicing. Arvind has planned capex of nearly ₹300 crore per annum during FY24 and FY25 which includes capacity expansion in garmenting and advanced material divisions apart from routine maintenance capex and the same is expected to be funded though term loan of ₹91 crore and remaining through internal accruals. CARE Ratings will continue to monitor prudent deployment of short-term funds on a continuous basis going forward.

Key weaknesses

Vulnerability of operating margin to volatility in cotton prices and foreign exchange fluctuation

The key raw materials of the company are cotton and cotton yarn, the prices of which have remained volatile in the past. Arvind procures majority of its raw material domestically. After recording a peak of around ₹1 lakh per candy in FY23, domestic cotton prices corrected with the arrival of the new crop, and they are currently hovering in the range of around ₹56,000-₹60,000 per candy, aligning with international prices. Apart from cotton, the prices of other key inputs like chemical and freight cost have also moderated which may support margins in near to medium term; in case there is limited benefit as decline in the input prices is passed on to the customers.

Arvind also earns nearly 50% of its revenue from the export market, whereas import on the other side is very low. Hence, Arvind is a net exporter and is exposed to the adverse fluctuation in foreign currency exchange rates. The company manages its currency risk by hedging a considerable amount of its net exposure, which insulates it from volatile forex rates to a certain extent; however, any sudden and sharp appreciation of the INR against the USD can affect its profitability. Furthermore, continuing high inflation and economic slowdown in its key export markets, i.e., Europe and USA can hinder India's textile exports in the near term, which could also impact Arvind. Pick-up of demand in Europe and USA and re-stocking process by garment brands and retailers remain key monitorable.

Presence in cyclical denim fabric segment apart from competitive textile industry

The Indian denim fabric industry is cyclical in nature and has witnessed major slowdown at least twice over the past two decades leading to piling up of excess inventory on the back of significant capacity addition by denim fabric manufacturers and consequent pricing pressure on sales realisation. The Indian denim fabric manufacturing sector has more than 1.5 billion metre per year capacity. Arvind has not added any capacity in denim fabric over the past 10 years and is mainly focused on high-value denim fabric with more than 50% of the sales to the export market, thereby being relatively less vulnerable as compared to many industry peers. However, the recent slowdown in key export markets along with high cotton prices has led to a fall in the sales volume and PBILDT margin of Arvind's denim segment in FY23 and Q1FY24. Furthermore, textile is a cyclical industry and closely follows the macroeconomic business cycles. The prices of the raw materials and finished goods are also determined by global demand-supply scenario, hence, any shift in macroeconomic environment globally also impacts the domestic textile industry. Arvind also remains exposed to intense competition from countries such as Bangladesh, Vietnam and Pakistan, which have lower labour costs, and receive preferential treatment in the form of lower import duties and free-trade agreements from key apparel consuming geographies.

Risk associated with compliance of stringent pollution control norms

Being present in the textile industry, the operations of Arvind are subject to various environment-related regulatory compliances in a stringent manner. Also, pollution related norms are evolving day-by-day in India. Accordingly, continuous adherence to defined pollution control norms are mandatory for seamless operations. Arvind is regularly incurring capex for compliance with defined pollution control norms and has not encountered any major adverse observations/closure notice from pollution control departments for a long period of time. Its plants at Ahmedabad and Bengaluru are well-equipped for effective treatment and discharge of effluents, such as waste-water, hazardous and non-hazardous waste. All the manufacturing facilities of Arvind are equipped with fully zero liquid discharge (ZLD).

Environment, social, and governance (ESG) risks

Parameter	Compliance and action by the company
Environment	▪ All manufacturing plants are Zero Discharge of Hazardous Chemicals (ZDHC). Naroda facility (Ahmedabad, Gujarat) of the company became the first denim mill globally to achieve ZDHC Level-1. ▪ During FY23, Arvind sourced 61% cotton from sustainable sources. ▪ Sustainable energy source supported by one of the largest rooftop solar projects (16.2 MW) in India and 46.9 MW hybrid wind-solar power plant catering to around 45% of power requirement. ▪ Arvind attained 91 percentile score in the S&P Global ESG Indices CSA (Corporate Sustainability Assessment) 2022 for the textiles, apparel and luxury goods category.
Social	▪ For sustainable agriculture projects, Arvind is working with around 95,000 farmers. ▪ Arvind has tie-up with 'Textile Genesis' to offer blockchain based end-to-end traceability of its denim. ▪ Arvind has supplier code of conduct, and it familiarises suppliers about the same. Arvind also has a portal where suppliers can post complaints and grievances. ▪ Some of the Arvind's customers like GAP, H&M have also invested with the company for sustainability work.
Governance	▪ Arvind has Board diversity policy, and its Board of Directors consist over 50% independent directors (5 out of 9). ▪ There are separate Code of Conduct for Board Members and senior management personnel. ▪ Various policies, including whistle blower policy, is in place in line with the requirement.

Applicable criteria

Policy on default recognition
Consolidation
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Credit Watch
Short Term Instruments
Cotton Textile
Manufacturing Companies
Policy on Withdrawal of Ratings

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Arvind, the flagship company of the Ahmedabad-based Lalbhai group, which was founded by the Late Kasturbhai Lalbhai in 1931, is a diversified conglomerate having presence in textiles, branded apparel retailing, engineering, waste-water treatment plants and real estate businesses amongst others at a group level. Arvind is one of India's leading vertically-integrated textile companies with presence of more than eight decades in the industry. Arvind is amongst the largest denim and woven fabric manufacturers, with an installed capacity of 100 million metres per annum (MMPA) and 150 MMPA, respectively, as on March 31, 2023. Arvind also manufactures a range of cotton shirting, knits, bottom weights (Khakis) and technical textiles/advanced material.

Brief Financials (₹ crore)	FY22 (A)	FY23 (A)	Q1FY24 (UA)
Total operating income	8,051	8,407	1,865
PBILDT	828	846	192
PAT	242	417	70
Overall gearing (times)	0.74	0.54	0.55
Interest coverage (times)	4.20	4.41	5.26

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

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: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT/ ST-CC/PC/Bill discounting	-	-	-	-	1349.98	CARE AA-; Stable/ CARE A1+
Fund-based - ST-PC/Bill discounting	-	-	-	-	125.00	CARE A1+
Non-fund-based - ST-BG/LC	-	-	-	-	1086.01	CARE A1+
Term loan-Long term	-	-	-	31/03/2027	491.48	CARE AA-; Stable
Commercial paper (Carved out)	- ^	NA	NA	7-364 days	300.00	CARE A1+
Debentures-Non-convertible debentures	INE034A07059	03-06-2020	8.50	02-06-2023	0.00	Withdrawn

^ Not placed

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Term loan-Long term	LT	491.48	CARE AA-; Stable	-	1)CARE AA-; Stable (10-Oct-22)	1)CARE AA-; Stable (07-Jan-22) 2)CARE AA-; Stable (23-Nov-21) 3)CARE AA-; Negative (07-Sep-21)	1)CARE AA-; Negative (29-Sep-20) 2)CARE AA-; Negative (25-May-20)
2	Fund-based - ST-PC/Bill discounting	ST	125.00	CARE A1+	-	1)CARE A1+ (10-Oct-22)	1)CARE A1+ (07-Jan-22) 2)CARE A1+ (23-Nov-21) 3)CARE A1+ (07-Sep-21)	1)CARE A1+ (29-Sep-20) 2)CARE A1+ (25-May-20)
3	Non-fund-based - ST-BG/LC	ST	1086.01	CARE A1+	-	1)CARE A1+ (10-Oct-22)	1)CARE A1+ (07-Jan-22) 2)CARE A1+ (23-Nov-21) 3)CARE A1+ (07-Sep-21)	1)CARE A1+ (29-Sep-20) 2)CARE A1+ (25-May-20)
4	Fund-based - LT/ ST-CC/PC/Bill discounting	LT/ ST*	1349.98	CARE AA-; Stable/ CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (10-Oct-22)	1)CARE AA-; Stable/ CARE A1+ (07-Jan-22) 2)CARE AA-; Stable/ CARE A1+ (23-Nov-21) 3)CARE AA-; Negative/ CARE A1+ (07-Sep-21)	1)CARE AA-; Negative/ CARE A1+ (29-Sep-20) 2)CARE AA-; Negative/ CARE A1+ (25-May-20)
5	Commercial paper (Carved out)	ST	300.00	CARE A1+	-	-	-	-
6	Debentures-Non-convertible	LT	-	Withdrawn	-	1)CARE AA-; Stable	1)CARE AA-; Stable (23-Nov-21)	1)CARE AA-; Negative

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
	debentures					(10-Oct-22)	2)CARE AA-; Negative (07-Sep-21)	(29-Sep-20) 2)CARE AA-; Negative (25-May-20)
7	Debentures-Non-convertible debentures	LT	-	-	-	-	1)Withdrawn (07-Sep-21)	1)CARE AA-; Negative (29-Sep-20) 2)CARE AA-; Negative (25-May-20)
8	Commercial paper (Carved out)	ST	-	-	-	1)Withdrawn (10-Oct-22)	1)CARE A1+ (28-Jan-22)	-
9	Commercial paper (Standalone)	ST	-	-	-	-	-	1)Withdrawn (15-May-20)

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-convertible debentures	Complex
2	Fund-based - LT/ ST-CC/PC/Bill discounting	Simple
3	Fund-based - ST-PC/Bill discounting	Simple
4	Non-fund-based - ST-BG/LC	Simple
5	Term loan-Long term	Simple
6	Commercial paper (Carved out)	Simple

Annexure-5: Lender details

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

Annexure 6: List of subsidiaries and associates of Arvind getting consolidated

Sr. No	Name of the company	Relationship with Arvind	% shareholding of Arvind as on March 31, 2023
1	Arvind Envisol Limited	Wholly-owned subsidiary	100%
2	Syntel Telecom Limited	Wholly-owned subsidiary	100%
3	Arvind Norm CBRN Systems Private Limited	Wholly-owned subsidiary	100%
4	Arvind Technical Products Private Limited	Wholly-owned subsidiary	100%
5	Arvind BKP Berolina Private Limited	Wholly-owned subsidiary	100%
6	Arvind Worldwide Inc.	Wholly-owned subsidiary	100%
7	Arvind Envisol PLC, Ethiopia	Wholly-owned subsidiary	100%
8	Arvind Engineered Composites Panels Private Limited *(erstwhile Arvind Polser Engineered Composite Panels Pvt. Limited)*	Wholly-owned subsidiary	100%
9	Arvind Lifestyle Apparel Manufacturing PLC	Subsidiary	99.04%
10	Arvind Polymer Textiles Limited (erstwhile Arvind True Blue Limited)	Subsidiary	91.25%
11	Arvind Sports Fashion Private Limited *(erstwhile Arvind Ruf & Tuf Private Limited)*	Subsidiary	90%
12	Arvind Smart Textiles Limited	Subsidiary	90%
13	Arvind Goodhill Suit Manufacturing Private Limited	Subsidiary	90%
14	Arvind Textile Mills Limited	Subsidiary	90%
15	Arvind OG Nonwovens Private Limited	Subsidiary	76.72%
16	Arvind Enterprises (FZE)	Subsidiary	73.13%
17	Arvind Niloy Exports Private Limited	Subsidiary	70%

Sr. No	Name of the company	Relationship with Arvind	% shareholding of Arvind as on March 31, 2023
18	Arvind PD Composites Private Limited	Subsidiary	51%
19	Arvind Premium Retail Limited	Subsidiary	51%
20	Arya Omnitalk Wireless Solutions Private Limited	Subsidiary	50.06%
21	Maruti and Ornet and Infrabuild LLP	Limited Liability Partnership	Not Available
22	Enkay Converged Technologies LLP	Limited Liability Partnership	Not Available
23	Arya Omnitalk Radio Trunking Services Private Limited	Joint venture	50%
24	Arudrama Developments Private Limited	Joint venture	50%
25	Arvind and Smart Value Homes LLP	Joint venture	50%
26	Adient Arvind Automotive Fabrics India Private Limited	Joint venture	50%
27	PVH Arvind Manufacturing PLC	Joint venture	25%
28	Renew Green (GJ Eight) Private Limited	Associates	31.20%

Note on the complexity levels of the rated instruments: CARE Ratings 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.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Ranjan Sharma Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3453 E-mail: Ranjan.sharma@careedge.in
Relationship Contact Deepak Purshottambhai Prajapati Senior Director **CARE Ratings Limited** Phone: +91-79-4026 5656 E-mail: deepak.prajapati@careedge.in	Hardik Manharbhai Shah Director **CARE Ratings Limited** Phone: +91-22-6754 3591 E-mail: hardik.shah@careedge.in Krunal Pankajkumar Modi Associate Director **CARE Ratings Limited** Phone: +91-79-4026 5614 E-mail: krunal.modi@careedge.in

About us:

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