Arvind Fashions Limited

August 21, 2019

Ratings

Instruments*	Amount (Rs. Crore)	Ratings[1]	Rating Action
Commercial Paper (CP) Issue (Standalone)	-	-	Withdrawn
Commercial Paper (CP) Issue (Carved Out)	-	-	Withdrawn
Total Instruments	**-**		

**Details of Instruments in Annexure-1*

 # the rating of 'Provisional CARE A1+ (SO)' was based on the proposed unconditional and irrevocable corporate guarantee of Arvind Limited (Arvind; rated CARE AA; Stable/ CARE A1+).

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of 'Provisional CARE A1+ (SO) [Provisional A One Plus (Structured Obligation)] assigned to the Commercial Paper (CP) issue of Arvind Fashions Limited (AFL) with immediate effect as there is no outstanding as on date. The above action has been taken at the request of AFL as it has no plans to raise funds through CP in near future.

Analytical Approach: Not Applicable

Applicable Criteria:

Policy on Withdrawal of ratings

About the company (AFL)

AFL was incorporated in January 2016 as Arvind J&M Limited and its name was changed to AFL in October 2016. It is a part of Ahmedabad based Lalbhai group. AFL which was previously subsidiary of Arvind, ceased to be so post its demerger from Arvind on November 30, 2018. AFL got listed on stock exchanges on March 08, 2019. Shareholders of Arvind became shareholders of AFL post demerger. AFL through its two subsidiaries and two joint ventures is engaged in the retailing of various branded apparels in India.

(Rs. Crore)

Brief Financials of AFL (Consolidated)	FY18 (A)	FY19 (A)
Total Operating Income	4,229	4,646
PBILDT	252	296
PAT	13	21
Overall Gearing (times)	1.06	1.16
PBILDT Interest Coverage (times)	2.62	2.25

A: Audited

About the Guarantor (Arvind)

Arvind, the flagship company of Ahmedabad-based Lalbhai group which was founded by the Late Mr Kasturbhai Lalbhai in 1931, is a diversified conglomerate having presence in textiles, apparel retailing, engineering, and real estate businesses amongst others. 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. Apart from denim and woven fabrics, Arvind also manufactures a range of cotton shirting, knits and bottom weights (Khakis) fabrics.

(Rs. Crore)

Brief Financials of Arvind (Consolidated)	FY18 (A)	FY18 (A) #	FY19 (A)
	Pre-demerger	Post-demerger	
Total Operating Income	10,877	6,846	7,254
PBILDT	1,040	744	798
PAT from Continuing Operations	316	261	239
Overall Gearing (times)	1.01	1.01	1.14
PBILDT Interest Coverage (times)	3.71	3.89	3.36

A: Audited; # Restated post de-merger of AFL and The Anup Engineering Ltd. from Arvind

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

Rating History (Last three years): Please refer Annexure-2

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
Commercial Paper	-	-	-	0.00	Withdrawn

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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Commercial Paper	ST	-	Withdrawn	-	1)Provisional CARE A1+ (SO) (03-Dec-18)	1)Provisional CARE A1+ (SO) (16-Nov-17) 2)Provisional CARE A1+ (SO) (04-Oct-17) 3)Provisional CARE A1+ (SO) (01-Aug-17)	-
2.	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	105.00	CARE AA (SO); Stable / CARE A1+ (SO)	-	1)CARE AA (SO); Stable / CARE A1+ (SO) (03-Dec-18)	1)CARE AA (SO); Stable / CARE A1+ (SO) (16-Nov-17) 2)CARE AA (SO); Stable / CARE A1+ (SO) (04-Oct-17)	1)CARE AA (SO); Stable / CARE A1+ (SO) (20-Mar-17)
3.	Fund-based - LT-Working Capital Limits	LT	120.00	Provisional CARE AA (SO); Stable	-	1)Provisional CARE AA (SO); Stable (03-Dec-18)	1)Provisional CARE AA (SO); Stable (16-Nov-17) 2)Provisional CARE AA (SO); Stable (04-Oct-17)	1)Provisional CARE AA (SO); Stable (20-Mar-17)
4.	Non-fund-based - ST-Letter of credit	ST	75.00	Provisional CARE A1+ (SO)	-	1)Provisional CARE A1+ (SO) (03-Dec-18)	1)Provisional CARE A1+ (SO) (16-Nov-17) 2)Provisional CARE A1+ (SO) (04-Oct-17)	1)Provisional CARE A1+ (SO) (20-Mar-17)
5.	Fund-based-LT/ST	LT/ST	200.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (02-Aug-18)	-	-

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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About CARE Ratings:
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