

## Arvind Limited

May 15, 2020

### Rating

Facilities/ Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Commercial Paper (CP) Issue (Standalone)	-	-	Withdrawn
<b>Total CP</b>	-		

*Details of facilities/instruments in Annexure-1*

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

CARE has withdrawn the outstanding rating assigned to the Commercial Paper (CP) issue of Arvind Limited (Arvind) with immediate effect, as there is no amount outstanding under the issue as on date. The above action has been taken at the request of Arvind as the company has no plans to place any CP issue in near future.

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

Arvind, the flagship company of the 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, 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 108 million meters per annum (MMPA) and 132 MMPA respectively as on March 31, 2019. Arvind also manufactures a range of cotton shirting, knits, bottom weights (Khakis) and technical textiles/advanced material. Arvind, through its subsidiary Arvind Envisol Limited (AEL), is engaged in assembling and installation of waste water treatment plants.

Arvind received approval from National Company Law Tribunal (NCLT) on October 26, 2018 to de-merge the business undertakings of its erstwhile subsidiaries, The Anup Engineering Limited (TAEL) and AFL from itself. AFL is engaged in wholesaling and retailing of various well-known owned and licensed apparel brands in India. TAEL is an engineering company engaged in the business of designing and fabrication of process equipment. Both TAEL and AFL are now separately listed on the Stock Exchanges.

Brief Financials (Rs. Crore)	FY18 (Audited)	FY19 (Audited)
	Post-Demerger (Consolidated)	
Total operating income (TOI)	6,846	7,254
PBILDT	744	798
PAT (Continuing Operations)	261	239
Overall Gearing (times)	1.01	1.10
Interest coverage (times)	3.89	3.36

As per provisional consolidated results for its continuing business, Arvind earned a PAT (Continuing Operations) of Rs.109 crore on a total operating income (TOI) of Rs.5,774 crore during 9MFY20 as against a PAT of Rs.172 crore on a TOI of Rs.5,347 crore during 9MFY19.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for 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-Commercial Paper (Standalone)	-	-	-	0.00	Withdrawn

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

## 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Commercial Paper- Commercial Paper (Standalone)	ST	-	Withdrawn	-	1)CARE A1+ (20-Sep-19)	1)CARE A1+ (03-Dec-18) 2)CARE A1+ (03-Jul-18)	1)CARE A1+ (15-Nov-17) 2)CARE A1+ (28-Sep-17)
2.	Term Loan-Long Term	LT	1270.03	CARE AA-; Stable	-	1)CARE AA-; Stable (20-Sep-19)	1)CARE AA; Stable (03-Dec-18)	1)CARE AA; Stable (15-Nov-17) 2)CARE AA; Stable (28-Sep-17)
3.	Fund-based - ST-PC/Bill Discounting	ST	125.00	CARE A1+	-	1)CARE A1+ (20-Sep-19)	1)CARE A1+ (03-Dec-18)	1)CARE A1+ (15-Nov-17) 2)CARE A1+ (28-Sep-17)
4.	Non-fund-based - ST-BG/LC	ST	711.01	CARE A1+	-	1)CARE A1+ (20-Sep-19)	1)CARE A1+ (03-Dec-18)	1)CARE A1+ (15-Nov-17) 2)CARE A1+ (28-Sep-17)
5.	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ ST	1368.00	CARE AA-; Stable / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (20-Sep-19)	1)CARE AA; Stable / CARE A1+ (03-Dec-18)	1)CARE AA; Stable/ CARE A1+ (15-Nov-17) 2)CARE AA; Stable/ CARE A1+ (28-Sep-17)
6.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA-; Stable	-	1)CARE AA-; Stable (20-Sep-19)	1)CARE AA; Stable (03-Dec-18)	1)CARE AA; Stable (15-Nov-17) 2)CARE AA; Stable (28-Sep-17) 3)CARE AA; Stable (01-Aug-17)
7.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA-; Stable	-	1)CARE AA-; Stable (20-Sep-19)	1)CARE AA; Stable (03-Dec-18)	1)CARE AA; Stable (15-Nov-17) 2)CARE AA; Stable (28-Sep-17)
8.	Commercial Paper- Commercial Paper (Carved out)	ST	-	-	-	1)Withdrawn (20-Sep-19)	1)CARE A1+ (03-Dec-18) 2)CARE A1+ (03-Jul-18)	1)CARE A1+ (15-Nov-17) 2)CARE A1+ (28-Sep-17)

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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