

RATING RATIONALE

18 January 2021

Arvind Goodhill Suit Manufacturing Private Limited

Brickwork Ratings withdraws the ratings for the Bank Loan Facilities of ₹26.25 Crores of Arvind Goodhill Suit Manufacturing Private Limited (AGSMPL or the Company')

Particulars

Facility**	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (10 Dec 2019)	Present
Fund Based- Term Loan CC/EPC/WCDL	7.05 25.00	1.25 25.00	Long Term	BWR BBB Stable	BWR BBB- Stable Withdrawn
Non Fund Based – LC/BC/BG	5.00	0.00	Short Term	BWR A2	BWR A3 Withdrawn
Total	37.05	26.25	₹. Twenty Six Crores Twenty Five Lakhs only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of Bank Loan facilities is provided in Annexures-I

RATING ACTION / OUTLOOK

Brickwork Ratings has withdrawn the ratings based on the request of the Company for withdrawal of

the ratings and the No Due Certificates/No Objection Certificate received from the lender. Hence, in accordance with extant regulatory guidelines and BWR Rating Withdrawal Policy, ratings for the bank loan facilities of Rs 26.25 Crs are withdrawn.

BWR notes the information availability risk as the Company has not shared upto date operational and financial information. The rating assignment of BWR BBB-/Stable/A3 for AGSMPL prior to its withdrawal, takes into account the parentage of AGSMPL with a majority stake (51.00%) held by Arvind Limited (Arvind; rated CARE AA-/A1+) and 29% held by Goodhill Corporation Ltd. (Japan) and rest 20% is held through GCL's associate company : F-One Ltd.F-One Ltd. (Japan). Arvind Group has been supporting AGSMPL through needbase funding. BWR takes note of the presence of a shared brand name and needbase funding support from Arvind Limited with which the Company also has operational synergies.

The ratings, however, continue to remain constrained on account of the modest scale of operations, susceptibility of its operating margin to volatility in raw material prices, foreign exchange fluctuation risk, weak coverage indicators and working capital intensive nature of operations. Further, BWR takes note of adverse impact of COVID-19 on the textile sector.

COMPANY PROFILE (As per information available in Dec 2019)

Incorporated in 2013, Arvind Goodhill Suit Manufacturing Pvt. Ltd. (AGSMPL) is a 51:49 joint venture (JV) between Arvind Ltd., Goodhill Corporation Ltd. (Japan) and F-One Ltd. (Japan). GCL holds 29% directly and rest 20% is held through its associate company (F-One Ltd.). The company is engaged in manufacturing of suits with an installed capacity of

360,000 pieces of Jackets, 120,000 pieces of waist coat and 520,000 pairs of trousers as of FY19, in its manufacturing facility located in Bengaluru

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)

Instrument Facilities	Current Rating			Rating History		
	Tenure	Amount Rs. Crs.	Rating	2020	Dec 2019	2018
Fund Based-Term Loan CC/EPC/WCDL	Long Term	1.25 25.00	BWR BBB-Stable Withdrawn	-	BWR BBB Stable	NA
Non Fund Based – LC/BC/BG	Short Term	0.00	BWR A3 Withdrawn	-	BWR A2	
Total		26.25	₹. Twenty Six Crores Twenty Five Lakhs only			

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

[General Criteria](#)

[Approach to Financial Ratios](#)

[Criteria-ManufacturingCompanies](#)

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Arvind Goodhill Suit Manufacturing Private Limited

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Sl. No.	Type of Facilities	Long Term (₹ Cr)	Short Term (₹ Cr)	Previous Limits (₹ Cr)	Present Limits (₹ Cr)
1.	Term Loan	2.82	-	2.82	0.00
2.	Term Loan	2.98	-	2.98	0.00
3.	Term Loan	1.25	-	1.25	1.25
	CC/ EPC/WCDL	25.00	-	25.00	25.00
4.	LC/BC/BG	-	5.00	5.00	0.00
TOTAL				37.05	26.25

For print and digital media

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