

Ref. No. AL/SECT/2026-27/73

October 12, 2026

To,
BSE Limited
Listing Dept./ Dept. of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001

To,
National Stock Exchange of India Limited
Listing Dept., Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra-Kurla Complex
Bandra (E), Mumbai - 400051

Security Code : 500101
Security ID : ARVIND

Symbol : ARVIND

Dear Sir / Madam,

Sub.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Credit Rating

Pursuant Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that Care Ratings Limited ("CARE") has upgraded the credit ratings of Arvind Envisol Limited - a subsidiary of the Company as under:

Facilities / Instruments	Amount (₹ crore)	Rating
Long-Term / Short-Term Bank Facilities	135.00 (Reduced from 137.00)	CARE A-; Stable / CARE A2+
Long-Term Bank Facilities	7.50 (Reduced from 10.09)	CARE A-; Stable
Short-Term Bank Facilities	1.00	CARE A2+

The Press Release issued by CARE in this regard, which was received by the Company today i.e. on October 12, 2026 is annexed herewith.

You are requested to kindly take the above information on record.

Thanking you

Yours faithfully,
For, Arvind Limited

Pritesh M Shah
Digitally signed by
Pritesh M Shah
Date: 2026.10.12
12:01:59 +05'30'

Pritesh Shah
Company Secretary
Encl.: As above

Arvind Envisol Limited

October 09, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long Term / Short-term bank facilities	RBI	135.00 (Reduced from 137.00)	CARE A-; Stable / CARE A2+	Upgraded from CARE BBB+; Stable / CARE A2
Long-term bank facilities	RBI	7.50 (Reduced from 10.09)	CARE A-; Stable	Upgraded from CARE BBB+; Stable
Short-term bank facilities	RBI	1.00	CARE A2+	Upgraded from CARE A2

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Upgrade in ratings assigned to bank facilities of Arvind Envisol Limited (AEL) factors in improvement in its scale of operations marked by total operating income (TOI) and profitability in FY26, considering healthy order execution, improved operating efficiencies and benefits of operating leverage. A strong outstanding order book as on August 31, 2026, also provides medium-term revenue visibility. Ratings also consider strong financial risk profile of its parent, Arvind Limited (Arvind; CARE AA; Stable/ CARE A1+; LT rating upgraded from CARE AA-; Stable and ST rating reaffirmed in August 2026) and benefits derived from its strong parentage. Ratings continue to factor AEL's established execution track record, proprietary patented technology, reputed clientele, comfortable capital structure, strong debt coverage indicators and adequate liquidity.

These rating strengths are partially offset by AEL's working capital intensive operations, concentration of order-book to a few large orders, profitability susceptible to input prices and inherent engineering, procurement, and construction (EPC) execution risks. Competition in the fragmented wastewater-treatment industry remains an additional constraint.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in the scale of operations to over ₹500 crore with ROCE of over 25% on a sustained basis.
- Significant improvement in Arvind's credit profile.

Negative factors

- Deterioration in its liquidity profile and elongation of gross operating cycle beyond 150 days.
- Deterioration in capital structure with total outside liability to total net worth (TOL/TNW) above 1.5x.
- Change in stance of support from or major deterioration in Arvind's credit profile.

Analytical approach: Standalone and factoring the parentage of Arvind, which holds 100% shareholding in AEL. CARE Ratings Limited (CareEdge Ratings) has also applied parent notch-up framework to arrive at AEL's rating.

Outlook: Stable

CareEdge Ratings believes AEL will continue to benefit from established relationships with clients leading to growth in revenue with steady profitability.

Detailed description of key rating drivers

Key strengths

Improving scale of operations and profitability, strong order-book providing near-medium term revenue visibility

AEL's TOI grew by ~14% to ₹307 crore in FY26 (FY25: ₹268 crore), considering strong order execution. Order-inflow remained healthy amid rising industrialisation, growing water scarcity, stringent environmental regulations and greater emphasis on wastewater recycling and reuse. The company had an outstanding order book of ~₹419 crore as on August 31, 2026, providing revenue visibility in the medium term. The continued to receive order inflow and annual O&M contracts from reputed customers, which shall support its TOI to ~₹350-450 crore p.a. over the medium term.

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Increase in scale, and improved operating efficiencies, resulted in a substantial improvement in PBILDT margin to 12.86% in FY26 (FY25: 5.53%). Growth momentum continued in Q1FY27, with TOI increasing by ~35% y-o-y to ₹90 crore. PBILDT margin also improved to 7.96% in Q1FY27 (Q1FY26: 2.29%). Supported by the healthy order book and expected operating leverage, PBILDT margin is projected to remain healthy over the medium term.

Strong parentage of Arvind

Arvind is the flagship company of the Ahmedabad based Lalbhai group and one of India's leading vertically integrated textile and technical textile companies with presence of over nine decades in the industry. Arvind is among the largest denim and woven fabric manufacturers, with an installed capacity of 60 million metres per annum (MMPA) and 180 MMPA, respectively, as on March 31, 2026. Arvind manufactures a range of fabrics, garments and technical textiles/advanced material products.

Through its wholly owned subsidiary AEL, Arvind is engaged in assembling and installing waste-water treatment plants. AEL is expected to benefit from strong parentage in future.

In FY26, Arvind's TOI grew by ~12% to ₹9,335 crore in FY26 (FY25: ₹8,351 crore) with PBILDT margin at 11.51%. Healthy net worth base of ₹4,113 crore as on March 31, 2026, supported a comfortable capital structure with overall gearing of 0.54x (PY: 0.54x).

In-house developed patented technology for waste-water treatment

AEL has an established track record of ~15 years in the wastewater treatment industry and has executed over 750 projects across effluent treatment plants (ETPs), common effluent treatment plants (CETPs), sewage treatment plants (STPs) and zero liquid discharge (ZLD) systems. The company provides integrated solutions across the project lifecycle, encompassing plant designing, engineering, procurement and construction (EPC), operation and maintenance (O&M), and supply of components.

AEL's technological capabilities are supported by three patents registered across globe, including its proprietary Polymeric Film Evaporation Technology (PFET) for mechanical vapour recompression evaporators. PFET uses polymeric-film heat exchangers in place of conventional metallic heat exchangers and entails significantly lower energy consumption compared to steam-based evaporation systems, reducing the operating cost of evaporators. The company's proprietary technology, and its established execution track record and end-to-end service capabilities, supports its competitive position in the wastewater treatment industry.

Reputed clientele

AEL has executed projects across diverse end-user industries, including textiles, chemicals, pharmaceuticals, steel, renewable energy and other industrial segments. Its customer base comprises reputed corporates and common effluent treatment companies. The presence of established customers across diverse industries supports repeat business prospects and mitigates counterparty and sector-concentration risks to an extent.

Top 10 customers contributed ~67% of AEL's revenue in FY26 (FY25: 64%), indicating moderate customer concentration. With a revenue contribution from Arvind of ~30% in FY26 (FY25: 33%). The established credit profile of key customers and diversification across industries partially mitigate the counterparty risk.

Comfortable capital structure and debt coverage indicators

AEL's capital structure remained comfortable, with TOL/TNW improving to 0.81x as on March 31, 2026 (FY25: 0.95x), supported by accretion to reserves following healthy growth in profitability. Overall gearing remained comfortable at 0.21x as on March 31, 2026 (FY25: 0.15x). With healthy operating profitability and moderate debt levels, total debt/PBILDT improved to 0.64x in FY26 (FY25: 0.94x). Return on capital employed (ROCE) improved to 31.73% in FY26 and is projected to remain healthy in the medium term. In the absence of large debt-funded capex, capital structure and debt coverage indicators are expected to remain comfortable.

Key weaknesses

Large working capital requirement

AEL's operations are working capital intensive. Payment for AEL's project orders is generally linked to project progress, and clients also retain a certain percentage of contract value as retention money which is paid only after quality of the work is established post completion of the contract. Its operations are reliant on non-fund-based working capital limits, which it utilises for providing financial bank guarantee (BG) against customer advances or mobilisation advances, performance BG to its clients and LC for procurement of raw material and component. The company's gross operating cycle stood at 103 days in FY26 (FY25: 116 days) backed by collection period of 46 days and inventory holding period of 58 days.

Profitability susceptible to adverse movement in input prices and foreign exchange rates

AEL's profitability remains exposed to raw material price volatility, considering the fixed-price contracts and limited ability to pass on an increase in input costs. It is also susceptible to foreign-exchange fluctuations on the unhedged portion of imported membranes and overseas project receivables, although forex losses remained moderate at ₹0.72 crore in FY26 (FY25: ₹1.16 crore).

Presence in a fragmented and competitive construction industry

Initiatives undertaken by the Government of India (GOI) to boost infrastructure has gradually resulted in an increased order inflow for the industry players. While the water treatment industry remains highly fragmented and competitive, AEL, as a mid-sized but established player with patented technology and proven project execution capabilities, is positioned to benefit. Its domestic and international presence provides a competitive edge, though it continues to face pressure from larger established players and the unorganised sector.

Liquidity: Adequate

Despite working capital intensive operations, AEL's liquidity remains adequate marked by cash and bank balance of ₹41 crore as on March 31, 2026, low utilisation of working capital limits (~9% for 12-months ended July 2026) and healthy current ratio of 1.86x as on March 31, 2026, (PY: 1.71x). The company largely funds its working capital requirement through internal accruals and customer advances with lower reliance on external debt. AEL receives advance from the customer (non-interest bearing) to the extent of 10-15% of the order value, which supports AEL's working capital requirement. AEL submits performance BG (PBG) to its customers to prevent blocking of funds in customer retention money. In the absence of term debt repayments obligation other than lease repayments and capex, the company's liquidity is expected to remain adequate.

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Utilities	Other utilities	Water supply and management

It is engaged in assembling and installing waste-water treatment plants. AEL also provides operation and maintenance services for water treatment plants. AEL holds patented technology for waste-water treatment, which ensures ZLD at a low operating cost. AEL is also an authorised dealer of Hydranautics, USA, and markets reverse osmosis (RO) membranes in India.

Particular (₹ crore)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Total operating income	268	307	90
PBILDT	15	39	7
PAT	12	26	6
Overall gearing (times)	0.15	0.21	NA
Interest coverage (times)	23.52	63.88	41.88

A: Audited; UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1
Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based/Non-fund-based-LT/ST	RBI	NA	-		-	-	135.00	CARE A-; Stable / CARE A2+
Non-fund-based-Long Term	RBI	NA	-		-	-	7.50	CARE A-; Stable
Non-fund-based-Short Term	RBI	NA	-		-	-	1.00	CARE A2+

Annexure-2: Rating history for 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 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based/Non-fund-based-LT/ST	LT/ST	135.00	CARE A-; Stable / CARE A2+	-	1)CARE BBB+; Stable / CARE A2 (09-Oct-25)	1)CARE BBB+; Stable / CARE A2 (09-Oct-24)	1)CARE BBB+; Stable / CARE A2 (05-Oct-23)
2	Non-fund-based-Long Term	LT	7.50	CARE A-; Stable	-	1)CARE BBB+; Stable (09-Oct-25)	1)CARE BBB+; Stable (09-Oct-24)	1)CARE BBB+; Stable (05-Oct-23)
3	Non-fund-based-Short Term	ST	1.00	CARE A2+	-	1)CARE A2 (09-Oct-25)	1)CARE A2 (09-Oct-24)	1)CARE A2 (05-Oct-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Annexure-4: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Krunal Pankajkumar Modi Director CARE Ratings Limited Phone: 079-40265614 E-mail: krunal.modi@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saiikat.roy@careedge.in	Dhruv Shah Assistant Director CARE Ratings Limited Phone: 079-40265607 E-mail: Dhruv.Shah@careedge.in
	Naman Doshi Lead Analyst CARE Ratings Limited E-mail: Naman.doshi@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**