

PRESS RELEASE

Arvind Fashions and Anup Engineering set to become independent of parent Arvind Limited

Mumbai, November 08, 2017: Arvind Limited, India's largest textile and branded apparel player, announced its decision today to demerge its Branded Apparel and Engineering businesses from the parent company.

The Branded Apparel business will be demerged into the entity Arvind Fashions Limited. At 25% CAGR, the branded apparel business is one of the fastest growing apparel and accessory businesses in the country. It has a rich portfolio of **international and owned brands**. The portfolio of brands includes US Polo Association, Arrow, Flying Machine, Tommy Hilfiger, Gap, Calvin Klein, Hanes, Gant, Nautica, Izod, Ed Hardy, Elle, Cherokee, The Children's Place and Aeropostale. It also owns the value chain 'Unlimited' and is the franchise partner of the world's largest beauty retailer 'Sephora'. Shareholders of Arvind Limited will be entitled for 1 equity shares of Arvind Fashions Limited for every 5 shares held by them.

The Engineering business will be demerged into an entity which will be named Anup Engineering. This business is engaged in the manufacturing of critical process equipment. Anup has been consistently growing at 25% and delivering a robust financial performance. Shareholders of Arvind Limited will be entitled for 1 equity shares of Anup Engineering Limited for 27 shares held by them.

On completion of the process, both the companies will be listed on BSE and NSE.

Commenting on the development, Sanjay Lalbhai, Chairman and Managing Director of Arvind Limited said "In last few years, Arvind has nurtured a diverse set of businesses. Two years ago, we demerged Arvind Smart Spaces as an independent company, and its performance has exceeded expectations. We are very pleased to announce that Arvind Fashions and Anup Engineering will now also pursue their independent courses. Arvind Fashions has already demonstrated an industry-leading track-record in the branded apparel and accessory space. Anup has demonstrated an impeccable trajectory on customer delight, topline growth and profitability. Financial independence will help unlock the full potential of these businesses."

He further elaborated "This demerger frees up our resources and allows us to renew our focus on our Textiles business, which is not only our foundation but is now well-placed to achieve an accelerated growth trajectory. Over next 3-4 years, we will invest almost INR 1500 crores and transform the textile business. We will do this by focusing on three engines of growth and

transformation namely **Vertical integration** -creating garment manufacturing to become an end-to-end solution provider and strategic supply chain partner to the world's most successful brands and retail concepts , **Next generation products** – redefining textiles by focusing on path-breaking technologies and manufacturing processes like multi-functional textiles and smart-enabled wearables and **Advanced Materials** – enable textiles to catalyse the company's entry into fields like human protection, industrial process, infrastructure and transportation, and thereby build a business with high entry barriers, intellectual property creation, and high returns

This focus will not only enable us to grow at an accelerated pace, but also drive better return on investments and build a business model that is future-ready.”

Metta Capital Advisors LLP acted as financial advisors to the transaction, while Walker Chandio & Co LLP acted as independent valuers and provided the share allotment and share exchange ratios.

About Arvind

Arvind is a \$1.5 billion conglomerate with interests in Textiles, Branded Apparel and Accessories, Engineering and Real Estate.

Arvind Limited, manufactures and sells about 300 million meters of fabrics and over 30 million pieces of ready to wear apparel. Its denim, woven and knit products are known for innovative and sustainable products, which are sourced by some of the most iconic apparel brands around the world.

Arvind Fashions is India's largest platform of branded apparel and accessories, and is fast becoming an important player in specialty retail. The company's own brands include Flying Machine, Colt, Ruggers and Excalibur, among others. Its licensed product brands include global names, such as Tommy Hilfiger, Calvin Klein, Arrow, Gant, Nautica, IZOD, US Polo Assn, The Children's Place Gap, and Aeropostale. It also own the value-retail chain 'Unlimited' and is the franchise partner of world-leading beauty retail concept, 'Sephora.'

Anup Engineering designs and manufactures critical process equipment for petrochemical, fertilizer, power and other process industries. It is known for its design prowess, cost leadership and on-time deliveries of heat exchangers, pressure vessels and other heavy-fabrication products. Anup's customers span across India, USA, Europe, Middle East, Africa and beyond.

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