

## **Arvind is setting up Denim plant in Bangladesh**

**Ahmedabad, September 25, 2010:** Arvind one of the largest integrated textile, apparel and branded apparel player is expanding its Denim manufacturing capacity to 140 million meters by setting-up 30 million meters of Denim manufacturing plant in Bangladesh. For this purpose, Arvind is entering in joint venture with Nitol group of Bangladesh. Arvind shall be setting-up 30 million meters of Denim manufacturing capacity over a period of 3 years with total investment of \$ 60 million. The Phase I of 10 million meters shall be set up over next 12 months with an investment of about USD 25 million.

Bangladesh, with over 10 billion of exports of garments is among fastest growing garment exporters in the world. It is expected that with lower cost of wages and high productivity the country is expected to continue its growth momentum. Demand for Denim fabrics in Bangladesh is growing more than 25% and is currently at 280 million meters. Out of this, approximately 180 Million meters are being manufactured locally and about 100 million meters are imported.

Commenting on the development, Mr. Jayesh Shah, Director & CFO of Arvind said, "We look at Bangladesh as strategic location in view of unique advantages it offers. Bangladesh being LDC country, garments exported from Bangladesh do not attract any import duty if the fabric is manufactured in Bangladesh. The wage cost in Bangladesh is amongst the lowest in the world. We shall be manufacturing high-quality Denim fabric to cater to requirement of European countries. Since we are already exporting 36 Million meters of Denim to Bangladesh annually, we have ready market available and hence the proposed plant shall be profitable from day one."

Arvind's JV partner Nitol Group has group turnover of US \$ 100 million. Nitol group has a joint venture with TATA group and VIP industries for Bangladesh. Nitol group will have 20% stake in the JV Company.

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