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CIN: L17120MH1984PLC033553

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Mandhana announces demerger of Retail Business

Mumbai (India), 22nd November, 2014: Mandhana Industries Limited ("MIL" or "the Company") (BSE Code: 533 204, NSE: MANDHANA), leading manufacturer of textile and garments announced today the demerger of its Retail Business into an independent entity, namely, Mandhana Retail Ventures Limited ("MRVL").

The Board of Directors of MIL (the Board), taking into consideration the recommendations made by the Audit Committee, M/s. SSPA & Co., Chartered Accountants, the Valuer and Fairness Report of 'Emkay Global Financial Services Limited', Category I registered Merchant Banker, approved the demerger of retail business into an independent entity, namely, MRVL.

The Board is of the view that considering the overall functioning of retail industry, it is proposed to divest the retail division of MIL into MRVL for more focused and concentrated efforts in developing the brand and business reputation. As consideration for the demerger (technically called a vertical split), every shareholder of MIL holding three (3) equity shares of Rs. 10/- (rupees ten each) will receive two (2) equity shares of Rs. 10/- (rupees ten each) of MRVL. The Retail Business is significantly different from the textile stream, in terms of investments into product development, talent and sales & distribution.

The Company will be filing the Scheme of Demerger with the stock exchanges and the High Court as per extant regulations. After demerger and subject to approval from regulatory authorities and shareholders, the Retail Business comprising of Being Human brand and other brands will be known as MRVL.

Manish Mandhana, Joint Managing Director, Mandhana Industries Limited said, *"The demerger is a decision cohesively taken by the Board in order to align the focus of Mandhana Retail Ventures Limited to the retail business. Given the success of Being Human clothing brand, we are now looking forward to increasing the portfolio of brands and new retail concepts that the company would introduce considering the robust growth in consumerism in our country especially amongst the youth which is the key driver of our economy."*

About Mandhana Retail Ventures Limited

Mandhana Retail Ventures Limited was incorporated in the year 2011 with the intent that the retail operations pertaining to brand Being Human will be carried out in this company. However, later on it was decided that the Retail operations for the brand Being Human will be carried out as a division of Mandhana Industries Limited.



MANDHANA INDUSTRIES LTD.

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About Mandhana Industries Limited

Mandhana Industries Ltd. is a diversified textile and apparel manufacturing company, listed in 2010 on the national bourses with a turnover of over INR 15000 million in FY 13-14 and a market cap of over INR 9000 million. With a state-of-art infrastructure, the company is engaged into manufacturing of textiles and garments. Its business includes designing, yarn designing, yarn dyeing, weaving, processing, dyeing and garment manufacturing.

Mandhana Industries Ltd. with an existence of over 28 years, has long lasting relationships in Indian and overseas markets. With a strong global presence, the company supplies to various markets of Italy, France, Germany, Turkey, Switzerland, The Netherlands, UK, Spain, Australia and Israel.

Mandhana Industries entered into the retail segment with the brand 'Being Human Clothing' having an exclusive global license agreement with 'Being Human - The Salman Khan Foundation' for designing, marketing and distributing 'Being Human Clothing' line.

Mandhana Industries' goals and strategies are long term and engage man, machine, technology, environment and society to provide profitable, responsible and sustainable growth.

For more information about Mandhana Industries Ltd., its people and performance, visit us at www.mandhana.com.

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