

Arvind set to double turnover in a year

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Sanjay Lalbhai-led Arvind Ltd has its sights set on a \$2 billion turnover by the end of next fiscal. "This year we should be closing at `8,000 crore and we are looking at adding `2,000 crore by next year and that will make us a \$2 billion company," said Lalbhai.

The company, with businesses ranging from textiles, brands and retail to telecom, engineering and real estate, is expected to close this fiscal with revenues of Rs5,300 crore. A key role in the next leg of growth would be played by Arvind Brands, the apparel retail and licensing business, which alone is expected to clock Rs5,000 crore by 2018. Of this, around Rs2,000 crore is expected to come through the inorganic route, said Lalbhai.

The company on Monday announced that it will market and sell basic and intimate apparel under the Hanes and Wonderbra brands under a licensing agreement with US-based Hanesbrands Inc.

This marks Arvind's maiden foray into innerwear, estimated to be an Rs18,000 crore market. It plans to grow this brand into a Rs500 crore business in the next four years, with heavy marketing and advertising spend. It also plans to ramp up the distribution network and increase its points of sale from 5,000 to 15,000 in the next three years.

Arvind is also scouting for acquisitions, both domestic and international.

The textile major is also setting up new capacity in Ahmedabad to increase production of textiles and yarns. Last quarter, the textile business logged a growth of 15%.

On the real estate front, Arvind is currently working on 10 projects, of which three are in Bangalore and seven in Ahmedabad. "Next year, we have a turnover target of Rs300 crore from the real estate business. This year, this segment of the business will be able to contribute only Rs75 crore. This is because you have to complete 25% of the project to start booking. Once a strong pipeline is created, then we are sure we will be able to garner Rs500 crore in a couple of years," said Lalbhai.

The company's telecom and engineering businesses are also growing at a CAGR of 15-20%, but continue to remain small contributors, said Lalbhai.