

Date: 2nd July 2008

The Department of Corporate Services,
The Bombay Stock Exchange Ltd,
Phiroze Jeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001

Kind Attn: Mr. K. Gopalkrishnan DCS – CRD

Dear Sir,

Re: Scrip Code – 514304

**Reg: S. Kumars Nationwide Limited & its wholly owned
Subsidiary Company Reid & Taylor India Limited**

**Singapore based GIC SI buys up to ~25% equity stake in
Reid & Taylor (India) Ltd for Rs. 9,000 million**

Reid & Taylor valued at Rs. 35,400 million

SKNL holds the balance ~75% equity stake valued at ~Rs. 26,400 million

Funds to be used for business growth and debt restructuring/repayment

S. Kumars Nationwide Limited (SKNL), pioneers in manufacturing and distributing branded textile and ready-to-wear clothing, announced that its wholly owned unlisted subsidiary Reid and Taylor (India) Ltd (RTIL) has come to an agreement with Singapore based Indivest Pte Ltd. (Indivest) an affiliate of Government of Singapore Investment Corporation Special Investments (GIC SI) whereby GIC SI will invest Rs. 9,000 million through a fresh issue of equity shares and warrants. Subsequently GIC SI will in effect own up to 25.4% stake in RTIL and the balance 74.6% stake will remain in the hands of SKNL. RTIL is valued at Rs. 35,400 million at transaction price and SKNL will now hold equity worth around Rs. 26,400 million at transaction value.

This association with GIC SI provides strong support to SKNL's vision to emerge as a market leader in premium and luxury fabrics and apparel. The Investment establishes a high degree of confidence amongst global institutional investors towards RTIL's business model and the ability of its management to create sustained value for all its stakeholders.

Rs 9,000 million cash infusion to strengthen operations and balance sheet:

In the recently completed transaction, Indivest, an affiliate of GIC SI invested Rs. 9,000 million through a fresh issue of shares and warrants enabling it to acquire a 25.4% stake in the Company with SKNL owning the balance 74.6% stake. RTIL was valued at Rs. 35,400 million for the transaction.

Out of Rs 9,000 million, Rs 7,900 million will be received as equity at commencement of transaction itself. As a result of which GIC SI will acquire 23% stake in RTIL. The RTIL equity shares are to be issued at Rs 695.18 per share to GIC SI. The remaining Rs 1,100 million will be in the form of warrants, which shall be converted into equity at the same price within 36 months, or at the time of IPO, whichever is earlier. Post conversion, GIC SI's stake will increase to 25.4%, with the balance 74.6% in the hands of SKNL.

Funds from the transaction will be utilised to assist the growth plans of both RTIL and SKNL in areas such as capacity enhancement and debt repayment. The expansion plans that cover investments of ~Rs 1,000 million will include setting up a facility for manufacturing tailor made suites (Reid & Taylor) and launching premium business lines. The balance funds shall be deployed towards complete repayment of the debt portfolio of both RTIL and SKNL. ~Rs. 4,400 million of the proceeds will be loaned to SKNL for repayment of its debt enabling it move out of CDR (Corporate Debt Restructuring) obligations from its existing lenders. RTIL will also retire ~Rs 2,500 million of CDR and other debt on its balance sheet. This will significantly increase the financial and business flexibility of both RTIL and SKNL which will be conducive to overall growth.

Rs. 1,100 million that will accrue in the future from the conversion of warrants into equity will be utilized at a later date for upgrading RTIL's existing integrated worsted fabrics manufacturing facility located in Mysore, Karnataka. This mill already has a capacity of 840,000 metres per annum which is expected to be enhanced to 1,340,000 metres per annum going forward. The Mysore facility already supplies fabric to Reid & Taylor (Scotland) and once the facility is upgraded it will be in a position to comfortably cater to both Reid & Taylor (Scotland) and the rising demand in the domestic market.

Commenting on the transaction Mr. Nitin S. Kasliwal, Managing Director and Vice Chairman of SKNL said, *"This transaction provides us with significant opportunity not only to expand the RTIL business but also offers us a chance to execute several plans that we have in mind. The*

investment symbolizes a high level of confidence amongst global investors in our ability to execute and create distinct businesses that have the potential to deliver sustained value.

We plan to utilize the proceeds of the transaction for enhancing manufacturing capacity, introducing new operating lines including adding brands that have the potential to further enrich our business portfolio, and towards restructuring of our loan portfolio that will strengthen the quality of our balance sheet.

We are absolutely delighted to be associated with Indivest and GIC SI as they are a highly respected global investor who takes exposure only after conducting meticulous research on any investee company. I am confident that their trust in us will be rewarded by RTIL delivering consistently superior performance going forward."

RTIL to gain strong operating focus as a distinct entity:

SKNL has a diverse business portfolio encompassing nearly every segment of the textile sector in India. Very few companies in the industry have such wide-spread participation. Owing to the magnitude of its involvement in every segment in the textile space, SKNL was not gaining optimal credit and value benefits for its efforts in the top half of the value chain vis-à-vis RTIL. Further, Reid & Taylor had reached its critical size as a division of a company and more focus was required for the brand to grow in line with the management's vision. Keeping this in mind, RTIL was incorporated as a fully owned subsidiary with effect from 1 January 2008 enabling it to perform to its maximum potential and get valued accordingly.

Business outlook is strong:

Brandhouse Retail Limited (BHRL) is a fully owned subsidiary of SKNL and is the company that holds sole rights for distributing RTIL offerings through the exclusive brand outlet (EBO) route. BHRL will provide impetus to RTIL's performance going forward as it plans to increase the number of RTIL EBOs to 160 from 100 by the end of the current financial year. This number is set to be enhanced further, to around 400 stores by the end of FY2010. RTIL also expects to increase its distribution through multi brand outlets (MBO) from 11,000 currently to around 20,000 by the end of FY2010. A large chunk of this expansion will take place in tier one and tier two cities enabling the Company to penetrate these high growth regions that are today characterized by brand conscious individuals with rising disposable incomes.

In FY2008, Reid and Taylor delivered revenues of Rs. 4,872 million that are expected to double over the next three years complemented with a noticeably strong earnings performance. Within 10 years of its inception, the Company is already positioned amongst the top two luxury

clothiers in India indicating that it is backed by a comprehensive business model and a highly capable management team. With fresh funds in place and a lighter balance sheet the company is expected to grow strongly going forward. Furthermore, RTIL enjoys an 18% market share in the premium clothing segment and this grasp of the market seems well positioned for expansion given the aggressive stance of the Company and the favourable market scenario.

Reid and Taylor (India) Ltd - A premium high quality brand:

RTIL is one of the most reputed international brands providing its clients with premium ready-to-wear clothing and high quality branded textiles. Brought into India in 1998 by SKNL, RTIL has grown swiftly placing the brand amongst the top two providers of premium wardrobe solutions in India. RTIL offers a wide variety of products that include a range of high quality fabrics, premium ready-to-wear formals characterized by a wide collection of over 500 designs, smart casuals and accessories.

The Company has a distribution network that is unparalleled in terms of its reach and the brand enjoys a high degree of recall making it a household name across various geographies in the country. The Company not only has excellent distribution and marketing capabilities but also has a state-of-the-art manufacturing facility located in Mysore, Karnataka. The facility has technologically advanced machinery that is capable of spinning, weaving and finishing providing RTIL with a platform that is highly efficient and fully integrated.

Government of Singapore Investment Corporation - A very highly regarded global investor:

GIC SI was set up in 1982 as the private investment arm of the Government of Singapore Investment Corporation Pte Ltd. GIC SI's investments cover a wide spectrum which includes leveraged buyouts, venture capital, growth capital, mezzanine financing, distressed situations, infrastructure and others.

Today GIC SI ranks as one of the largest and most experienced private equity investors worldwide managing a multi billion dollar portfolio of fund investments and direct investments in companies. It currently has an international network of over 100 active fund manager relationships and more than 2,000 companies covering a diversified range of industries.

S. Kumars Nationwide Limited

S.Kumars Nationwide Ltd. (SKNL) is one of India's leading textiles and apparel manufacturing company with expertise in multi-fiber manufacturing. The Company has extended its presence in multiple product categories from Fabrics to Apparels and Home Textiles. Ever since its inception in 1948 the company has been a frontrunner in its line of businesses and has come to be known as one of the most respected business houses in the sector.

SKNL offers an excellent set of high value products ranging from low cost high quality textiles to world class premium ready to wear suiting. The brands in its arsenal include S. Kumars, Reid and Taylor, Stephens Brothers, Carmichael House and Belmonte. The Company also plans to add more brands to its mix in order to have a higher degree of penetration across various price points and differing preferences.

SKNL has state-of-the-art manufacturing capabilities and is characterized by a distribution network that is un-paralleled in terms of its reach. The company also has a management team with several years of experience translating to an exhaustive knowledge of the industry.

To find out more, visit <http://www.sknl.co.in>.

For further information please contact:

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For S. Kumars Nationwide Limited

(Nimesh S. Shah)
Company Secretary & Compliance Officer

Date: 2nd July 2008

The Manager
Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051

Kind Attn: - Shri Hari K. - Vice President

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For further information please contact:

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For S. Kumars Nationwide Limited

(Nimesh S. Shah)
Company Secretary & Compliance Officer