

"The person who follows the crowd will usually go no further than the crowd. The person who walks alone is likely to find himself in places no one has ever seen before." Albert Einstein

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Cautionary statement

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral –that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise



'It can't be done!'

These four words have done more for Dollar Industries Limited than any vision or mission statement.

Provoked. Motivated. Graduated.

The results have been heartening.

Even as we belong to a conventional sector, we are recognised as a daring rule-breaker.

Even as we are the youngest among India's front-line innerwear hosiery companies, we are arguably the fastest growing.

About us

Dollar Industries Limited started as a small family-run hosiery brand in 1972; the company is an internationally-recognized innerwear manufacturer from India today, addressing men, children and women.

The company manufactures a range of more than 250 products across all innerwear segments.

Having created a substantial presence pan-India, Dollar products are also marketed in 11 countries.

Management

Dollar is managed by Mr. Vinod Kumar Gupta, Mr. Binay Kumar Gupta, Mr. Krishan Kumar Gupta and Mr. Bajrang Lal Gupta assisted by a team of professionals with diverse capabilities.

Location

The Company's manufacturing facilities are located at Kolkata, Tirupur, Dindigul, Erode, Delhi and Ludhiana.

These facilities comprise assets dedicated to spinning, knitting, processing, cutting, stitching and packaging – complete integration. The Tirupur facility is supported by an effluent treatment plant

that makes the plant zero liquid discharge. A 5MW wind energy facility in Tamil Nadu provides for the spinning mill's energy needs.

The company also engages in responsible job-working across units in Kolkata, Tirupur, Delhi and Ludhiana.

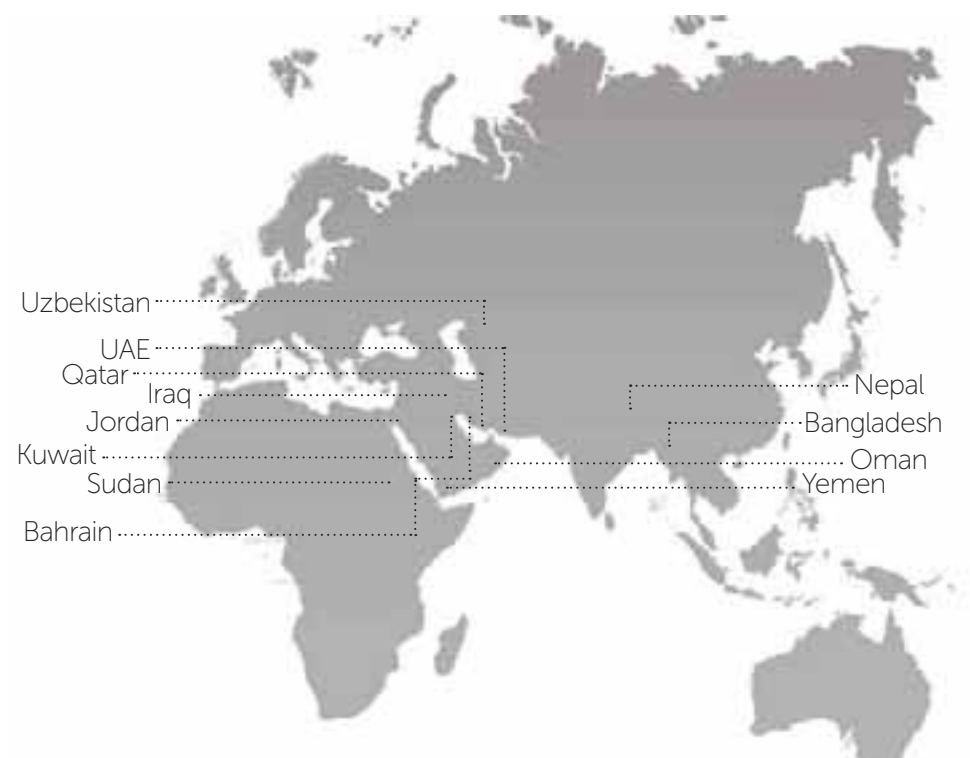
The company is headquartered in Kolkata.

Brands

Bigboss | Force | Club | Missy Champion | Wintercare | Ultra Thermals | Footprints | Myme

Awards and achievements

- Achieved Export House status in accordance with the provisions of the foreign trade policy of Ministry of Commerce and Industry, Government of India.
- Awarded Best Innerwear Brand of the Year by Clothing Manufacturers Association of India in 2006, 2007 and 2008.



Presence

In addition to India, Dollar products are also available in UAE, Oman, Jordan, Qatar, Kuwait, Bahrain, Yemen, Iraq, Uzbekistan, Nepal, Bangladesh and Sudan.

Our milestones

1972-73

Dindayal Gupta started Bhawani Textiles

2005-06

- Salman Khan signed as brand ambassador of Dollar Club
- Received the National Award for Best Brand and Excellence in men's innerwear from the Clothing Manufacturing Association of India

2007-08

- Rebranded itself as Dollar Industries Ltd.
- Awarded the National Award for Excellence in men's innerwear from CMAI.



Dollar Industries Limited is not just another innerwear hosiery company.



We are among the most innovative, bringing new products and concepts to the market.



We are considered among the most aggressive, investing the highest in brand building in our sector.



We are among the most profitable on account of integration and premiumisation.



We are among the fastest growing, reaching ₹800 cr revenues in the shortest time ever taken in our industry.



The result: Dollar Industries has evolved into a dynamic proxy of India's innerwear and outerwear markets.



Vision

To be an inspiring garment brand that sets quality benchmarks for the entire industry, while being a part of every Indian's life.



Mission

To be an Indian multinational company that provides fashionable solutions to fulfill the needs of discerning global customers.



Perfection is not attainable, but if we chase perfection we can catch excellence

Vince Lombardi



Values

- To incorporate innovation in our business operations and product design
- To ensure customer satisfaction to each and every person
- To deliver products that not only are the most comfortable, but the most stylish too
- To be transparent in all dealing and ensure adherence to the highest standards of business ethics

Quality Policy

- To endeavour to enhance customer satisfaction by providing high quality ready-made garments strictly as per customer specifications and requirements.
- To strive for continual improvement by reviewing and monitoring our quality management system.
- To develop and maintain an efficient quality management system in compliance with ISO 9001:2008

2009-10

- Conferred yet another National Award for Best Brand and Excellence in men's innerwear from CMAI.
- Akshay Kumar is signed as the brand ambassador of Dollar's premium Bigboss brand

2014-15

- Strengthened its presence to over 26 states in India
- Reached 70,000 Multi-Brand Outlets (MBOs) from 30,000 in 2010-11

2015-16

- Completed six-year association with Akshay Kumar
- Expanded to more than 80,000 MBOs across India
- Emerged as the highest selling innerwear brand in UAE and Middle East
- Garnered 15% of the branded hosiery industry market share.



continu
transfor



From the manufacture of innerwear to *outerwear*.



From the manufacture of hosiery products to *denim products*.



From the manufacture of functional products to *lifestyle brands*.



From commodity selling to *marketing products around dignity and respectability*.



From the manufacture of men's undergarments to *family products*.



From the manufacture of economy products to *premium-super premium brands*.



From a complete reliance on jobworking to *captive manufacture cum jobworking*.



From being just another regional hosiery player to *one of India's most respected lifestyle knitwear brands*.



ous mation.

Q&A

"Dollar reported profitable growth in a challenging 2015-16"

Q: Were you pleased with the company's working during the year under review?

A: I was delighted for a number of reasons.

One, the company reported record revenues of ₹830 cr corresponded by record profits of ₹26.35 cr, .

Two, the company reported profitable growth while doing so – revenues increased 13.6 per cent but profit after tax strengthened 35.5 per cent.

Three, if you look at the revenue increments of the last two years – ₹40 cr in 2014-15 over the previous year and ₹100 cr in 2015-16 over the previous year – then it becomes evident that we are growing faster the larger we get.

Four, the company reported improving margins – 15.02 per cent EBITDA margin for 2014-15 strengthening to 17.68 per cent in 2015-16.

Q: It would appear that the company's performance was achieved against a favourable industry environment.

A: On the contrary, one of the things that I wish to assure readers is that the company's performance during the year under review was achieved in challenging circumstances.

The country's economy continued to be sluggish beyond what is evident in its GDP growth of 7.6 per cent. This sluggishness translated into a weak offtake of innerwear products from a sectoral perspective. The sector grew 5-7% per cent; Dollar did well by reporting 2.1x sectoral revenue growth.

There was another point that worried industry players. Over the last few years, there was a perspective that as per capita disposable incomes increased, consumers of products in the

economy innerwear segment would graduate to the premium segment. Interestingly, we are seeing a divergence – some of the consumers are indeed moving to the value-added segment but on the other hand, the price-sensitive consumers are downtrading towards cheaper options. This divergence is testing the mettle of innerwear brands in responding with corresponding strategy.

Q: How is the company responding to this unforeseen divergence?

A: At Dollar, we believe that the future of our company lies in sustainability. In turn, we believe that sustainability will be reinforced through the ability to evolve our product mix towards the value-added, leaving us with adequate surpluses to reinvest in our brand, vendors, distribution partners and manufacturing assets. This strategy is visibly reflected in our evolving sales mix: from the economy towards the premium and the super premium (prospective).

From this it would appear that the company would like to consciously vacate the economy segment completely. This would not be true; what would be a more accurate picture is that one segment of consumers is moving away from premium products towards the economy segment and within the economy segment they are selecting to buy the cheapest products on offer.

At Dollar, even as we are playing the value game through progressive premiumisation, we are attempting to cater to the economy segment as well. Through various initiatives, we competed price to price with a large number of brands. The result is that our economy segment accounted for 45 per cent of revenues during 2015-16, translating into revenues of ₹360 cr compared with ₹356 cr during

the preceding year.

Q: How did the company strengthen its business to address the future?

A: The company did so in various ways.

One of the principal initiatives was that when profits increased, it would have been tempting to play to the gallery and report a short-term spike in profits by keeping brand expenditure at the level of the previous year.

On the contrary, the company did something courageous – when revenues increased, the company concurrently invested a considerably larger amount in brand building, strengthening its capacity to enhance recall and report larger profits across the foreseeable future.

The result was that the increment in brand investment was ₹4.42 cr in 2014-15 over the previous financial year; the increment in brand spending in 2015-16 was ₹23.21 cr during the year under review leading to a total brand spend of ₹72.75 cr – 8.7 per cent of our revenues and possibly one of the highest quantum brand spends in the country's innerwear industry.

We believe that the quantity and quality of this spending

will continue to rejuvenate our brand, translating into not just increasing revenues but also increasing revenues of value-added products.

Q: What were some of the other initiatives that strengthened the company's business in 2015-16?

A: The company made a decisive initiative to strengthen its aspirational positioning in 2015-16. For years, there were largely two segments that we addressed – economy and premium. During the last financial year, the company made a decisive initiative; it launched brand Force NXT to address the super premium category. We feel that this extension represents an idea whose time has come for some good reasons. With urban incomes rising, consumers generally moved to higher-priced garments even as they continued to select legacy innerwear brands. There has been a major rethink on the selection of innerwear towards the super premium since; these super premium products are marked by fabric manufactured using superior yarn, stitched using

superior thread, cut around contemporary fashion trends and aligned around a superior branding aspiration. Dollar began to address this segment from the second half of the last financial year onwards, the benefits of which will start becoming evident from the current financial year onwards. We believe that this extension represents a watershed in our existence, sending out an unmistakable signal of our desired premium positioning.

Q: What is the outlook for the company during the year under review?

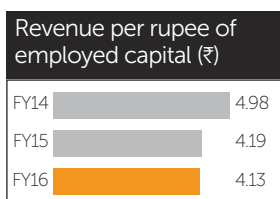
A: We are optimistic of generating ₹1000 cr in revenues in 2016-17 even

as challenges of economic slowdown and consumer downtrading remain. The ability to pass on an increase in raw cotton prices should make the achievement of our goal easier in addition to our being able to generate a higher throughput per dealer, address market gaps effectively and increase offtake from our premium and super premium categories. In doing so, we believe that we would be the fastest in our sector to get to this four digit benchmark, emphasising the point that we have always made: Dollar is a different kind of company.

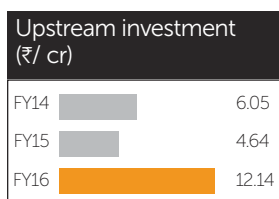
Mr. Din Dayal Gupta
Chairman



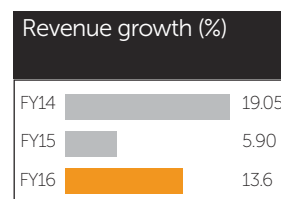
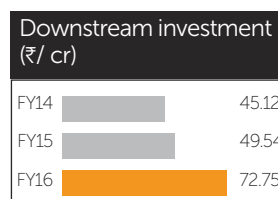
Our robust business model



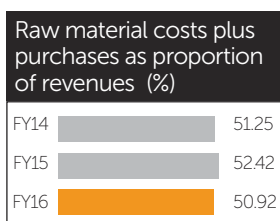
Vision: In a sector marked by scale, the company resolved to be a contrarian: not the largest with the biggest Balance Sheet but the best integrated hosiery textiles company with the 'smallest' Balance Sheet. This perspective has influenced the company's capital allocation, product mix and realisations strategy, virtually defining the company's personality. The result is that the company expects to remain largely insulated from the margins volatility of the textile sector.



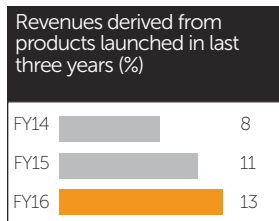
Commitment: The promoters of the company continued to invest in the upstream (manufacturing assets) and downstream (branding) ends of the business even when the company was nascent, convinced as they were of the long-term prospects of value-addition.



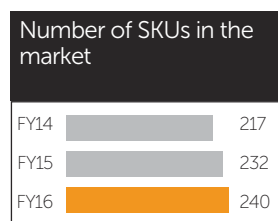
Customer focus: The company selected to consciously address the growing needs of the country's youth – through a wider range of products, sizes, styles and colours. The growing proportion of youth who are now young earners, coupled with their willingness to experiment and pay higher for differentiated products, has validated the company's target segment focus.



Brand: The company has progressively evolved from a conventional hosiery products personality (commodity) into premium (value-added). The evolution has made it possible for the company to escape the commodity trap of the economy end and address a growing market for value-added products. The brand effectiveness has been maximized through the consistent engagement of Akshay Kumar, one of the prominent Indian film actors enjoying mass appeal. This brand-led approach has reflected in rising revenues and margins.



Product range: The company has innovated and progressively widened its category spread (from men's innerwear to children's to women's wear; from one season to multi-season) to cover a large proportion of an aspirational family's innerwear requirement, strengthening its recall as a one-stop innerwear products provider. The company increased the number of SKUs, widening choice.



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In order to be
irreplaceable one
must always be
different
Coco Chanel