

Financial analysis of the textile industry



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This project aims to deal with understanding and analyzing the financial performance of 2 companies, namely, Arvind Mills Limited Company and Bombay Dyeing Manufacturing Company. Both are giants in the textile industry and their performance is vital to the industry as a whole. This project undertakes the analysis of the economic scenario, business strategy and financial performance of the company, which includes SWOT analysis, 5 force analysis, Z score analysis and financial statement analysis. It also aims to analyze the capital structure, Investment strategy and payout policies of both companies. It allows a deeper insight into the value chain activities of the company, and what the company is doing to expand itself to create greater value for both consumers and stakeholders alike.

ECONOMIC ANALYSIS

The Textile industry contributes around 14% to India's Industrial Production, 4% to the GDP and 17% to the country's export earnings. It provides direct employment to around 35 million people, which is second only to agriculture. Fabric production has risen to around 61000 million sq meters in 2011 from around 56000 million sq meters in 2007. India has the potential to increase its textile and apparel share in world trade from the current 4. 5% to about 8%, reaching \$80 billion in value by 2020. The country's geographical location is well suited for trade purposes and cheap labor and raw material also make it a prime target for foreign investment. Major apparel and designer brands are setting up shop in India thus, further enhancing the growth of the industry.

MAJOR PLAYERS

INDUSTRY ANALYSIS: PORTERS 5 FORCE MODEL ANALYSIS

INDUSTRY RIVALRY

Huge number of competitors

Competitors like Raymond's, Levi's giving stiff competition by strong marketing and branding strategies

Competitors adopting aggressive growth strategies to maximize market share.

Also faces stiff competition from small town retailers and specialty stores.

THREAT OF NEW ENTRANTS

Lucrative market for newer entrants leading to higher level of competition.

Big international fashion brands with high brand value looking to establish in India.

Low barriers to entry in the unorganized retail sector are also causing problems.

THREAT OF SUBSTITUTES

Growth in online shopping

Small town stores offering proximity and specialized attention to consumers

Plenty of offerings in premium and super premium category

Also face competition from cheap imports from China and South East Asia.

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BARGAINING POWER OF SUPPLIERS

Increased level of competition has increased the bargaining power of suppliers

Arvind Mills is at an advantage due to complete vertical integration allowing it to handle the entire manufacturing process.

BARGAINING POWER OF BUYERS

Lack of loyalty due to the variety of substitutes available

Low switching costs of consumers allows greater freedom of choice

COMPANY PROFILE

Arvind Mills, based in Ahmadabad, Gujarat, is the flagship company of the Lalbhai Group. It is one of India's leading Composite manufacturers of textiles. It has a wide product range, manufacturing a wide variety of textiles ranging from cotton shirting, denim, knits and bottom weight fabrics. It is India's largest denim manufacturer, apart from being the 4th largest producer and exporter of denim in the world. It was responsible for bringing denim to India in the early 1980's, thus starting the Jeans revolution. It not only owns and retails its own brands like Flying Machine, Newport and Excalibur but also licensed international brands like Arrow, Lee, Wrangler and Tommy Hilfiger, through its nationwide retail network. Arvind Mills also runs a value retail chain, Megamart. The company was started with a budget of fifty five thousand dollars and is today valued at over \$500 million. Its enterprises are equipped with state-of-the-art technology entailing the full manufacturing cycle- from painting the fibers till the finished product.

Arvind Limited started with a share capital of Rs 2, 525, 000 (\$55, 000) in the year 1931. With the aim of manufacturing the high-end superfine fabrics Arvind invested in very sophisticated technology. With 52, 560 ring spindles, 2552 doubling spindles and 1122 looms it was one of the few companies in those days to start along with spinning and weaving facilities in addition to full-fledged facilities for dyeing, bleaching, finishing and mercerizing. The sales in the year 1934, three years after establishment were Rs 45. 76 lakh and profits were Rs 2. 82 lakh. Steadily producing high quality fabrics, year after year, Arvind took its place amongst the foremost textile units in the country.

(Source: <http://www.arvindmills.com/heritage/history.htm>, http://en.wikipedia.org/wiki/Arvind_Mills)

Bombay Dyeing Manufacturing Company Limited (BDMCL) was incorporated in 1879 at Mumbai under the house of Wadias. The company is a flagship brand of the Wadia group, which has a presence across foods and dairy, airlines, chemicals, plantations, laminates, electronics, healthcare, architecture and clinical research. BDMCL manufactures cotton textile, non-woven fabrics and di-methyl terephthalate (DMT). The textile division was initially located at Worli, Mumbai, but has been relocated to Ranjangaon near Pune. This division continued to report operating losses in FY10. The company has started to use PTA, an alternative feedstock, to manufacture polyester; the new plant is under stabilization and continued to show operating losses during FY10. The real estate division, which commenced operations with the development of the Spring Mills (Dadar) and Textile Mills

(Worli) properties during 2005, registered an operating profit of Rs 3. 4 billion in FY10.

(Source: http://www.nseindia.com/content/corporate/eq_BOMDYEING_base.pdf)

TIMELINES

ARVIND MILLS

1931 - The inception of Arvind Mills Limited at the hands of three brothers - Kasturbhai, Narottambhai and Chimanbhai Lalbhai

1934 - Arvind establishes itself amongst the foremost textile units in the country.

1980 - Arvind records highest levels of profitability. The new strategy - 'Reno vision', points at changing the business focus from local to global, towards a high-quality premium niche market.

1987-88 - Arvind enters the export market for Denims with a dual focus - Denim for leisure and Denim for fashion wear.

1991 - Arvind emerges as the third largest manufacturer of denim in the world.

1997 - India's largest state-of-the-art facility for shirting, gabardine and knits is set up at Santej.

2005 - Arvind creates a unique one-stop shop service on a global scale, offering garment packages to reputed national and international customers.

2007 - Arvind expands its presence in the brands and retail segment by establishing MegaMart - One of India's largest value retail chains.

2010 - Arvind launches The Arvind Store, a concept putting the company's best fabrics, brands and bespoke styling and tailoring solutions under one roof. Arvind launches its first major Real Estate projects. Arvind becomes one of India's largest producers of fire protection fabrics.

(Source: <http://www.arvindmills.com/heritage/journey.htm>)

BOMBAY DYEING

1879 - Company incorporated on August 23rd in Mumbai by Nowrosjee Wadia

1962 - Nusli N Wadia joins the company as a trainee at the Bombay Dyeing Spring Mills

1971 - Neville N Wadia, Nusli Wadia's father, wants to sell the company to Calcutta based R. P. Goenka and retire. Nusli opposes sale, enlists J. R. D Tata's support in shareholder battle that follows and prevents the sale

1977 - Nusli N Wadia takes over the company from his father, Neville

1978 - Company applies for a license to setup a DMT plant, which is used to manufacture polyester

1985 - Fierce corporate rivalry over polyester, often called the polyester war, starts between Bombay Dyeing and Reliance Industries

2000 - Jute baron Arun Bajoria acquires near 15% stake in Bombay Dyeing, raising fears of a takeover. Arun Bajoria offers to sell the shares to Wadia at a premium, which is refused by Wadia.

2001 - Ness N Wadia, Nusli's son, becomes Deputy MD of Bombay Dyeing

2002 - Bajoria and Wadia reach a settlement

2011 - Jeh Wadia takes over as Managing Director, Ness Wadia shifts to GoAir.

(Source: <http://businesstoday.intoday.in/story/bombay-dyeing-among-100-year-old-companies/1/16499.html>)

ANALYSIS OF OPERATIONS

VALUE CHAIN OF TEXTILE COMPANIES

OPERATIONS – ARVIND MILLS

Arvind Mills Ltd is one of the largest denim manufacturers in the world. It has set up its supply chain build on the push system. Arvind mills, typically, manufactures denim shorts based on every month's forecast to store at various warehouses. As the company sends its products to ware-houses, actual selling takes place on an on-going basis with subsequent replacement of sold sorts. Push system is basically make-to-stock environment.

Push form of supply chains serve to similar products with stable demands. In this kind of supply chain, the decisions for production as well as distribution are based on long-term forecasts, as demand is not fluctuating. During 1950 to 1970, push supply chains were specific to clothing industry when they had

vertical organization structures and optimized activities focused on functions as companies were manufacturing oriented in a demand surplus environment of mass-products.

The push strategy worked for Arvind mills for years but as the market demand kept on become more random and unstable, it became difficult for Arvind mills to follow it. One of the issues with push-based supply chain is that it creates excessive inventory (cycle stock and work-in-process) by the time it fulfils the changing demand pattern. Also, as long-term forecast plays a vital role, it is not easy to provide supply for variable demand. Push supply chain also includes larger production batches, incompatible for catering demand of short quantity.

Arvind mills had a huge variety of customers to serve and also there was a level of commitment they always wanted to maintain. To service these discerning customers, Arvind mills required a world class Supply Chain Management system. Ultimately they relied on SAP to implement ERP package. The implementation took place and was complete in 7 months. As a result the supply chain was strengthened along with the empowering of customer order execution. There was a substantial improvement in the planning for raw materials as well as in work-in-progress goods. Arvind mills got its processes standardized and a major improvement was there in the performance in the supply chain. The supply network finally connects the customer touch points through over 275 standalone brand stores across the country and more than 975 counters selling multi brand retail outlets an key accounts across India.

One more interesting characteristic of the supply chain is the deep connect Arvind Mills is aiming. The company is making an effort to provide shirts at affordable rates at grocery stores and petrol pumps. One of the reasons for doing this is increase the disposable income in rural areas. It has also started selling shirt bits instead of multi meter long rolls which once dominated the retail shelves.

MERGERS & ACQUISITIONS – ARVIND MILLS

Arvind Lifestyle Brands, Ltd., a wholly-owned subsidiary of Arvind Limited, has acquired the business operations of Debenhams, Nautica and Next business in India from Planet Retail Holdings. Arvind Lifestyle Brands, subsidiary of Arvind Ltd, one of the major companies in the clothing brands and retail arena, recently declared the acquisition of the business operations of British fashion retailers Debenhams and Next and American Lifestyle Brand Nautica in India from Planet Retail.

The acquisition is an important landmark that indicates the entry of the company into the Department Store Segment and similarly the worldwide speedy developing clothing specialty retail segment.

Nautica, an American sportswear lifestyle brand, made Arvind mills a leading player in the sportswear segment. The acquisition strengthened company's position in the Indian fashion industry. The acquisitions will speed up the progress as well as back up the company's vision of accomplishing sales of Rs. 5000 crores over the next 5 years.

The company gets a robust menswear portfolio that will get further strengthened with Nautica. The acquisition of Debenhams & Next will

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extensively reinforce Arvind Mills place in Women's wear & kids wear segment. The company envisions attaining Rs. 500 crores revenue over next 5 years from current Rs, 70 crores by investing Rs. 150 crores in to these three brands.

On the other side, the acquisition of Debenhams signs the entrance of Arvind mills into the Link to Luxury Department Store segment. The number of Debenhams stores was planned to increase to 8 from present total of 2 in the coming 3 years. The acquisition of Next powers Arvind to enter into the fast growing segment of apparel specialty retail. Here also Arvind plans to add 9 more stores to present 3 in the next 3 years. The authorizing plan with Nautica will fortify Arvind's existing strong place in high potential sportswear segment of the market. Arvind mills plans to set up extra 30 Nautica stores taking the tally to 41 free standing Nautica stores and 71 shop in shops in the next 3 years.

OPERATIONS – BOMBAY DYEING

Bombay Dyeing has a circulation chain involving more than 600 distinctive shops located across the country. In addition to this, it has 14 flagship stores in the country to sell quality and stylish products and international brands. The company now plans to create a selection of products for use across economic classes. The 'home & you' idea is the group's policy in many sectors, under which it will be proposing extensive array of products plus home furnishing, business wear, leisurewear, sportswear and accessories. Bombay Dyeing at present makes products for the home textiles division. Bombay Dyeing's strategy is to sell what people want and not what they produce.

Bombay Dyeing and Manufacturing Company Ltd (Bombay Dyeing) has started observing a salvage in its performance behind procedures like cost reduction and enhancement in operational efficiency. The textile segment is struggling to recover the sales size by improved marketing in local as well as export markets. Global and local demand has started looking up with the improved global economic environment.

Bombay dyeing is also following a scheme to upsurge capacity utilisation in its polyester division. It is persistent to centre on a money-making product array, lessen cost in regions of operations plus import of raw resources on long-term agreement basis and increase the stake in the local market to advance overall sales realisation.

MERGERS & ACQUISITIONS – BOMBAY DYEING

Bombay dyeing planned to move into real estate as further expansion of their businesses. Bombay Dyeing & Manufacturing Company has acquired 10,000 shares of Rs 10 each of White Horse Real Estate Company at face value, said the company in a disclosure to Bombay Stock exchange. Consequently White Horse Real Estate Company has become a 100 per cent subsidiary of Bombay Dyeing.

Bombay Dyeing & Manufacturing Company Ltd has announced that the Company has acquired 10,000 shares of Rs 10/- each of M/s. White Horse Real Estate Company Pvt. Ltd. at face value and consequently M/s. White Horse Real Estate Company Pvt. Ltd. has become a 100% subsidiary of the company. The stock closed the day at Rs. 154.95, up by Rs. 1.50 or 0.98%.

The stock hit an intraday high of Rs. 161 and low of Rs. 149. 90. The total traded quantity was 170466 compared to 2 week average of 249418.

PRODUCT LINE

ARVIND MILLS

BOMBAY DYEING

DENIM

SHIRTING

BOTTOM WEIGHTS

KNITWEAR

ADVANCED MATERIALS

REAL ESTATE

TELECOM: SYNTEL & ARYA OMNITALK

**CHEMICAL PROCESS EQUIPMENT (ARYA
ENGINEERING)**

WATER TREATMENT (ARVIND ACCEL)

BED LINEN

BATH TOWELS

SATIN HOME FURNISHINGS

MENS WEAR

WOMEN'S WEAR

KIDS WEAR

SPORTS WEAR

SHOE LINING AND DUCK FABRICS

BRANDS

ARVIND MILLS

OWNED BRANDS

LICENSED BRANDS

JOINT VENTURE BRANDS

PREMIUM BRANDS

Mainstream

Excalibur Gant

Flying Machine

Ruf &Tuf

New Port University

Bridge to Luxury

U. S. A 1949

Energie

Bridge to Luxury

Tommy Hilfiger

USPA

Arrow

IZOD

Lee

Wrangler

BOMBAY DYEING

BED LINEN

BATH

Normal

Designer collection

Wedding Collection

Tulip

Areo

Santino

Ultrx Fantasy

QUANTITATIVE ANALYSIS

Z SCORE

The Z-score, also known as the Altman Z-score, was developed in the 1960's by NYU professor Edward Altman. Altman's primary improvement over prior methods was to apply discriminant analysis which simultaneously took into account multiple variables to ascertain financial strength. Altman used statistical analysis to determine which financial ratios were the best predictors of a company's vulnerability to bankruptcy. He then put together a model that optimized the predictive value of those ratios. The result is one nice, neat number that allows forecasting a variety of parameters, thus allowing better prediction.

Over time, the Z-score has proved to be one of the most reliable predictors of bankruptcy. In a series of tests covering 316 distressed companies from three time periods between 1969 and 1999, Altman and his Z-score were between 82% and 94% accurate in predicting future bankruptcies.

In general, the lower a company's Z-score, the higher the chance of bankruptcy.

Steps to calculate Z score

The first step in calculating Z score of a company is to identify seven items that are listed in the financial statements-Balance Sheet and Income statement of the company.

The seven items are:

Balance Sheet

Income Statement

1)Working Capital

2)Total Assets

3)Total Liabilities

4)Market Value of Equity

5)Sales

6)Earnings before Interest and Taxes(EBIT)

7)Retained Earnings

These seven items are used to calculate five ratios as below:

Ratios

A Working Capital/Total Assets

B Retained Earnings/Total Assets

C Earnings before Interest and Tax/Total Assets

D Market Value of Equity/Total Liabilities

E Sales/Total Assets

The last step is to calculate the Z score using the below formula:

$$\mathbf{Z\text{-score} = 1.2*(A) + 1.4*(B) + 3.3*(C) + 0.6*(D) + 1.0*(E)}$$

In general the Z score can be interpreted as follows:

Z score below 1.81-The Company is in trouble and could be headed towards bankruptcy

Z score between 1.81 and 2.99-The Company is showing warning signs of heading towards trouble

Z score above 2.99-The Company is doing well and is in good shape.

ANALYSIS OF Z SCORE

The Z score for the past five years have been calculated for Bombay Dyeing and Arvind Mills using the Balance sheet and Income statement (Refer Appendix- Z Score Analysis).

BOMBAY DYEING

As can be seen from the graph above, the Z score for Bombay Dyeing has been consistently improving from FY2008 onwards. Till FY2010 the Z score was below 1.81 indicating big trouble for the company. In FY2011 and FY2012, the Z score is greater than 2.99 indicating that the company is in good shape now.

From the common size balance sheet of Bombay Dyeing (Refer Appendix-Balance sheet Analysis)* it is seen that the debt to Equity ratio has decreased significantly in FY2012 compared to the previous years. The debt was reduced from 1800 crores to 1200 crores in FY2011. The equity for FY2012 and FY2011 is 68. 7% and 22. 03 % respectively of the total assets which is much higher than what it was in the previous years. This is due to the fact that the reserves and surplus of the company have increased to 1751. 09 crores in FY2012 from 170crores and 282 crores in the previous years.

Bombay Dyeing had also reported 75 per cent jump in the fourth quarter net profit in financial year FY2011, mainly due to a turnaround in the polyester and textile business. The change in top management with Jeh Wadia taking over as CEO in 2011 could also be one of the factors for Bombay Dyeing doing well now.

ARVIND MILLS

Z-score for Arvind Mills has been hovering between 3 and 1. 8 for the past 5 years. This is the Grey zone, which means company is showing signs of bankruptcy. Though improved marginally over the last few years, it's still below the safe zone of 3.

As can be seen from the common size balance sheet (Refer Appendix-Balance Sheet Analysis)*, the debt to equity ratio has been almost been the same over the years with debt being more than equity. It is only in FY2012 that for the first time that debt (44. 24%) is less than the equity (55. 75%).

Arvind Mills were also in news recently for the halt in production owing to the strike of its 4000 employees. It was said that some 60% of production of denim was affected daily. The management had to appeal to the workers to resume work immediately.

*Table in Appendix - Page 27

RATIO ANALYSIS

We analyzed the following ratios to get a good understanding of the way these companies are performing under various parameters. Out of many such ratios available, the below ones are analyzed in detail, as these are considered very important from the point of view of performance of a company.

LIQUIDITY RATIO

Current Ratio:

Arvind Mills' current ratio has been decreasing continuously for the past 3-4 years. This clearly suggests that its debt paying capability is reducing. Though it doesn't mean the company will go bankrupt, it does question its operating efficiency. Bombay Dyeing on the other hand has maintained a good ratio, not allowing it to fall below 2.

Current Ratio

2012

2011

2010

2009

2008

Arvind Mills

1. 84

2. 77

3. 26

2. 62

3. 72

Bombay Dyeing

2. 55

4. 54

3. 34

3. 36

2. 43

PROFITABILITY RATIO

Operation Margin (%):

As can be seen from the below data, as compared to Bombay Dyeing Arvind Mills had a better operating margin (%), which has been above 10 and increasing steadily over the past 5 years. In case of Bombay Dyeing, the <https://assignbuster.com/financial-analysis-of-the-textile-industry/>

margin was very less in 2008-09. This was increased drastically to about 12 by virtue of diversification.

Operating Margin (%)

2012

2011

2010

2009

2008

Arvind Mills

14.34

14.41

13.35

10.96

10.34

Bombay Dyeing

12.08

11.81

16.86

4. 6

7. 04

Gross Profit Margin:

Same is the case with the Gross Profit Margin of both the companies where Arvind had a better margin over Bombay Dyeing. Bombay Dyeing improved its margin from a meagre 0. 46 to about 10 in a few years time

Gross Profit Margin

2012

2011

2010

2009

2008

Arvind Mills

10. 61

10. 05

8. 44

5. 75

4. 17

Bombay Dyeing

9.32

8.57

13.28

0.46

3.25

LEVERAGE RATIO

Fixed assets turnover ratio:

This ratio helps in determining the efficiency with which fixed assets are utilized for generating profit. It is very important in manufacturing industries. Both the companies have had a similar ratio over these years except for 2009-11 where Bombay Dyeing was able to increase it above 1. Hence, there is still scope for improvement for both of them on this front.

Fixed assets turnover ratio

2012

2011

2010

2009

2008

Arvind Mills

0.96

0.84

0.77

0.85

0.84

Bombay Dyeing

0.89

1.62

1.42

1.17

0.88

Total debt to equity ratio:

This ratio is usually high for manufacturing industries which need lot of capital. Arvind Mills has this ratio well under control. But in case of Bombay Dyeing, it had risen to very high levels of 8-10 during 2009-10. This was the time when its Z-score was also very less. Though it has brought it down to below 1, which is better than the industry average of 1.5-2.

Debt/Equity ratio

2012

2011

2010

2009

2008

Arvind Mills

0.79

1.22

1.4

1.79

1.37

Bombay Dyeing

0.45

3.84

8.44

10.13

3.58

By looking at all the above ratios, it can be seen that there is a common link that Arvind Mills has been able to maintain a good performance over the last 5 years. On the other hand, Bombay Dyeing was struggling some 4-5 years back, and has improved its efficiency and performance drastically up to the current levels.

*Table in Appendix - Page 28, 29

INVESTMENT STRATEGY

ARVIND MILLS

Arvind Mills began as a manufacturer of textile but became known later for as the largest manufacturer of the country. After the affect on the performance of the company due to the increase in the price of cotton in mid 1990's, the company has been on the lookout for other areas of revenues other than just being an exporter of denims. It was with this intent that jeans brands like Ruf n Tuf, Flying Machine and Ruggers. This was also the time that it started facing serious financial problems. In 2007 true to its nature it started to invest again in brands and retail segment by creating Megamart. In 2010 Arvind launched The Arvind Store, a concept putting the company's best fabrics, brands and bespoke styling and tailoring solutions under one roof. It also started investing in real estate projects and has become the largest manufacturer of fire protection fabrics. The medium term strategy of Arvind Mills is now to improve ROCE from 105 to 18%, bring down its dependence on debt and reduce its dependence on denims by getting into other area of investment.

BOMBAY DYEING

The retail and the realty business of the Wadia Group are controlled by the Bombay Dyeing company itself. It has a distribution chain consisting of 600 plus exclusive shops throughout the country and also has 14 flagship stores for selling premium brands. The company now plans to create a portfolio of products for use across economic classes. The 'home & you' concept is the group's strategy in many segments, under which it will be offering wide range of. Bombay Dyeing already makes products for the home textiles segment. For the production it plans to source both in house and from outside. Their strategy is to sell what people want and not what they produce.

Bombay Dyeing has also entered in the real estate industry to diversify its risk. It has formed a real estate arm, Bombay Realty, which will develop real estate projects of the company and the land bank of the parent bank. The group claims to have 10000 acres of land across India. The firm has reportedly launched 2.5 million square feet of projects in Central Mumbai making it's the largest real estate development it has done till date. This diversification is being done in a bid to ensure a consistent cash flow to help a turnabout of the company.

NEW PRODUCT DEVELOPMENT/ INNOVATIONS

BOMBAY DYEING

E-magic bed sheets: Launched a new range of Bed sheets with properties of Vitamin E called E Magic to promote the idea of healthy living and a great lifestyle. This new range boasts of new contemporary and modern designs with bold and passionate colours. Taking the world of home furnishings to a <https://assignbuster.com/financial-analysis-of-the-textile-industry/>

completely different level, the E Magic collection from Bombay Dyeing promises to create a bench mark for the brand. This luxury driven soft cotton satin, high thread count bed linen has vitamin E stored as microcapsules in the threads during the process of weaving. When rubbed against the skin, the microcapsules break to release vitamin E. Vitamin E is absorbed much better through the skin especially while sleeping, resulting in a radiant looking skin. The properties of Vitamin E that encapsulated in the bed sheets last for over 20 washes and thus, the value for money spent is also justified.

Aroma Rich Bed sheets: This luxurious soft cotton satin, high thread count bed linen is lightly fragranced with pleasant natural aroma that boosts relaxation and enhances sleep. During the production process, use of a touch of microencapsulated fragrance helps to deliver a mild aroma as the skin rubs against the fabric during usage.

ARVIND MILLS

Arvind Mills has brought out new stock for its domestic brands like Flying Machine by studying the latest fashion styles and fads to appeal to its target markets. It has primarily focused on delivering high quality products to its customers and licensed partners like Tommy Hilfiger etc. It has also developed a few process related technologies for better manufacturing productivity and quality.

INNOVATIONS

Bombay Dyeing has been an innovative company in the sense that it has constantly differentiated itself from others using innovative techniques in printing, raw materials and processes. The aroma rich and e magic line-up is

testament to its capabilities in manufacturing highly innovated products, thus adding better value to its customers.

Arvind Mills is focussed on delivering high quality products to its licensed partners and its product line exists to the entire value chain no new product offerings have been made to the customers. It is also not a very innovative company as they have innovated very little in the textile front, focussing mainly on improving technology to keep its processes up to date. This is evident in the fact that Arvind continuously modifies its production process to enhance flexibility on the use of various types and quality of cotton. To further meet customer needs, Arvind has also introduced a new dyeing and processing method for denims.

PAYOUT POLICY

BOMBAY DYEING

The company's turnover for the year rose to Rs. 2403 from Rs. 2014 crores in the previous year, registering a growth of 19.3%. The revenue from Real Estate Division rose sharply from Rs. 240 crores in the previous year to Rs. 575 crores in the current year. The Textile division registered a growth of 10% with a turnover of Rs. 439 crores as compared to the previous year of Rs. 399 crores. Polyester Staple Fiber (PSF) division registered a turnover of 1,381 crores compared to Rs. 1369 crores in the previous year. The company earned a