

RUPA & COMPANY LIMITED

Annual Report 2010-2011



INDIA'S NO. 1 KNITWEAR COMPANY AND LARGEST HOSIERY MANUFACTURER.

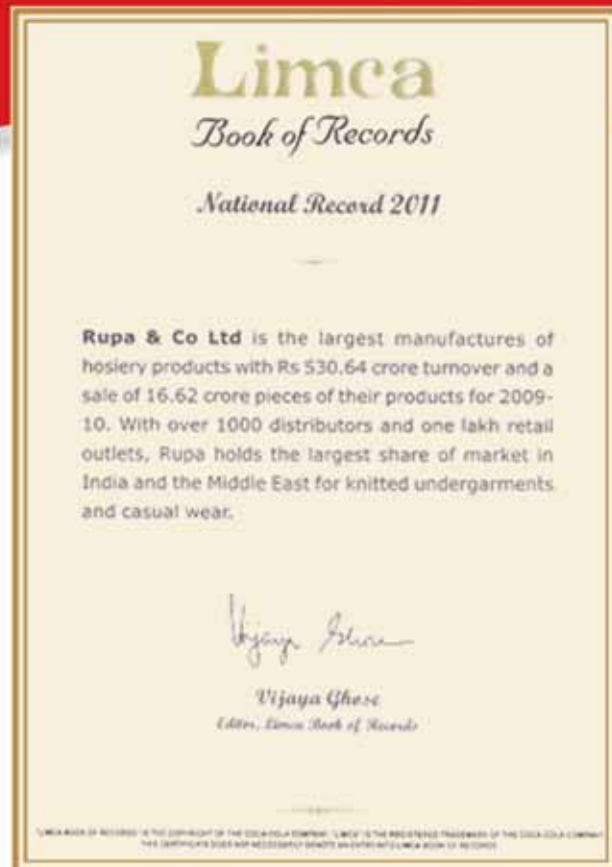






Shri Prahlad Rai Agarwala
The mentor inspiring our growth

Awards & Accolades 2010-11



Limca Award, 2011



Master Brand Recognition



Master Brand Award

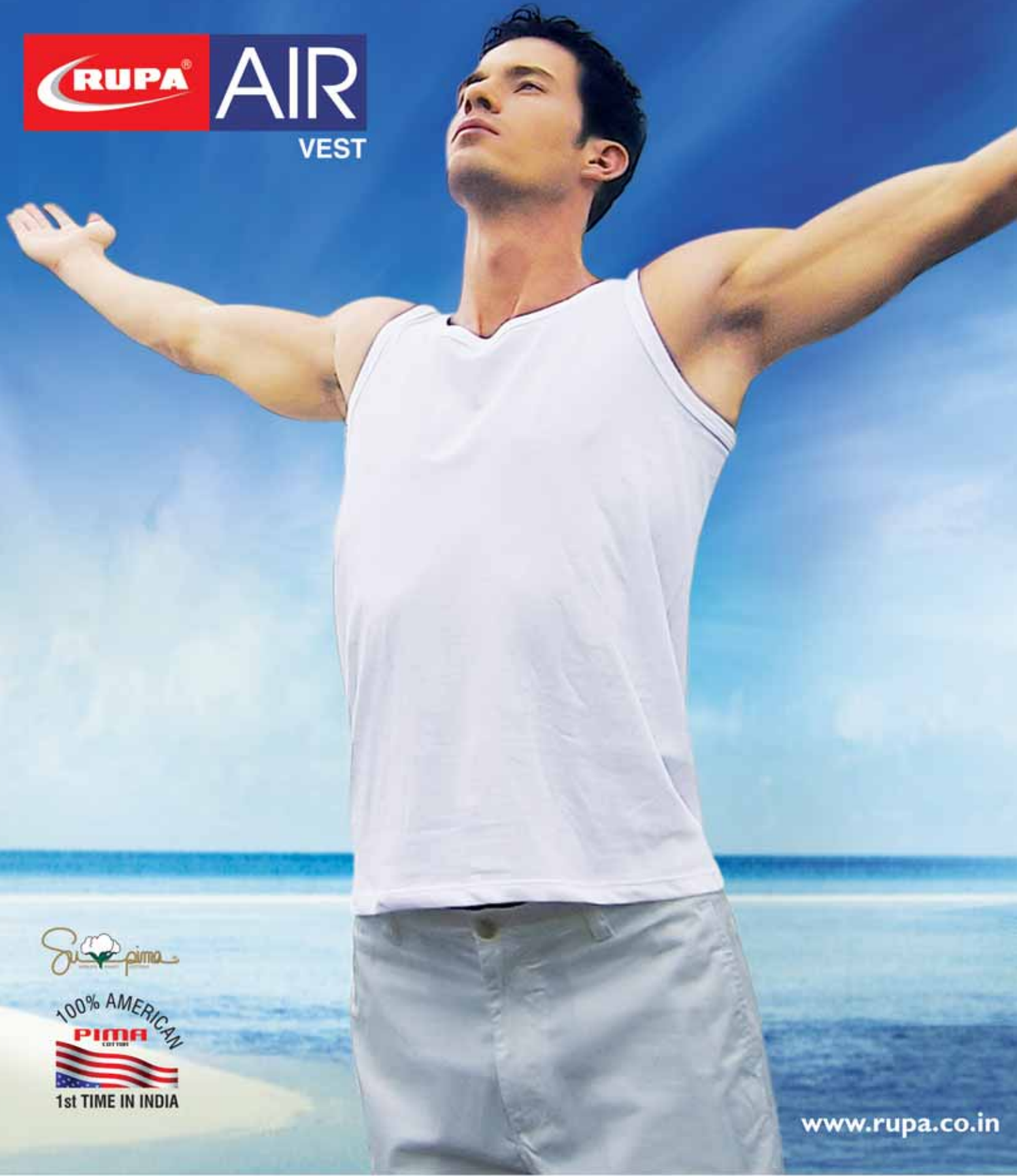


Global Brand
Excellence Award



The Sixth Annual
Fashion Award

First time in India a vest that feels like air!



www.rupa.co.in

A man with dark hair and a slight smile, wearing a white tank top, is positioned on the right side of the advertisement. The tank top features a small logo on the left chest.

RUPA
Frontline

***YEH ARAM KA
MAMLA HAI!***

VESTS - BRIEFS - DRAWERS

Figo Brief

EURO
fashion inners

PREPARE TO GET
ASSAULTED!

★ EURO ★ EURO ★ EURO

Shop online at www.eurofashions.in

RUPA & COMPANY LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri P. R. Agarwala, *Chairman*
Shri G. P. Agarwala, *Vice Chairman*
Shri K. B. Agarwala, *Managing Director*
Shri Ramesh Agarwal
Shri Mukesh Agarwal
Shri Shree Krishna Khaitan
Shri Radhe Shyam Agarwal
Shri Sushil Patwari
Shri Dharam Chand Jain
Shri Vinod Kumar Kothari

COMPANY SECRETARY

Priya Punjabi Agarwal

AUDITORS

M/s L. B. Jha & Co.
Chartered Accountants
GF-I, Gillander House
8, N. S. Road
Kolkata - 700 001

BANKERS

Indusind Bank Ltd.
State Bank of India
Citibank N.A.
Standard Chartered Bank

REGISTERED OFFICE

Metro Tower, 8th Floor
1, Ho Chi Minh Sarani
Kolkata - 700 071
Email : info@rupa.co.in

REGISTRAR & SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001

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DIRECTORS' REPORT

Dear Shareholders

Your Directors have great pleasure in presenting their Twenty Sixth Annual Report together with the Audited Financial Statements of the Company and Auditors' Report for the year ended March 31, 2011.

FINANCIAL RESULTS

The highlights of the financial results for the year 2010-2011 are as follows :

(Amount in ₹)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Sales & Other Income	6,397,976,514	5,233,334,258
Total Expenditure	5,728,384,592	4,772,266,240
Gross Profit before Interest, depreciation & Tax	669,591,922	461,068,018
Less : Interest & Finance Charges	143,520,089	56,991,397
Gross Profit after Interest but before Depreciation and Taxation	526,071,833	404,076,621
Less : Depreciation	45,802,123	35,491,782
Profit before Tax	480,269,710	368,584,839
Less : Provision for Tax	118,000,000	122,500,000
Provision for Deferred Tax	41,863,037	4,676,736
Prior Period Adjustment	225,129	—
Profit after Tax	320,181,544	241,408,103
Add : Surplus brought forward	483,220,252	327,088,336
Surplus Available	803,401,796	568,496,439
Appropriation :		
Transfer to General Reserve	25,000,000	25,000,000
Proposed Dividend	79,524,560	51,690,964
Tax on Proposed Dividend	12,900,872	8,585,223
Balance carried to Balance Sheet	685,976,364	483,220,252

OPERATIONS

The Company has achieved a growth of 22.80% in Sales & Income from Operations during the year under review over the previous year. The Sales & Income from Operations including other income during the year under review is ₹ 6,397,976,514 as against ₹ 5,233,334,258 in the previous year. Your Company has also achieved a growth of 45.23% in Gross Profit before Interest, Depreciation and Tax & 32.63% in Profit after Tax respectively during the period under review



DIRECTORS' REPORT

over the previous year. The Gross Profit before Interest, Depreciation and Tax during the year under review is ₹ 669,591,922 as compared to ₹ 461,068,018 in the previous year. The Profit after Tax for the year under review is ₹ 320,181,544 as against ₹ 241,408,103 in the previous year.

SUBSIDIARY

Your Company has Wholly Owned Subsidiaries -

- M/s Euro Fashion Inners International Private Ltd which is engaged in selling hosiery products under the brand name "EURO" which are premium products designed for the taste of upper-class consumers.
- M/s Imoogi Fashions Private Limited which is engaged in manufacturing, processing and selling hosiery and outer fashion wear products, especially for children between the age of 0-12 years under the brand name "Imoogi".

DIVIDEND

Considering the financial performance of your Company during the Financial Year 2010-2011 and with a view to meet the twin objectives of rewarding shareholders adequately and retaining resources to meet your Company's business requirements, your Directors are pleased to recommend a dividend of ₹ 1.00 per share (100%) for the Financial Year 2010-2011 (Previous year 65%).

DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

DIRECTORS

Mr. Radhe Shyam Agarwal, Mr. Sushil Patwari and Mr. Dharam Chand Jain retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, the following form part of this Annual Report:

- i) Management Discussion and Analysis;
- ii) Corporate Governance Report;
- iii) Auditors' Certificate regarding compliance of conditions of Corporate Governance.
- iv) Declaration duly signed by Mr. Kunj Bihari Agarwala, Managing Director to the effect that all Board Members and Senior Management Personnel of the company have affirmed compliance with the code of conduct as laid down by the Company.

AUDITORS

The Auditors M/s. L. B. Jha & Co., retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, Your Directors state that :

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures ;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year 2010-2011, and of the profit of the Company for that period ;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (d) the Annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

Remuneration of Chairman, Vice-Chairman and Managing Director is given under Corporate Governance Report. Except Chairman, Vice-Chairman and Managing Director, none of the employees of the Company was in receipt of remuneration which requires disclosures under Section 217(2A) of the Companies Act, 1956 and the Rules made therein.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the concerned details relating to energy conservation, technology absorption, foreign exchange earnings and outgo are given in Annexure - I attached hereto ,which forms part of this Directors' Report.

PARTICULARS REQUIRED AS PER LISTING AGREEMENT WITH STOCK EXCHANGE

A statement containing necessary information as required under the Listing Agreements with the Stock Exchanges is annexed hereto as Annexure 'II'.

ACKNOWLEDGEMENTS

Your Directors express their deep and sincere appreciation for the continued cooperation and support extended to the Company by the Government authorities, Company's Bankers, Financial Institutions, Vendors, Customers and Shareholders during the year under review. Your Directors also express and convey their warm appreciation to all employees for their diligence and contribution to the growth of the Company.

For and on behalf of the Board of Directors

Place : Kolkata

Dated : The 30th day of May, 2011

Prahlad Rai Agarwala
Chairman

ANNEXURE to the Directors' Report

ANNEXURE - I TO THE DIRECTORS' REPORT

Information as required under Section 217(1)(e) read with Companies (Disclosure of Particulars in respect of Board of Directors) Rules, 1988

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

Research and Development is being carried out by the Company in the areas of product design & marketing. Due to continuous efforts and development, products of your Company enjoy premium position in the market. Other provisions of Section 217(1)(e) of the Companies Act, 1956 with regards to conservation of energy & technology absorption are not applicable to your Company.

Foreign Exchange Earnings & Outgo	(Amount in ₹)
Foreign Exchange Earning	60,580,386
Foreign Exchange Outgo	43,133,414

ANNEXURE - II TO THE DIRECTORS' REPORT

The Securities of the Company are listed in the Stock Exchanges as stated below and the annual listing fees have been paid to each of the Exchange :

The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata - 700 001

Jaipur Stock Exchange Limited
Stock Exchange Building
Jawaharlal Nehru Marg
Malvia Nagar, Jaipur - 302 017

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW & FINANCIAL HIGHLIGHTS

Rupa & Company Limited is the largest knitted innerwear products company in India and has received the coveted "Limca Book of Records" for the past consecutive 6 years for the same. For the financial year ended March 31, 2011, the Sales of your Company have increased to ₹ 65,003.38 Lacs as compared to ₹ 53,248.22 Lacs in the previous year, a growth of 22.08%.

The EBITDA was ₹ 6,993.78 Lacs as compared to ₹ 4,790.36 Lacs in the previous year, a growth of 46% whereas the Profit after Tax (PAT) was ₹ 3,370.05 Lacs as compared to ₹ 2,518.57 Lacs in the previous year, a growth of 33.81%. Out of the amount available for appropriation, your Directors recommend a dividend of 100% aggregating to ₹ 795.25 Lacs (Previous Year - ₹ 516.91 Lacs) on equity shares of face value of ₹ 1 per share. The dividend tax on the dividend recommended will be ₹ 129.00 Lacs (Previous Year - ₹ 85.85 Lacs). Your company's Reserve & Surplus has also been grown by 18.08% from ₹ 13,528.65 Lacs in FY 2010 to ₹ 15,974.33 Lacs in FY 2011.

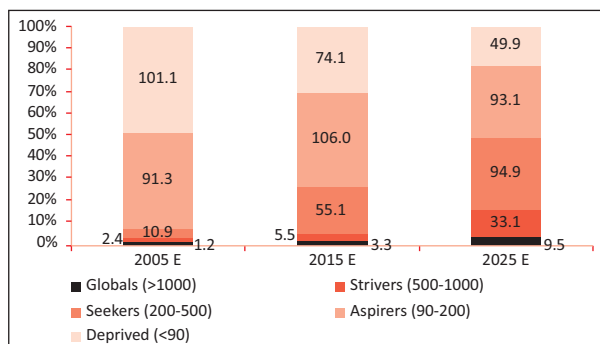
Your Company continues its task to build business with long-term goals based on intrinsic strength in terms of its powerful brands, experienced management team, stringent quality assurance system, extensive distribution network and customer relationships.

ABOUT OUR BRANDS

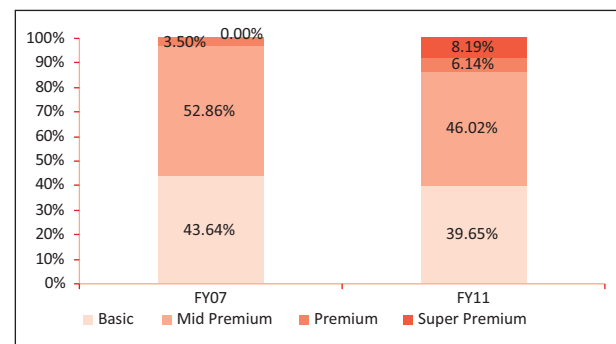
Your Company owns a bouquet of leading knitted innerwear & intimate wear brands in India with flagship brands "Rupa", "Frontline", "Jon", "Air", "Macroman", "Macroman M 'Series", "Euro", "Bumchums" and "Thermocot". The Company has a wide array of products (managing over 2000 stock keeping units "SKUs") catering to the innerwear, casual wear and thermal wear markets for men, women and kids both for rural and urban India. Your Company caters to all product segments across all distinct product categories of the intimate wear vertical covering the Basic, Mid Premium, Premium and Super Premium segments. Your Company has recently launched apparel for kids under the brand "IMOOGI".

Further, product sales and brands of your Company represent the Indian population both in terms of demography and income levels. Rupa's Sales Mix is directly related with the Indian Household's consumption habit relating to innerwear category of Basic, Mid Premium, Premium and Super Premium. As per the Mckinsey Report, the shape of India's household will change dramatically as the income of the people grows.

Household Consumption Pattern



Rupa's Segmental Sales Breakup



	Household Category	Household Income brackets, in ₹ '000'	McKinsey Global Institute Classification
	Basic	<90	Deprived
	Mid Premium	90-200	Aspirers
	Premium	200-500	Seekers
	Super Premium	>500	Strivers & Globals



MANAGEMENT DISCUSSION AND ANALYSIS

It can be clearly seen from the above graph and table that owing to increase in income levels, there is expected a shift in households towards the Seekers & Strivers which are catered through the premium and super premium segments of your company. Presently the Sales mix of your company's products are similar with the categorisation of households and going forward with its foundation laid in the premium and super premium categories, your company is poised to extract maximum benefit from the shift in households.

OVERVIEW OF THE INDIAN ECONOMY

India's GDP at factor cost grew faster at 8.5% in 2010-11 as compared to a 6.8% growth in 2008-09. This is mainly led by robust growth in farm output which surged to 6.6% in 2010-11 as compared to a less than 1% growth over the past 2 years. While the services sector recorded a 9.4% growth industry grew by 7.9% in 2010-11. Both private consumption and fixed investment grew faster at 8.6% in 2010-11 as compared to 7.3% each in 2009-10. International trade performed extremely well as overall exports, at USD 246 billion, exceeded the annual target of USD 200 billion by a significant margin.

On an average, expenditure on textiles contributed 7.5% to total private consumption expenditure between 2004-05 and 2009-10. In absolute terms, it contributed ₹ 2,202 billion towards total private consumption in 2009-10. Within textiles, the clothing segment accounted for 84-87% of total private consumption towards textiles. On an overall basis, the clothing segment contributed 6.4% of total private consumption in 2009-10. In absolute terms, private consumption for clothing segment stood at ₹ 1,870 billion.

INDUSTRY STRUCTURE AND DEVELOPMENTS

A. Readymade Garments (RMG) Industry

The Indian RMG industry can be classified on the basis of geographical areas into Domestic and Export segments. In 2010, the total expenditure on RMG in India was an estimated ₹ 1,219 billion, whereas the industry's turnover from garment exports was about ₹ 491 billion (US\$11.4 billion). On an overall basis, the domestic RMG market is estimated to have recorded a 6.2% CAGR over the last 5 years (2005 to 2010). Going forward, it is expected to grow by 10.7% CAGR between 2010 and 2015.

About 70% of India's total population still resides in rural areas and contributes nearly 55% to the total RMG industry in value terms. Over the past 5 years (2005 to 2010), demand from the rural market grew higher at a 7.0% CAGR as compared to a 5.3% growth in the urban market.

Rural markets are becoming increasingly important for readymade garments manufacturers, as increasing penetration in these markets reduces their dependence on urban markets, where demand is typically dependent on growth in the manufacturing and services sectors as well as the state of the financial markets. On the contrary, growth in rural areas primarily stems from agriculture and government programs such as National Rural Employment Guarantee Act (NREGA) etc.

B. Innerwear Industry

According to CRISIL Research's estimates, the Indian innerwear market was worth about ₹ 130 billion in value terms in 2010. It is estimated to have recorded a CAGR of 12.7% over the past 4 years (2006 to 2010) in value terms. CRISIL Research expects the Indian innerwear industry (value terms) to post a 15.9% CAGR over the next 5 years (2010 to 2015). In volume terms, the domestic innerwear industry grew by 6% over the past 4 years (2006 to 2010) and is expected to grow by 9.8% over the next 5 years (2010 to 2015).

The innerwear industry in India is divided into various segments viz. Economy, Mid Premium, Premium and Super-premium. In value terms, the innerwear industry is dominated by the economy segment, consisting of products that are priced below ₹ 100. The economy and mid-market segment together comprise of more than 88% of the total domestic innerwear market as of 2010. Your Company is present across all the segments and predominantly caters to the Mid Premium segment.

Over the next 5 years (2010 to 2015), in value terms, both men's innerwear and women's lingerie segments are expected to grow strongly by 17.3% and 14.8% CAGR, respectively. This indicates that going forward the men's innerwear

MANAGEMENT DISCUSSION AND ANALYSIS

will outperform the women's lingerie market in value terms. Over the next 5 years (2010 to 2015), the men's innerwear segment is expected to grow slightly faster (10% CAGR) than the women's lingerie segment (9.6% CAGR) in volume terms.

In terms of geographical mix, the rural market dominates the demand for innerwear in India. In 2010, rural market is estimated to have contributed 62.7% of the total domestic innerwear industry primarily due to higher rural population. CRISIL Research expects demand from rural market to grow by 17.4% CAGR and urban market by 13.1% CAGR over the next 5 years (2010 to 2015). Higher rural market growth would be due to lower penetration of branded readymade garments as compared to urban market.

C. Growth Drivers

India has always been viewed as a huge potential market for consumer products due to its favourable demographics. According to the provisional data released by Census 2011 India's population stands at 1.210 billion of which 52% are male and 48% female. According to the latest large sample survey of NSSO, for the year 2004-05, 58.8% of the total population was employed. In the urban markets demand is typically dependent on growth in manufacturing, services sectors and the state of the financial markets. On the contrary, growth in rural areas primarily stems from agricultural growth and government programs such as NREGA, Prime Minister's Employment Generation Program (PMEGP) etc.

The main growth drivers of demand for the innerwear industry are :

- Increasing income levels and high spending power
- Growing urbanization
- Growth in penetration of organized retail
- Increasing penetration of electronic media leading to greater preference for branded products

OPPORTUNITIES & THREATS

According to a summary issued by the Ministry of Textiles the total cloth production increased by 5.8% during February, 2011 as compared to February, 2010 and the highest growth was observed in the Hosiery sector at 9.1%. The Emerging Retail Industry and Malls also provide huge opportunities for the Apparel, Handicraft and other segments of the industry. The Ministry has regularly taken initiatives to promote the sector, the Union Budget 2011-12 entailed some remarkable boosts for the textile and hosiery sector-

- Allocation of ₹ 31,000 crores are made under TUFS to facilitate clearing arrears of interest subsidy
- Launch an extensive skill development program by leveraging the strength of existing institutions and instruments of the Ministry of Textiles
- Proposal to introduce scheme for refund of taxes, paid on services used for export of goods
- Reduction in custom duty for textile products

The various measures adopted by the government to assist the textile industry have thrown up opportunities for fundamentally strong companies such as your Company. It also has an edge in the form of strong domain expertise, powerful brand positioning, strength and resilience of the brands, fully integrated state of the art production facilities, cutting-edge technology and unparalleled product innovation capabilities combined with the deep retail market penetration, which provides a highly potent platform to seize the opportunities that are bound to arise during cyclical downturns in the form of newer markets, new segments of customers, new channels of distribution etc.

The entry of multinational brands, while increasing competition, will also help drive innerwear industry growth as consumers get increasingly aware and brand conscious. Many of these brands are in the premium & super premium category and the emergence of higher price points at retail destinations will create opportunity for brands with value proposition i.e Fashion with Quality at reasonable prices. Your Company with its strong brands straddling each key segment is well positioned to gain from this trend.

MANAGEMENT DISCUSSION AND ANALYSIS

The textile industry has to bear with the fluctuation in raw material prices as there is a time lag between procurement of raw materials and introducing the finished products in the market. Though the rise in prices is mostly passed on to the consumers similarly decrease in prices is also passed on to the consumers. However, the Company needs to absorb the difference during the process.

The union budget 2011-12 has withdrawn exemption to all goods bearing a brand name or sold under a brand name and imposed a levy of excise duty at 10.3% on all products of hosiery and textile industry cleared under a brand name. This has increased competition from the dominant unorganized regional players in the industry.

RISKS & CONCERNS

The biggest risk in recent times has been the impact of macro events on consumer sentiments like new or changing fashion trends in times of financial crisis, impact on the consumer confidence and has a protracted impact on discretionary spending. India has witnessed a strong recovery but with rising volatility in global markets, higher inflation, the risk of financial contagion can potentially undermine the consumer sentiment which has revived. Increasing competition can also result in pricing pressure as other players offer discounts and extend sale proceeds to drive revenue growth. Your Company has a bouquet of brands which cater to classes as well as masses.

The branded innerwear & apparel industries need continuous product innovation to track fashion trends and changes in consumer preferences. The ability to create products in line with changing trends at affordable price points is critical to maintain the brand pull and connect with the consumer. Your company has a de-risked business model that focuses on creating brands and follows the model of outsourcing for manufacturing of products and therefore investment in fixed assets is low. The entire procurement and handling of the materials is controlled by your company and the same is outsourced to independent job work firms for manufacturing only. Your Company has a state of the art dyeing and bleaching facility to ensure the best quality color products at Domjur, West Bengal and knitting facilities at Domjur, West Bengal and Tirupur, Tamil Nadu. Further, your Company has strong controls on logistic and supply chain management (SCM) leading to better inventory controls.

Your Company has high working capital requirement in its business and any adverse change in interest rates may affect the margins and the profitability of your company. To overcome this, your Company optimizes the entire requirement through both internal cash flows and loan from banks & financial institutions. Further, your Company enjoys excellent relationship with the banks & financial institutions and has been assisted with lending at very competitive rates in the market.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company places prime importance to effective internal controls as well as good internal audit system. The internal control is supplemented by an extensive program of internal audit headed by an internal audit firm of Chartered Accountants to monitor adherence to all internal policies and procedures as well as compliance with all external regulatory guidelines, review by management, and policies, guidelines and procedures duly approved by the Audit Committee of the Board of Directors.

The Company has a system of internal control comprising authority levels, supervision, checks and balances and procedures. The system is reviewed and updated on an on going basis with an objective to improve systems and efficiency of operations. It is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets.

HUMAN RESOURCES

The Company recognizes the need to have optimum level of human resource and orientation towards team efforts for sustained growth and performance. Your Company believes that people constitutes the strength of an organization and has established systems that reduces hierarchy and fosters performance, transparency, fairness and empowerment at all levels.

The relations with Company's work force continue to be very cordial and their unstinted co-operation has enabled the

MANAGEMENT DISCUSSION AND ANALYSIS

unit to achieve continuous growth, both quantitatively and qualitatively. The Commitment of the workforce is one of the strong pillars for the sustenance of growth in the years ahead. Your company continued to maintain excellent industrial relations with all its employees and independent job work firms. Adequate safety and welfare measures are in place and your company will continue to improve the same on ongoing basis.

SEGMENT-WISE PERFORMANCE

The Company broadly has 3 primary segments viz., Sales, Services & Power Generation and 2 geographical segments viz. Domestic and Exports. The revenues generated under each segment have been narrated in Schedule to the Accounts.

FUTURE OUTLOOK

Your Company has achieved a significant growth at all levels and has grown by 22.08%, 46.00% and 33.81% in Sales, EBIDTA and PAT respectively. It has been constantly following emerging market trends and has accordingly from time to time revamped its marketing strategies and product portfolios. The Company is trying to come up with some new products and ranges of inner and casual wears according to changing consumer needs and demands and is on the path to becoming a lifestyle solution for discerning customers with an offering of a range of fabrics, garments and accessories in a premium shopping environment. In line with our vision we have launched an outer fashion wear for kids between the age group of 0-12 years under the brand name "Imoogi".

Your Company will penetrate further into the domestic market and continuously grow in current format of distribution. Apart from this, your company will establish its presence in Multi Brand Outlets (MBOs) and the Large Retail Formats (LFRs) space in India. In International market, your company will consolidate its presence in Middle East markets and penetrate further in the emerging International markets.

CAUTIONARY STATEMENT

Statements in this 'Management Discussion and Analysis' detailing the Company's objectives, estimates, expectations or predictions may be 'forward -looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply condition, cost of inputs, finished goods prices, changes in government regulations, tax regimes etc.

We assume no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events. Actual results may differ from those expressed or implied herein.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is a system by which corporate entities are directed and controlled encompassing the entire mechanics of the functioning of a Company. Good corporate governance practices are a sine qua non for sustainable business that aims at generating long term value to all its shareholders and other stakeholders.

Your Company believes that Strong governance standards focusing on fairness, transparency, accountability and responsibility are vital not only for the healthy and vibrant corporate sector growth, as well as inclusive growth of the economy. The Company has always focused on good corporate governance, which is a key driver of sustainable corporate growth and long term value creation for its shareholders. The Company has proactive measures to periodically review and revise the Corporate Governance practices by subjecting business processes to audits and checks that measure up to the required standards. The Company believes that Corporate Governance is not just limited to creating checks and balances; it is more about creating organization excellence leading to increasing employee and customer satisfaction and shareholders wealth. The Company always endeavors to leverage its human and capital resources to translate opportunities into reality, create awareness of corporate vision and spark dynamism and entrepreneurship at all levels

2. BOARD OF DIRECTORS

(a) Meetings held :

The Company Board comprises of ten directors as on March 31, 2011. The Chairman is an Executive Director, and half of the Board consists of Independent Directors. During the financial year ended March 31, 2011, five Board Meetings were held on May 15, 2010, August 14, 2010, September 7, 2010, November 13, 2010 and February 10, 2011.

(b) Composition of the Board & Attendance of Directors in Meetings :

The Composition of the Board of Directors as on March 31, 2011 & the attendance of each Director at the Board Meetings and also at the last Annual General Meeting (AGM) and the number of other Directorships and Board Committee Memberships/Chairmanships including changes since the last report are as follows :

Name of Director	Category	Attendance Particulars		Number of other Directorships and Committee Position held #		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Prahlad Rai Agarwala (Chairman)	Executive & Non-Independent	5	No	2	—	—
Mr. Ghanshyam Prasad Agarwala (Vice-Chairman)	Executive & Non-Independent	4	No	1	—	—
Mr. Kunj Bihari Agarwala (Managing Director)	Executive & Non-Independent	5	Yes	1	—	—
Mr. Mukesh Agarwal	Executive & Non-Independent	3	No	4	—	—
Mr. Ramesh Agarwal	Executive & Non-Independent	5	No	10	1	1
Mr. Shree Krishna Khaitan	Non-Executive & Independent	5	No	6	1	—
Mr. Radhe Shyam Agarwal	Non-Executive & Independent	3	No	8	1	—
Mr. Dharam Chand Jain	Non-Executive & Independent	5	No	—	—	—
Mr. Sushil Patwari	Non-Executive & Independent	5	No	5	2	—
Mr. Vinod Kumar Kothari	Non-Executive & Independent	3	Yes	3	3	—

REPORT ON CORPORATE GOVERNANCE

Excludes Directorships held in Private Limited Companies/Foreign Companies/Companies under Section 25 of the Companies Act, 1956. Only Membership/Chairman of Audit Committee and Shareholders' Investors Grievance Committee has been considered.

None of the above Directors is a Director in more than 15 companies or a member in more than 10 Board Committees or acts as the Chairman of more than 5 such Committees across all companies in which he is a Director.

(c) Directors seeking appointment/re-appointment at ensuing AGM :

Mr. Radhe Shyam Agarwal, Mr. Sushil Patwari and Mr. Dharam Chand Jain, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

The particulars of directors seeking appointment/re-appointment at the ensuing Annual General Meeting is mentioned below :

Name of Director	Mr. Radhe Shyam Agarwal	Mr. Sushil Patwari	Mr. Dharam Chand Jain
Date of Birth	January 06, 1946	July 20, 1954	August 28, 1946
Qualification	F.C.A., F.C.S., M.Com, LLB	B.Com	B.Com
Date of appointment	February 01, 2003	November 17, 2003	March 31, 2003
Expertise in specific functional areas	Industrialist, Finance and Legal	Industrialist, Finance and Legal	Industrialist
List of other Public Ltd. Companies in which directorship held	1) Emami Paper Mills Limited 2) Emami Limited 3) South City Project (Kolkata) Limited 4) AMRI Hospitals Limited 5) Emami Realty Limited 6) Bengal South City Matrix Infrastructure Limited 7) Bengal Anmol South City Infrastructure Limited 8) Bengal NRI Complex Limited	1) Reliance Processors Ltd. 2) Nagreeka Exports Ltd. 3) Nagreeka Capital & Infrastructure 4) Nagreeka Foils Ltd. 5) Jaidka Motor Company Ltd.	None
Chairman/Member of the committees of the Board of Directors of other Companies in which he is a Director	Audit Committee : 1) Emami Paper Mills Limited Remuneration Committee : None Shareholders/Investors Grivance Committee : None	Audit Committee : None Remuneration Committee : None Shareholders/Investors Grivance Committee : 1) Nagreeka Exports Ltd. 2) Nagreeka Capital & Infrastructure Limited	Audit Committee : None Remuneration Committee : None Shareholders/Investors Grivance Committee : None

REPORT ON CORPORATE GOVERNANCE

3. AUDIT COMMITTEE

(a) Broad Terms of Reference :

As on March 31, 2011 the Audit Committee comprised of five members, three of them were Non-Executive & Independent. All members are having financial and accounting background. The Company Secretary of the Company acts as Secretary of the Audit Committee.

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following :

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956, as amended;
 - ii) Changes, if any, in accounting policies and practices along with reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions; and
 - vii) Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with the internal auditors any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower Mechanism, in case the same is existing;
- Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and

REPORT ON CORPORATE GOVERNANCE

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the Listing Agreement as and when amended from time to time.

(b) Composition of the Committee & Meetings attended :

The following table shows the composition, names of members and Chairman and the details of meetings and attendance during the year :

Name of Member	Status	Meetings held during the year and Attendance				
		May 15, 2010	Aug 14, 2010	Sept. 07, 2010	Nov. 13, 2010	Feb. 10, 2011
Mr. Vinod Kumar Kothari	Chairman	Present	Absent	Present	Absent	Present
Mr. Sushil Patwari	Member	Present	Present	Present	Present	Present
Mr. Shree Krishna Khaitan	Member	Present	Present	Present	Present	Present
Mr. Mukesh Agarwal	Member	Present	Absent	Present	Present	Absent
Mr. Ramesh Agarwal	Member	Present	Present	Present	Present	Present

Mr. Vinod Kumar Kothari Chairman of the Audit Committee attended the last Annual General Meeting held on September 30, 2010 and replied to the queries related to Accounts to the satisfaction of the shareholders.

4. REMUNERATION COMMITTEE

(a) Broad Terms of Reference :

The Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following :

- Reviewing, assessing and recommending the appointment of Executive/Non-Executive Directors and senior employees;
- Reviewing the remuneration packages of Executive/Non-Executive Directors and senior employees;
- Recommending payment of compensation in accordance with the provisions of the Companies Act, 1956, as amended;
- Considering and recommending grant of employees stock option, if any, and administration and superintendence of the same; and
- Carrying out any other function contained in the listing agreements, as and when amended from time to time.

(b) Composition of the Committee :

Name of Member	Category
Mr. Shree Krishna Khaitan	Non-Executive & Independent
Mr. Sushil Patwari	Non-Executive & Independent
Mr. Vinod Kumar Kothari	Non-Executive & Independent

(c) Meetings & Attendance :

One meeting of the Remuneration Committee was held on February 10, 2011 during the financial year. Mr. Vinod Kumar Kothari presided over the meeting. The following members were present :

- Mr. Shree Krishna Khaitan
- Mr. Sushil Patwari
- Mr. Vinod Kumar Kothari

REPORT ON CORPORATE GOVERNANCE

(d) Details of Remuneration of Directors for the financial year ended March 31, 2011 are given below :

Name of Directors	Salary & Allowances (₹)	Commission (₹)	Perquisites (₹)	Sitting Fees (₹)	Total (₹)
Mr. Prahlad Rai Agarwala (Chairman)	3,600,000	1,200,000	558,957	–	5,358,957
Mr. Ghanshyam Prasad Agarwala (Vice-Chairman)	3,000,000	–	610,547	–	3,610,547
Mr. Kunj Bihari Agarwala (Managing Director)	3,000,000	–	773,551	–	3,773,551
Mr. Ramesh Agarwal	1,800,000	–	–	–	1,800,000
Mr. Mukesh Agarwal	1,800,000	–	–	–	1,800,000
Mr. Shree Krishna Khaitan	–	–	–	180,000	180,000
Mr. Radhe Shyam Agarwal	–	–	–	60,000	60,000
Mr. Dharam Chand Jain	–	–	–	100,000	100,000
Mr. Sushil Patwari	–	–	–	180,000	180,000
Mr. Vinod Kumar Kothari	–	–	–	100,000	100,000
Total	13,200,000	1,200,000	1,943,055	620,000	16,963,055

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

(a) Broad Terms of Reference :

Terms of Reference for the Shareholders'/Investors' Grievance Committee :

The Shareholders'/Investors' Grievance Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Redressal of investors' complaints;
- Allotment of shares, approval of transfer or transmission of equity shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc;
- Non-receipt of declared dividends, balance sheets of the Company, etc; and
- Carrying out any other function contained in the listing agreements, as and when amended from time to time.

(b) Composition of the Committee, Meetings & Attendances :

- The Composition of the committee and the details of meetings and attendance of members during 2010-11 are as follows :

Name of Directors	Status	Category	No. of Meetings Attended
Mr. Shree Krishna Khaitan	Chairman	Non-Executive & Independent	2
Mr. Sushil Patwari	Member	Non-Executive & Independent	2
Mr. Mukesh Agarwal	Member	Executive & Non-Independent	1

- Number of Committee Meetings held during the Year : Two

- Dates on which the Meetings of the committee were held are November 13, 2010 and February 10, 2011.

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(c) **The status of investors' queries/complaints is as follows :**

No of investor queries/Complaints received during the year ended 31st March, 2011	No of investor grievances pending at the end of the year	No of pending share transfers as on 31st March, 2011
4	Nil	Nil

The Company attends to the investor grievances/correspondences expeditiously and usually a reply is sent within 10 days from the date of receipt of the same. No request for transfer was pending for approval as on March 31, 2011.

(d) **Compliance Officer :**

Company Secretary is the Compliance Officer.

6. PREFERENTIAL ISSUE AND ALLOTMENT COMMITTEE

The Preferential Issue and Allotment Committee of Directors was constituted in F.Y. 2008-09.

(a) **Broad Terms of Reference :**

- To decide and take such steps as per SEBI Guidelines and Listing Agreement as might be required for the preferential issue of shares from time to time.
- To take all such steps and to do all such acts, deeds and things as may be necessary or incidental as per relevant SEBI Guidelines and Listing Agreement for the preferential issue of shares.
- To ensure Compliances of rules, regulations, guidelines, notices and circulars issued from time to time by SEBI, Designated Stock Exchange(s), NSDL, CDSL and/or such other authority as may be necessitated.

(b) **Composition :**

The Committee, as on 31.3.2011 comprised of -

Shri P. R. Agarwala	Chairman
Shri K. B. Agarwala	Member
Shri D. C. Jain	Member

(c) **No of Meetings and attendances :**

No meeting of the committee was held during the year.

7. GENERAL BODY MEETINGS

(a) **Details of Location and time where last three AGMs were held are as follows :**

Year	Location	Date	Time
2007-2008	Merchants' Chamber of Commerce Somani Conference Hall 15B, Hemanta Basu Sarani, Kolkata - 700 001	30.09.2008	11.00 A.M. IST
2008-2009	Merchants' Chamber of Commerce Somani Conference Hall 15B, Hemanta Basu Sarani, Kolkata - 700 001	22.09.2009	9.30 A.M. IST
2009-2010	Merchants' Chamber of Commerce Somani Conference Hall 15B, Hemanta Basu Sarani, Kolkata - 700 001	30.09.2010	11.00 A.M. IST

(b) There was One (1) special resolution passed in the previous Annual General Meeting held on 30.09.2010.

(c) No such resolution was passed in last year's AGM that was required to be put through postal ballot. No such resolution is proposed at the forthcoming AGM, which is required to be put through postal ballot as per applicable rules.

REPORT ON CORPORATE GOVERNANCE

8. CODE OF CONDUCT

The Company had adopted a comprehensive Code of Conduct as per the provisions of Clause 49(I) (D) of the Listing Agreement for all its Directors and Senior Management Personnel.

All members of the Board and Senior Management Personnel have affirmed their compliances with the provisions of this Code of Conduct as on 31st March, 2011 and a declaration to this effect signed by Managing Director forms part of this report.

9. CEO/CFO CERTIFICATION

The Chairman & Managing Director of the company have given the certificate to the Board as well as disclosed the required information to the Statutory Auditors and the Audit Committee in terms of clause 49 (V) of the Listing Agreement.

10. DISCLOSURES

- i. Related parties transactions with them as required under Accounting Standard 18 (AS - 18) are furnished under Note No. 18 of the Notes to Accounts attached with the financial statement for the year ended March 31, 2011. There is no other pecuniary relationship or transactions with the Non - executive Independent Directors. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the Company.
- ii. While preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed.
- iii. There were no material financial and commercial transactions where senior management of the Company had personal interest that may have a potential conflict with the interest of the Company at large.
- iv. The Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Audit Committee.
- v. All the mandatory requirements have been appropriately complied and the non-mandatory requirements are dealt with at the end of this report.

11. MEANS OF COMMUNICATION

As half yearly results as well as quarterly and annual results are published in newspapers, submitted to the Stock Exchanges in accordance with the Listing Agreement, the half - yearly reports are not sent to each household of shareholders. These results are normally published in The Business Standard, Economic Times & Arthik Lipi. Management Discussion and Analysis forms a part of the Annual Report.

12. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting

Date	:	28th September, 2011
Day	:	Wednesday
Time	:	11:00 A.M.
Venue	:	Somani Conference Hall Merchants' Chamber of Commerce 15B, Hemanta Basu Sarani, Kolkata - 700 001

ii) Financial Calendar for F.Y. 2011-12

a) 1st Quarterly Results	:	On or before 14.08.2011
b) 2nd Quarterly/Half-yearly Results	:	On or before 14.11.2011
c) 3rd Quarterly Results	:	On or before 14.02.2012
d) 4th Quarterly & Yearly Audited Results	:	On or before 30.05.2012

REPORT ON CORPORATE GOVERNANCE

- iii) **Date of Book Closure** : 21st September, 2011 to 28th September, 2011
(both days inclusive)
- iv) **Record date for Dividend payment** : 21st September, 2011
- v) **Listing on Stock Exchanges** : i) **The Calcutta Stock Exchange Ltd.**
7, Lyons Range, Kolkata - 700 001
- ii) **Jaipur Stock Exchange Ltd.**
Stock Exchange Building
Jawaharlal Nehru Marg, Malviya Nagar, Jaipur - 302 017
* Listing Fees for the Current Year 2011-2012 have been
paid to both the Stock Exchanges

vi) **Stock Codes :**

The Calcutta Stock Exchange Ltd.	028161
The Jaipur Stock Exchange Ltd.	811
Demat ISIN Numbers (NSDL/CDSL)	INE895B01013 (Old) INE895B01021 (New)

vii) **Market Price Data :**

High/Low Share price data during the Last Financial Year 2010-11 : No trading during the year.

viii) **Registrar and Share Transfer Agents :**

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001
Phone : (033) 2243 5809/5029
Fax : (033) 2248 4787

ix) **Share Transfer System :**

Trading in equity shares of the Company is permitted only in dematerialized form. The applications for transfer of shares in physical form are processed by the Company's Registrar & Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. The Shareholders'/Investors' Committee (Share Transfer Committee) constituted for transfer / transmission of shares and allied matters has during the year under review approved the transfer of share subject to transfer instrument being valid and complete in all respects.

x) **Distribution of Shareholding as on 31.03.2011 :**

a) According to number of shares held :

Number of Shares	Shareholders		Shares	
	No.	% of Total	No.	% of Total
1 - 500	532	81.84	54,645	0.69
501 - 1000	50	7.70	43,884	0.55
1001 - 2000	12	1.85	17,682	0.22
2001 - 3000	7	1.08	17,600	0.22
3001 - 4000	4	0.61	15,500	0.20
4001 - 5000	1	0.15	4,091	0.05
5001 - 10000	5	0.77	36,720	0.46
10001 and above	39	6.00	77,62,334	97.61
Total	650	100.00	79,52,456	100.00

REPORT ON CORPORATE GOVERNANCE

b) According to Category of holding :

Category	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Indian Promoters	41	6.3077	59,58,639	74.9283
Private Corporate Bodies	16	2.4615	18,37,890	23.1110
Indian Public	593	91.2308	1,55,927	1.9607
Total	650	100.00	79,52,456	100.00

xi) **Dematerialization of shares and liquidity :**

7,132,835 Equity Shares and 723,745 Equity Shares of the Company representing 89.69% & 9.10% respectively of the total Equity Share Capital of the Company are held in dematerialized form with National Securities Depository Ltd.(NSDL) and Central Depository Services (India) Ltd.(CDSL) as on 31.03.2011 respectively.

The Equity Shares of the Company are listed on The Calcutta Stock Exchange Ltd. and The Jaipur Stock Exchange Ltd.

xii) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on Equity :**

The Company has not issued any GDRs/ADRs/Warrants or any other Convertible instruments.

xiii) **Plant Locations :**

a) Jalan Industrial Complex, Bombay Road (National Highway 6)
P. O. Begri, Vill - Biprannapara, Howrah - 711 411 (W.B.)

b) 16, Shastri Nagar, 3rd Street, Angeripalayam Road, Tirupur - 640 602

xiv) **Address for correspondence :**

With The Company : **M/s. Rupa & Company Limited**
Metro Tower, 8th Floor
1, Ho Chi Minh Sarani, Kolkata - 700 071
Phone : (033) 3057 2100
Fax : (033) 2288-1362
E-mail : investors@rupa.co.in

With The Registrars & Transfer Agents : **M/s. Maheshwari Datamatics Pvt. Ltd.**
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001
Phone : (033) 2243-5809/5029
Fax : (033) 2248-4787
E-mail : mdpl@vsnl.com
mdpldc@yahoo.com

xv) **Compliance Officer** : Company Secretary
M/s. Rupa & Company Limited
Metro Tower, 8th Floor
1, Ho Chi Minh Sarani, Kolkata - 700 071
Phone : (033) 3057 2100
Fax : (033) 2288-1362
E-mail : cs@rupa.co.in

REPORT ON CORPORATE GOVERNANCE

COMPLIANCE OF NON-MANDATORY REQUIREMENTS

1. Remuneration Committee :

The Company has Remuneration Committee as mentioned under SL No. 4 of the Mandatory Requirements.

2. Shareholder Rights :

Half yearly results including summary of any significant events are presently not being sent to shareholders of the Company.

3. Audit Qualification :

The Company is maintaining unqualified financial statements regime.

4. Training of Board Members :

There was no Directors' training programme during the year ended March 31, 2011.

5. Mechanism for evaluating Non-Executive Board Members :

Non-Executive Directors were being always evaluated by their own peer in the Board Meetings during the year under reference, although there was no formal peer group review by the entire Board except the Directors concerned.

CODE OF CONDUCT DECLARATION

This is to certify that the Company had laid down a Code of Conduct for the Members of its Board of Directors and the Senior Management Personnel in accordance with Clause 49(I) (D) of the amended Listing Agreement with the Stock Exchange and adopted by the Board at its meeting held on May 30, 2011. On the basis of confirmation received from all Members and Senior Management Personnel, I hereby declare that all the Members of the Board and Senior Management Personnel of the Company have affirmed their compliances with the said Code of Conduct for the year ended 31st March, 2011.

Place : Kolkata

Dated : The 30th day of May, 2011

Kunj Bihari Agarwala
Managing Director

REPORT ON CORPORATE GOVERNANCE

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Rupa & Company Limited

We have examined the compliance of conditions of Corporate Governance by **RUPA & COMPANY LIMITED**, for the year ended on 31st March 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof, adopted by the Company, for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **L.B JHA & CO.**
Chartered Accountants
Registration No. 301088E
T. Mandal
Partner
Membership No. 050070

Place : Kolkata
Dated : The 30th day of May, 2011

AUDITORS' REPORT

To the Members of

Rupa & Company Limited

1. We have audited the attached Balance Sheet of **RUPA & COMPANY LIMITED**, as at 31st March, 2011 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (collectively referred to as 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement of the matters specified in the said order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 4.2 In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - 4.3 The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - 4.4 In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - 4.5 On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Kolkata,
Dated : The 30th day of May , 2011

For **L.B JHA & CO.**
Chartered Accountants
Registration no. 301088E
T. Mandal
Partner
Membership No. 050070

ANNEXURE to the Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date]

1. (a) The Company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. *However the process of verification needs to be strengthened.* According to the information and explanations given to us no material discrepancies were noticed on such verification.
(c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. (a) As explained to us, the inventories of finished and semi finished goods and raw materials were physically verified during the year by the Management. *However the process of verification needs to be strengthened keeping in view the nature and size of the business.*
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) The particulars of contract or arrangements referred to in section 301 that needed to be entered into the register, maintained under the said section have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time other than certain transactions, which as explained to us, are of special nature having no comparable market prices.
6. As explained to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

ANNEXURE to the Auditors' Report

8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing during the year undisputed statutory dues including provident fund, investor education and protection fund, sales tax, income tax, service tax, cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, as at 31st March, 2011, there were no dues in respect of income tax, service tax, excise duty and cess which have not been deposited on account of any dispute other than certain disputed sales tax and value added tax dues as indicated below :

Name of the statute	Nature of dues	Amount (₹ '000)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Value Added Tax Rules, 2005	VAT	27,010	2004-2005 & 2005- 2006	West Bengal Sales Tax Appellate and Revisional Board
Central Sales Tax Act, 1956	Sales Tax	5,275	2005- 2006	West Bengal Sales Tax Appellate and Revisional Board

10. The Company has no accumulated losses as at 31st March, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any bank. The Company has not taken any loan from any financial institution or issued any debenture.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has neither issued any debentures during the year nor has any debentures outstanding at the year end.

ANNEXURE to the Auditors' Report

20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Kolkata,
Dated : The 30th day of May , 2011

For **L.B JHA & CO.**
Chartered Accountants
Registration no. 301088E
T. Mandal
Partner
Membership No. 050070

BALANCE SHEET as at 31st March, 2011

(Amount in ₹)

	Schedule	31st March, 2011	31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	79,629,060	79,629,060
Reserves and Surplus	2	1,552,256,335	1,324,500,223
		1,631,885,395	1,404,129,283
Loan Funds			
Secured Loans	3	1,836,882,060	1,222,836,946
Deferred Tax Liability		111,848,530	69,985,493
TOTAL		3,580,615,985	2,696,951,722
APPLICATION OF FUNDS			
Fixed Assets			
	4		
Gross Block		1,285,290,678	750,087,577
Less : Depreciation		232,764,288	188,380,052
Net Block		1,052,526,390	561,707,525
Capital Work in Progress		40,234,977	287,952,678
		1,092,761,367	849,660,203
Investments	5	41,200,000	101,100,000
Current Assets, Loans and Advances			
Inventories	6	2,108,184,157	1,230,939,898
Sundry Debtors	7	1,017,975,494	1,023,015,312
Cash and Bank Balances	8	73,599,888	68,826,748
Loans, Advances and Deposits	9	345,662,354	241,944,842
	A	3,545,421,893	2,564,726,800
Less : Current Liabilities and Provisions			
(a) Current Liabilities	10	1,002,485,051	731,298,726
(b) Provisions	11	96,282,224	87,236,555
	B	1,098,767,275	818,535,281
Net Current Assets	(A – B)	2,446,654,618	1,746,191,519
TOTAL		3,580,615,985	2,696,951,722

Significant Accounting Policies and
Notes Forming Part of the Accounts

20

As per our Report of even date
For **L. B. JHA & CO.**
Chartered Accountants
Firm Registration No. 301088E

T. Mandal
Partner
Membership No. 050070
Place : Kolkata
Date : The 30th day of May, 2011

For and on behalf of the Board

G. P. Agarwala
Vice Chairman

Priya Punjabi Agarwal
Company Secretary

P. R. Agarwala
Chairman

K. B. Agarwala
Managing Director

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011

(Amount in ₹)

	Schedule	31st March, 2011	31st March, 2010
INCOME			
Sales/Income from Operations	12	6,385,034,297	5,199,364,611
Other Income	13	12,942,217	33,969,647
Increase/(Decrease) in Stock	14	253,041,498	178,453,934
		6,651,018,012	5,411,788,192
EXPENDITURE			
Purchases (Finished Goods)		231,519,447	183,138,115
Materials Consumed	15	3,133,700,451	2,569,441,124
Manufacturing Expenses	16	1,252,149,278	1,093,797,781
Payments to and Provision for Employees	17	45,819,667	30,417,587
Selling, Distribution, Administration and Other Expenses	18	1,318,237,247	1,073,925,567
Finance Charges	19	143,520,089	56,991,397
Depreciation & Amortisation		45,802,123	35,491,782
		6,170,748,302	5,043,203,353
Profit before Tax		480,269,710	368,584,839
Less : Provision for Taxation		118,000,000	122,500,000
Less : Provision for Deferred Tax		41,863,037	4,676,736
Less : Prior Period Adjustment		225,129	—
Profit after Tax		320,181,544	241,408,103
Balance Brought from Previous Year		483,220,252	327,088,336
Balance available for Appropriation		803,401,796	568,496,439
APPROPRIATIONS			
General Reserve		25,000,000	25,000,000
Proposed Dividend		79,524,560	51,690,964
Corporate Dividend Tax		12,900,872	8,585,223
Balance Carried to Balance Sheet		685,976,364	483,220,252
		803,401,796	568,496,439
Earning Per Share - Basic and Diluted - Face value of Equity Shares ₹ 10 each		40.26	30.36

Significant Accounting Policies and
Notes Forming Part of the Accounts

20

As per our Report of even date
For **L. B. JHA & CO.**
Chartered Accountants
Firm Registration No. 301088E

T. Mandal
Partner
Membership No. 050070
Place : Kolkata
Date : The 30th day of May, 2011

For and on behalf of the Board

G. P. Agarwala
Vice Chairman

Priya Punjabi Agarwal
Company Secretary

P. R. Agarwala
Chairman

K. B. Agarwala
Managing Director

CASH FLOW STATEMENT

for the year ended 31st March, 2011

(₹ in Lacs)

	31st March, 2011		31st March, 2010	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extra-ordinary Items		4,802.70		3,685.85
Adjustment : (a) Depreciation Charges	458.02		354.92	
(b) Interest Charges	1,324.49		514.82	
(c) Loss on Sale of Fixed Assets	8.37		9.38	
		1,790.88		879.12
		6,593.58		4,564.97
Adjustment : (a) Interest Income	(103.17)		(297.60)	
(b) Rent Income	–		(1.20)	
(c) Profit on Sale of Investment	(0.41)		(1.19)	
		(103.58)		(299.99)
Operating Profit before Working Capital Changes		6,490.00		4,264.98
Adjustment : (a) (Increase)/Decrease in Trade & Other Receivables	(986.78)		(2,184.28)	
(b) (Increase)/Decrease in Inventories	(8,772.44)		(6,341.93)	
(c) Increase/(Decrease) in Trade Payables	2,651.98		2,673.75	
		(7,107.24)		(5,852.46)
Cash Generated From Operations		(617.24)		(1,587.48)
Less : (a) Direct Taxes Paid		(1,413.29)		(1,132.48)
Add : (a) Interest received from Operating Activities		22.93		20.38
Net Cash (inflow/Outflow) from Operating Activities		(2,007.60)		(2,699.58)
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
Inflow : (a) Sale of Fixed Assets	17.15		5.84	
(b) Capitial Subsidy	–		60.75	
(c) Rent Income	–		1.20	
(d) Sale of Investment	600.41		506.19	
(e) Interest Received	80.24		277.22	
		697.80		851.20
Outflow : (a) Purchase of Fixed Assets	(2,914.56)		(3,492.38)	
(b) Investment in Subsidiary	(1.00)		–	
(c) Investment in Mutual Fund	–		(600.00)	
		(2,915.56)		(4,092.38)
Net Cash Inflow/(Outflow) from Investing Activities		(2,217.76)		(3,241.18)

CASH FLOW STATEMENT for the year ended 31st March, 2011

(₹ in Lacs)

	31st March, 2011	31st March, 2010
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES		
(a) Dividend and Dividend Tax paid	(602.76)	(465.19)
(b) Interest Paid	(1,264.60)	(514.82)
(c) Increase/(Decrease) in Borrowing Capital	6,140.45	7,125.32
Net Cash Inflow/(Outflow) from Financing Activities	4,273.09	6,145.31
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	47.73	204.55
Cash & Cash Equivalents at the beginning of the year	688.27	483.72
Cash & Cash Equivalents at the end of the year	736.00	688.27

Notes :

- The above Cash Flow Statement has been prepared pursuant to Clause 31 of Listing Agreement with Stock Exchange and under the indirect method set out in AS-3 notified under sub-section 3(C) of Section 211 of the Companies Act, 1956.
- Significant Accounting Policies and other Notes to Accounts (Schedule 20) form an integral part of the Cash Flow Statement.

	31st March, 2011	31st March, 2010
3) Cash & Cash Equivalents represents :		
Cash in Hand	41.44	27.24
Cheques in Hand	33.02	85.71
Balance with Banks	661.54	575.32
	736.00	688.27

- Previous year figures have been re-grouped/re-classified to confirm to current year's classification.

As per our Report of even date
For **L. B. JHA & CO.**
Chartered Accountants
Firm Registration No. 301088E

T. Mandal
Partner
Membership No. 050070
Place : Kolkata
Date : The 30th day of May, 2011

For and on behalf of the Board

G. P. Agarwala
Vice Chairman

P. R. Agarwala
Chairman

Priya Punjabi Agarwal
Company Secretary

K. B. Agarwala
Managing Director

SCHEDULES to the Balance Sheet

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 1 SHARE CAPITAL		
Authorised		
20,000,000 Equity Shares of ₹ 10/- each	200,000,000	200,000,000
Issued		
7,973,356 Equity Shares of ₹ 10/- each	79,733,560	79,733,560
Subscribed & Paid-up		
7,952,456 Equity Shares of ₹ 10 each	79,524,560	79,524,560
Add : Forfeited Shares (20,900 Nos)	104,500	104,500
	79,629,060	79,629,060

Note :

- (1) Of the above 50,000 Equity Shares of ₹ 10/- each have been allotted as fully paid-up bonus shares by capitalisation of General Reserve.
- (2) 1,948,356 Equity shares of ₹ 10/- each fully paid-up has been converted from Deep Discount Debentures.

SCHEDULE 2 RESERVES AND SURPLUS		
i) Share Premium Account	688,030,890	688,030,890
ii) Capital Subsidy	6,075,040	6,075,040
iii) General Reserve		
Opening Balance	147,174,041	122,174,041
Add : Transferred from Profit & Loss Account	25,000,000	25,000,000
	172,174,041	147,174,041
iv) Balance in Profit & Loss Account	685,976,364	483,220,252
Total (i + ii + iii + iv)	1,552,256,335	1,324,500,223

SCHEDULE 3 SECURED LOANS		
From Banks		
Working Capital Loans :		
Cash Credit/Working Capital Loans	1,207,609,793	878,835,088
Foreign Currency Loan	302,511,151	164,196,298
	1,510,120,944	1,043,031,386
Term Loans	326,761,116	179,805,560
	1,836,882,060	1,222,836,946

Note :

The aforesaid facilities are secured as under :

- (i) Other than Yes Bank Ltd. Working Capital Loans are secured by hypothecation of the entire current assets of the Company, equitable mortgage of certain property at Tirupur & Kolkata and Property at Kolkata of Rupa Global (P) Ltd and corporate guarantee of Rupa Global (P) Ltd. and second charge on Domjur Unit.
- (ii) The term loan from IDBI is secured by all movable & immovable Assets of Domjur units of the Company and first charge on Wind Turbine Generator including Land & Building at Dhule in the State of Maharashtra
- (iii) The term loan from Indusind Bank is secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed assets of Domjur unit on pari passu.
- (iv) All the above loans including working capital loan of Yes Bank Ltd are further secured by personal guarantee of Promoter Directors of the Company.
- (v) Term Loans instalment amount payable within one year ₹ 86,761,116/-

SCHEDULES to the Balance Sheet

(Amount in ₹)

SCHEDULE 4 FIXED ASSETS										
Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As on 1st April 2010	Additions	Sale	As at 31st March 2011	Upto 31st March 2010	For the year	Adjustment	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011
INTANGIBLE ASSETS										
Copyrights & Trade Mark	65,000,000	-	-	65,000,000	43,501,370	6,500,000	-	50,001,370	21,498,630	14,998,630
Computer Software	23,245,418	-	-	23,245,418	12,675,739	4,649,084	-	17,324,823	10,569,679	5,920,595
TANGIBLE ASSETS										
Land	65,440,404	823,639	-	66,264,043	-	-	-	-	65,440,404	66,264,043
Furniture & Fixture	38,175,367	2,751,869	-	40,927,236	16,358,372	2,501,531	-	18,859,903	21,816,995	22,067,333
Building	235,867,981	79,854,143	-	315,722,124	22,586,285	6,404,811	-	28,991,096	213,281,696	286,731,028
Plant & machinery	208,651,982	447,954,886	-	656,606,868	57,358,139	18,369,014	-	75,727,153	151,293,843	580,879,715
Office Equipment	27,036,001	3,607,546	183,000	30,460,547	14,537,903	1,783,490	56,271	16,265,122	12,498,098	14,195,425
Vehicles	28,791,868	4,181,359	3,787,341	29,185,886	9,129,920	2,538,205	1,361,616	10,306,509	19,661,948	18,879,377
Wind Turbine Generator	57,878,556	-	-	57,878,556	12,232,324	3,055,988	-	15,288,312	45,646,232	42,590,244
Total	750,087,577	539,173,442	3,970,341	1,285,290,678	188,380,052	45,802,123	1,417,887	232,764,288	561,707,525	1,052,526,390
Previous Year	637,290,849	116,811,985	4,015,257	750,087,577	154,807,149	35,491,782	1,918,879	188,380,052	482,483,700	561,707,525
Capital Work in Progress									287,952,678	40,234,977

	Face Value	Qty. of Shares/Units	Amount (₹)	Qty. of Shares/Units	Amount (₹)
SCHEDULE 5 INVESTMENT (At Cost)					
Long Term - Traded					
UNQUOTED					
In Mutual Funds					
- Morgan Stanley Growth Fund	10	10,000	100,000	10,000	100,000
- Reliance Liquid Fund - Treasury Plan	10	-	-	2,717,809.80	60,000,000
In Shares - Subsidiary Company					
- Imoogi Fashions Pvt. Ltd.	10	10,000	100,000	-	-
- Euro Fashion Inners International Pvt. Ltd.	10	4,100,000	41,000,000	4,100,000	41,000,000
			41,200,000		101,100,000
Aggregate NAV of Mutual Funds			627,360		60,598,443

SCHEDULE 6 INVENTORIES		
(At Cost or net realizable value whichever is lower, unless otherwise stated)		
Finished Goods	836,471,859	583,430,361
Raw Materials	796,009,683	529,423,793
Materials under process	447,806,581	94,677,663
Packing materials	27,896,034	23,408,081
	2,108,184,157	1,230,939,898

SCHEDULES to the Balance Sheet

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 7 SUNDRY DEBTORS (UNSECURED)		
Debtors outstanding for a period exceeding six months		
- Considered Good	16,961,856	31,598,324
Other Debts		
- Considered Good	1,001,013,638	991,416,988
	1,017,975,494	1,023,015,312
SCHEDULE 8 CASH AND BANK BALANCES		
Cash in Hand (including cheques in hand of ₹ 3,302,026/- Previous Year ₹ 8,570,693/-)	7,445,987	11,294,313
Balances with Scheduled Banks		
- In Current Account	62,866,645	36,024,835
- In Unpaid Dividend Account	671,745	599,931
- In Fixed Deposit (including interest accrued thereon)	2,615,511	20,907,669
	73,599,888	68,826,748
SCHEDULE 9 LOANS, ADVANCES AND DEPOSITS		
(Unsecured, Considered Good)		
Advances to Subsidiary Companies	130,901,670	-
Advances - Recoverable in cash or in kind or for value to be received	122,128,689	180,075,377
Advances for Capital Goods	82,571,480	51,913,018
Security Deposits	10,060,515	9,956,447
	345,662,354	241,944,842
SCHEDULE 10 CURRENT LIABILITIES		
Sundry Creditors		
- For Goods	405,917,412	214,936,051
- For Expenses	461,531,701	370,477,014
- For Advances, Deposits & Credit Balances	129,018,873	117,796,741
Advance from Subsidiary company	-	20,679,667
Unclaimed Dividend [Refer Note No. B(7) of Schedule 20]	671,745	575,780
Temporary Overdraft due to Reconciliation	5,345,320	6,833,473
	1,002,485,051	731,298,726
SCHEDULE 11 PROVISIONS		
For Income Tax (Net of payments)	3,856,792	26,960,368
For Proposed Dividend	79,524,560	51,690,964
For Corporate Dividend Tax	12,900,872	8,585,223
	96,282,224	87,236,555

SCHEDULES to the Profit & Loss Account

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 12 SALES/INCOME FROM OPERATIONS		
Sales	6,319,810,977	5,106,431,409
Services (including TDS ₹ 811,604 /-; P.Y. ₹ 1,204,243)	50,951,735	76,422,672
Export Incentives	6,306,502	6,828,031
Sale of Electricity	7,965,083	9,682,499
	6,385,034,297	5,199,364,611

SCHEDULE 13 OTHER INCOME		
Interest (including TDS ₹ 753,271/-; P.Y. ₹ 3,277,223)	10,317,030	29,760,033
Profit on sale of Investments	40,767	119,197
Liability no longer required written back	412,495	116,109
Miscellaneous Income	2,171,925	3,974,308
	12,942,217	33,969,647

SCHEDULE 14 INCREASE/(DECREASE) IN STOCK		
Opening Stock	583,430,361	404,976,427
Less : Closing Stock	836,471,859	583,430,361
	253,041,498	178,453,934

SCHEDULE 15 RAW MATERIALS CONSUMED		
Opening Stock		
- Raw Materials under process	94,677,663	61,171,002
- Other Raw Materials	529,423,793	112,641,619
Total Opening Stock	624,101,456	173,812,621
Add : Purchases	3,753,415,259	3,019,729,959
	4,377,516,715	3,193,542,580
Less : Closing Stock		
- Raw Materials under process	447,806,581	94,677,663
- Other Raw Materials	796,009,683	529,423,793
Total Closing Stock	1,243,816,264	624,101,456
	3,133,700,451	2,569,441,124

SCHEDULES to the Profit & Loss Account

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 16 MANUFACTURING EXPENSES		
Processing Charges	1,138,360,940	1,001,408,140
Stores & Spares	516,717	515,912
Power & Fuel	38,278,683	29,031,642
Carriage Inwards	54,080,760	48,572,877
Factory maintenance	20,912,178	14,269,210
	1,252,149,278	1,093,797,781

SCHEDULE 17 PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus & Leave Pay	43,344,240	27,561,534
Contribution to Provident Fund	1,100,567	737,753
Contribution to Gratuity Fund	865,182	1,511,011
Staff Welfare & Other expenses	509,678	607,289
	45,819,667	30,417,587

SCHEDULE 18 SELLING DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
A) Selling and Distribution Expenses		
Packing Materials Consumed	455,973,720	398,710,031
Carriage Outward	46,885,182	35,408,586
Brokerage & Commission	80,818,737	67,259,322
Advertisement	491,712,079	406,553,315
Marketing Expenses	33,921,254	26,609,570
Dealers' Incentives & Sales Promotion	70,946,803	48,549,891
Business Convention	6,597,665	13,204,374
	1,186,855,440	996,295,089

SCHEDULES to the Profit & Loss Account

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 18 SELLING DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
B) Administration and Other Expenses		
Rent , Rates & Taxes	13,679,888	8,521,095
Insurance	1,538,929	816,199
Telephone , Telex & Fax	3,686,121	4,183,385
Electricity Expenses	2,328,362	2,070,078
Printing & Stationery	3,244,484	2,497,873
Postage & Courier Charges	3,502,010	2,612,856
Travelling & Conveyance	15,366,080	8,801,810
Legal & Professional Charges	27,719,231	15,966,781
Repair and Maintenance		
- For Machinery	2,363,973	4,645,907
- For Others	6,949,839	4,515,149
Vehicles Maintenance Expenses	3,855,622	3,114,877
Subscription and Membership	814,087	324,784
Directors' Sitting fees	620,000	370,000
Directors' Remuneration	15,328,998	9,242,394
Auditors' Remuneration [Refer Note No. B(14) of Sch. 20]	413,423	242,111
Office Maintenance	4,069,721	4,205,355
Other Expenses	11,525,226	8,666,860
Foreign Exchange Loss/(Profit)	8,372,237	(7,920,270)
Loss on sale of Fixed assets	837,224	938,186
Quality Development Expenses	4,791,361	3,744,015
Bad debts written off	374,991	71,033
	131,381,807	77,630,478
TOTAL (A) + (B)	1,318,237,247	1,073,925,567

SCHEDULE 19 FINANCE CHARGES		
Interest		
- To Bank	119,351,785	45,143,160
- To Others	13,096,672	6,339,064
Other Financial Charges	11,071,632	5,509,173
	143,520,089	56,991,397

SCHEDULE to the Accounts

SCHEDULE 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting Policies

The accounts of the Company are prepared and presented under the historical cost convention and in accordance with accounting principles generally accepted in India (Indian GAAP) and comply with the applicable accounting standards notified under sub-section 3(C) of Section 211 of the Companies Act, 1956 (Act) and relevant provisions of the said Act except where otherwise stated.

The Company follows accrual method of accounting unless otherwise specifically stated.

2. Use of Estimates

The Preparation of Financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of Income and Expenses during the reporting period. Difference between the actual results and the estimates are recognized in the year in which the results are known/materialized.

3. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods and services are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

4. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost of an asset comprises its purchase price and incidental expenses related thereto. Capital Work in Progress comprises the cost of fixed assets that are not yet ready for their intended use as on the balance sheet date.

5. Intangible Assets

Intangible Assets are recognized only when future economic benefits attributable to the asset will flow to the enterprise and cost can be measured reliably and to be amortized in equal installment over a useful life.

6. Depreciation & Amortization

- i) Depreciation on fixed assets is provided on Straight Line method at the rates prescribed in Schedule XIV of the Act. Depreciation for assets purchased/sold during the period is proportionately charged.
- ii) Copy Right & Trade Marks are amortized over a period of ten year.
- iii) Computer software is amortized by one - fifth on Straight line method.

7. Investments

- i) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments
- ii) Long Term Investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary.
- iii) Current Investments are stated at lower of cost and fair value determined on an individual investment basis. Decline in the value of current Investment are charged to the profit and loss account.

SCHEDULE to the Accounts

8. Inventories

Inventories are valued using FIFO method on the basis mentioned below -

- i) Raw Materials, Packing Materials and Materials under process are valued at cost or net realizable value whichever is lower.
- ii) Finished goods are valued at cost or net realizable value whichever is lower.
- iii) Cost of Material under process comprises cost of materials and conversion cost up to the relative stage of completion.

9. Government Grants

- i) Government Grants of the nature of Project Subsidy on Capital Assets is recognized as Capital Subsidy when there is a reasonable assurance that the subsidy will be received.
- ii) Revenue Grant is recognized in the profit and loss account on confirmation of reasonable assurance of the receipt.

10. Sales

Sales are recorded net of indirect taxes (Sales Tax, VAT etc), sales return and discounts.

11. Exports Incentives

Benefits on account of duty drawback are accounted in the year of export.

12. Employees' Benefits

- i) Company's contributions to Provident Fund are charged to Profit & Loss Account as and when they become payable.
- ii) Gratuity Liability is defined benefit obligation and is provided for on basis of actuarial value. It is a defined fund maintained with Life Insurance Corporation of India (LIC) under the Group Gratuity Scheme.
- iii) Actuarial gains/losses are immediately taken into Profit & Loss Account and not deferred.
- iv) Leave encashment benefits are accrued and settled on a 12-month period of September to August and are accounted for accordingly.

13. Foreign Currency Transactions

- i) Transactions in Foreign Currencies are recorded at exchange rates prevailing at the time of the transaction.
- ii) Foreign Currency assets and liabilities covered by forward contracts are stated at forward contract exchange rate. The cost of the forward exchange contract is amortized over the period of the contract.
- iii) Assets and liabilities are valued at rates prevailing at the end of the year. Any income or expense on account of exchange difference is recognized in the Profit & loss Account.

14. Borrowing Cost

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

15. Taxes on Income

- i) Tax on income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.
- ii) Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

SCHEDULE to the Accounts

- iii) Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

16. Segment Reporting

- i) The accounting policies applicable to the reportable segments are the same as those as used in the preparation of the financial statements as set out above.
- ii) Segment revenue and expense include amount, which can be directly identifiable to the segment or allocable on a reasonable basis.
- iii) Assets and liabilities relate to the company as a whole and do not relate to any other segment, are not allocated.
- iv) The Company has identified business segment as its primary segment. The Company has also identified as its Reportable Geographical Segment the sales to Indian markets and export sales.

17. Prior Period Adjustments/Extra ordinary Items

- i) Prior period items which arise in the current period as a result of error or omission in preparation of prior period's financial statement are separately disclosed in the current statement of Profit or Loss. However, differences in actual Income/expenditure arising out of over/under estimation pertaining to prior periods are not treated as "Prior Period Adjustment".
- ii) Extraordinary items, i.e. gains or losses which arise from events or transactions which are distinct from ordinary activities of the company which are material are separately disclosed in the statement of accounts.

18. Provisions, Contingent Liabilities and Contingent Assets

- i) The Company recognizes as Provisions, the liabilities being present obligations arising from past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
- ii) Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.
- iii) Contingent Assets are neither recognized nor disclosed.

19. Impairment of Assets

On the basis of an assessment in each balance sheet date, if the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use, determined by the present value of estimated future cash flow.

B. NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for in respect of :

(Amount in ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Bank Guarantee	4,519,000	4,519,000
Letters of Credit	-	81,605,908
Sales Tax Demands (under appeal)	32,285,172	29,661,690
Income Tax Demands (under appeal)		2,518,740
Total	36,804,172	118,305,338

SCHEDULE to the Accounts

2. Managing and Whole time Directors' Remuneration :

Directors' Remuneration included in Schedule 18 comprises of

(Amount in ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Salaries & Allowances	13,200,000	7,200,000
Estimated value of Perquisites	1,943,055	1,856,451
Commission	1,200,000	1,200,000
Total	16,343,055	10,256,451

3. Calculation of Net Profit in accordance with Section 349 of the Act for the purpose of calculating Director's Commission :

(Amount in ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Profit as per Profit & Loss Account	480,269,710	368,584,839
Add : Directors Remuneration	16,343,055	10,256,451
Add : Loss on sale of Fixed Assets	837,224	938,186
Add : Debts considered bad /adjusted during the year	374,991	71,033
	497,824,980	379,850,509
Net Profit for calculating Directors' Commission #	496,810,923	378,836,452
Commission payable to Director (@ 1% of Net Profit)	4,968,109	3,788,364
Commission Payable restricted to	1,200,000	1,200,000

Net Profit available for computation of eligible limit for Directors' commission is adjusted with ₹ 1,014,057/- (P.Y. ₹ 1,014,057/-) towards depreciation on vehicles used and rent paid to Director debited to respective accounts.

- Sales tax incentives granted by the Government of West Bengal, Finance (Taxation) department under West Bengal Industrial Promotion (Assistant to Industrial Unit) Scheme 1994 against payment of Value Added Tax under the West Bengal Value Added Tax Act, 2003 and Central Sales Tax Act, 1956 are recognized when there is a reasonable assurance of receipt. Amounts recognized during current year ₹ 231.95 Lacs (P.Y. - Nil).
- In the absence of any confirmation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act 2006" the Company is unable to make provision wherever required under the said Act.
- The company has contributed to a group gratuity scheme with LIC, where LIC maintain and manages the fund. The company makes annual contribution towards the benefit plan towards service cost and shortfall in value of obligation calculated on actuarial basis.

The company contributes to Employees Provident Fund organisation and the employer's contribution with other charges as are payable are charged off to the Profit & Loss Account in the period of their accrual.

The company does not pay any leave encashment benefit beyond a period of 1 year within which it is fully encashed or lapsed. Hence no actual valuation is required for Provident Fund & Leave Encashment benefit.

SCHEDULE to the Accounts

Disclosure pursuant to Accounting Standard - 15 : Employee Benefit

A. Amount recognised in Balance Sheet are as follows :

(Amount in ₹)

	2010-2011	2009-2010
Present value of defined benefit obligation	5,305,927	4,385,304
Fair value of Plan Assets	5,017,516	3,539,137
Present value of unfunded obligation	NIL	NIL
Unrecognised Past service cost	(576,771)	(664,844)
Net assets/liability	865,182	1,511,011

B. Amount recognised in Profit & Loss Account and charged to payment to and provision for employees under schedule 17 are as follows :

Current Service Cost	443,982	415,797
Interest Cost	350,824	282,655
Expected Return on plan assets	(370,892)	(283,578)
Net Actuarial (Gain)/Loss recognised during the year	475,817	236,080
Adjustment of (Excess)/Short Past Service Cost	(34,549)	860,057
Total Expenses recognised in Profit & Loss Account	865,182	1,511,011

C. Reconciliation of opening and closing Balances of present value of obligation :

Present Value of obligation at the beginning of the year	4,385,304	3,533,183
Current Service Cost	443,982	415,797
Interest Cost	350,824	282,655
Benefits paid	(350,000)	(82,411)
Net Actuarial (Gain)/Loss recognised during the year	475,817	236,080
Present Value of obligation at the end of the year	5,305,927	4,385,304

D. Reconciliation of opening and closing Balances of Fair Value of Plan Assets :

Opening fair value of Plan Asset	3,539,137	3,337,970
Expected return on Plan Asset	370,892	283,578
Contribution by employer	1,457,487	—
Benefits Paid	(350,000)	(82,411)
Closing fair value of Plan Asset	5,017,516	3,539,137

E. Principal Actuarial Assumptions used :

Discount Rate	8%	8%
Expected Salary increases	3.4%	7%
Withdrawal Rate (depending on age)	1-3%	1-3%
Mortality Rate	LIC 1994/96 (Ultimate)	

F. Estimate of future salary increase considered in actuarial valuation, taking account of inflation, seniority, promotion etc. other relevant factor such as supply and demand in employment market .

SCHEDULE to the Accounts

7. Unpaid dividend does not include any amount to be credited to Investor Education and Protection Fund. There are no dues required to be credited to the Investor Education and Protection Fund as on 31.03.2011.
8. Bank Guarantee issued in favour of the Company are secured against fixed deposits pledged with the banks and other current assets. Fixed Deposit Receipts held on lien by the banks/others against such Guarantees as on 31st March 2011 was ₹ 25.96 Lacs (P.Y. ₹ 208.88 Lacs).
9. Loans and advances include an amount of ₹ 286.89 lacs paid towards procurement of spinning equipment for Spinning Unit to be set up at Tirupur, Tamil Nadu and lying since 2006. The plan of setting up of Spining Unit has since been shelved and the amount is fully recoverable/adjustable only against future supplies from the vendors. No provision has been made for same.
10. Finished Goods included rejected materials valued at ₹ 18,687,722 (P.Y. ₹ 17,741,575) carried at NRV which is less than cost.
11. The management has carried out a comprehensive exercise to assess the impairment loss of its assets and based on such exercise, it has been concluded that there is no impairment of any assets. Accordingly, no adjustment in respect of loss on impairment of assets is required to be made in the Statement of Accounts.
12. The Company has approved in its Extraordinary General Meeting held on 9th April 2011 the amendment of the Authorized Capital and Issued and Subscribed capital by subdivision of the existing 200 lacs numbers of Equity shares of the Company of the face value of ₹ 10 to 2000 lacs numbers of Equity shares of ₹ 1/- each. Accordingly, the Issued and Subscribed Share Capital represent 79,524,560 equity shares of ₹ 1/- each fully paid up out of which 209,000 equity shares with a paid up amount of ₹ 104,500 as forfeited shares.
13. In the opinion of the Board of Directors of the company the current Assets, Loans & Advances and deposits are approximately of the value stated in the financial statements, if realized in the ordinary course of business unless otherwise stated. The provision for all known liabilities is adequate and not in excess of the amount reasonably required.
14. **Auditors Remuneration includes amount paid or payable :** (Amount in ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
a) Audit Fees	300,000	193,025
b) Taxation Matter	30,000	27,575
c) Other Matters	83,423	21,511
Total	413,423	242,111

15. Deferred Tax Liabilities

Calculation of Deferred Tax Liabilities as at 31st March, 2011 and 31st March, 2010 is as given below :

Particulars	As at 31st March 2011	As at 31st March 2010
Arising on account of difference between Book Value of Depreciable assets as per Books of Account and written down value for tax purpose	111,848,530	70,499,086
Expenses charged but allowable in the future year on payment or under other provisions of the Income Tax Act, 1961	NIL	(513,593)
Net Deferred Tax Liability	111,848,530	69,985,493
Net Impact taken into Profit & Loss Account	41,863,037	4,676,736

SCHEDULE to the Accounts

16. Earning Per Share (EPS) :

Calculation of earning per shares as given below :

A. BASIC

	2010-2011	2009-2010
i) Number of Equity Shares at the beginning of the year	7,952,456	7,952,456
ii) Number of Equity Shares at the end of the year	7,952,456	7,952,456
iii) Weighted average number of Equity Shares Outstanding during the year	7,952,456	7,952,456
iv) Face Value of Equity Shares (₹)	10.00	10.00
v) Profit after Tax for Equity Shareholders (₹)	320,181,544	241,408,103
vi) Basic Earnings Per Share (v/iii) (₹)	40.26	30.36

B. DILUTED

i) Number of Dilutive potential Equity Shares	NIL	NIL
ii) Diluted Earnings per Share (₹) [Same as A(vi) above]	40.26	30.36

17. Segment information :

i) Primary Segment (Business Segments)

(Amount in ₹)

Particulars	Sales	Services	Electricity Charges	Elimination	Total
Revenue	6,326,117,479 (5,113,259,440)	50,951,735 (76,422,672)	7,965,083 (9,682,499)	–	6,385,034,297 (5,199,364,611)
Inter Segment services		92,653,574 (139,062,563)		92,653,574 (139,062,563)	
Segment Result (PBIT)	608,941,301 (398,369,502)	11,572,603 (21,815,852)	3,275,895 (5,390,882)	–	623,789,799 (425,576,236)
Interest	126,969,258 (52,061,323)	15,723,237 (3,151,576)	827,594 (1,778,498)	–	143,520,089 (56,991,397)
Profit Before Tax					480,269,710 (368,584,839)
Provision for Taxation					118,000,000 (122,500,000)
Provision for Deferred Tax					41,863,037 (4,676,736)
Income Tax for earlier year					225,129 –
Profit After Tax					320,181,544 (241,408,103)

SCHEDULE to the Accounts

Particulars	Sales	Services	Electricity Charges	Elimination	Total
Other Information					
Assets					4,679,383,260 (3,515,487,003)
Liabilities					3,047,497,865 (2,111,357,720)
Depreciation	23,156,448 (22,386,025)	19,589,687 (10,049,769)	3,055,988 (3,055,988)		45,802,123 (35,491,782)

ii) Secondary Geographical segment - Revenue;

Particulars	Domestic	Export	Total
Revenue	6,324,453,911 (5,103,382,330)	60,580,386 (95,982,281)	6,385,034,297 (5,199,364,611)

Note :-

- Assets used in the company's operations or liabilities contracted have not been identified to any of the reportable segments, as the assets and liabilities are used interchangeably between segments.
- Previous year figures are given in brackets.

18. Related Party Disclosure :

- As per the Accounting Standard on 'Related Party Disclosure' notified in sub-section 3(C) of Section 211 of the Act, the related parties of the Company are as follows :

Key Management Personnel	Mr. P. R. Agarwala	<i>Chairman</i>
	Mr. G. P. Agarwala	<i>Vice Chairman</i>
	Mr. K. B. Agarwala	<i>Managing Director</i>
	Mr. Ramesh Agarwal	<i>Executive Director</i>
	Mr. Mukesh Agarwal	<i>Executive Director</i>
Relatives of Key Management Person	Shri Baijnath Agarwal	
	Mr. Manish Agarwal	
	Mr. Ravi Agarwal	
	Mr. Vikash Agarwal	
	Mr. Rajnish Agarwal	
	Smt Puspa Devi Agarwal	
	Mr. Suresh Agarwal	
Subsidiaries	Euro Fashion Inners International Pvt. Ltd.	
	Imoogi Fashions Pvt Ltd.	
Other Associates	Binod Hosiery	
	Salasar Projects and Estates Pvt. Ltd.	
	Sidhant Flats & Apartments Pvt. Ltd.	
	Salasar Infrastructure Ltd.	
	Salasar Developers & Garments Pvt. Ltd.	
	Bajrangbali Projects Ltd.	
	Sidhant Textiles Pvt. Ltd.	
	Ganesh Enclave Ltd.	
	Ravi Global Pvt. Ltd.	
	Kadambari Impex & Agency Pvt. Ltd.	

SCHEDULE to the Accounts

- ii) Information on related party transaction as required by Accounting Standard (As-18) for the year ended 31st March, 2011.

Particulars	Key Management Personnel		Relative of key Management Personnel		Other Associates		Subsidiary Companies	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Rent	492,000	492,000	114,000	114,000	978,000	96,000		
Salary & Perquisites	14,128,998	8,042,394	8,900,000	4,200,000				
Commission	1,200,000	1,200,000						
Loan Repayment						21,111,659		
Interest Paid						35,561		
Sales							52,728	3,446,860
Purchase							228,130,412	180,804,793
Rent Received							-	160,000

19. Additional information pursuant to Part II of Schedule VI of the Companies Act, 1956 :

INFORMATION IN RESPECT OF GOODS MANUFACTURED

Raw Material Consumed

Yarn	Quantity in Kg.		Amount in ₹	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Opening Stock	661,282	301,421	105,433,840	37,134,292
Purchases	7,452,523	10,857,744	1,483,357,972	1,456,614,502
	8,113,805	11,159,165	1,588,791,812	1,493,748,794
Consumption	7,481,476	10,497,883	1,435,396,678	1,388,314,954
Closing Stock	632,329	661,282	153,395,134	105,433,840

Than	Quantity in Kg.		Amount in ₹	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Opening Stock	2,139,481	519,989	398,564,094	71,758,558
Purchases	8,117,745	6,431,426	1,601,487,020	1,037,538,563
Production	7,481,476	10,497,883	1,435,396,678	1,388,314,954
	17,738,702	17,449,298	3,435,447,792	2,497,612,075
Consumption	15,458,006	15,268,770	2,835,035,393	2,091,659,510
Sales	30,724	41,047	6,759,225	7,388,471
Closing Stock	2,249,972	2,139,481	593,653,174	398,564,094

SCHEDULE to the Accounts

	Quantity in Mtrs.		Amount in ₹	
Elastic	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Opening Stock	1,023,430	1,853,202	4,196,061	7,218,846
Purchases	100,946,712	84,004,898	315,865,618	256,214,940
	101,970,142	85,858,100	320,061,679	263,433,786
Consumption	98,053,762	84,834,670	304,396,161	259,237,725
Closing Stock	3,916,380	1,023,430	15,665,518	4,196,061

	Quantity in Kwh.		Amount in ₹	
Electricity	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Opening Stock	—	—	—	—
Production	1,943,608	2,452,138	7,956,083	9,682,499
	1,943,608	2,452,138	7,956,083	9,682,499
Sales	1,943,608	2,452,138	7,956,083	9,682,499
Closing Stock	—	—	—	—

	Quantity in Dzs.		Amount in ₹	
Finished product-knitwear	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Opening Stock	2,186,464	1,725,277	583,430,361	404,976,427
Production	13,511,266	13,562,988	4,841,823,449	4,061,948,936
Purchases	463,631	382,798	231,519,447	183,138,115
Sales	14,112,637	13,484,599	6,313,051,752	5,099,042,938
Closing Stock	2,048,724	2,186,464	836,471,860	583,430,361

SCHEDULE to the Accounts**20. Other information :**

(Amount in ₹)

Particulars	Current Year	Previous Year
a) Expenditure in Foreign Currency		
Payment of loan	177,012,901	95,223,718
Traveling Expenses	7,990,888	2,866,024
Finance Charges	7,083,634	7,403,511
Professional fees	100,643	46,417
Commission	51,999	193,526
b) C.I.F. Value of Imports		
Machinery	27,188,257	218,732,048
Machinery Spares parts	717,993	591,074
Product Accessories	NIL	52,010
c) Earning in Foreign Currency		
FOB Value of Export	60,580,386	89,154,250

21. Figures of Previous year have been re-grouped/re-arranged wherever considered necessary to conform to current year's groupings and classifications.

Signatures to Schedule 1 to 20

As per our Report of even date

For **L. B. JHA & CO.**

Chartered Accountants

Firm Registration No. 301088E

T. Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : The 30th day of May, 2011

For and on behalf of the Board

G. P. Agarwala

Vice Chairman

P. R. Agarwala

Chairman

Priya Punjabi Agarwal

Company Secretary

K. B. Agarwala

Managing Director

BALANCE SHEET ABSTRACT

Balance Sheet Abstract and Company's General Business Profile

Additional Information as required under Part-IV of Schedule-VI of the Companies Act, 1956.

i) Registration Details

Registration No. L 1 7 2 9 9 W B 1 9 8 5 P L C 0 3 8 5 1 7

Balance Sheet Date 3 1 0 3 2 0 1 1 State Code 2 1

ii) Capital raised during the year (Amount in ₹ Thousands)

Public Issue N I L Right Issue N I L

Bonus Issue N I L Private Placement N I L

iii) Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities 4 6 7 9 3 8 3 Total Assets 4 6 7 9 3 8 3

Sources of Funds

Paid-up Capital 7 9 6 2 9 Reserve & Surplus 1 5 5 2 2 5 6

Secured Loans 1 8 3 6 8 8 2 Unsecured Loans N I L

Deferred Tax Liabilities 1 1 1 8 4 9

Application of Funds

Net Fixed Assets 1 0 9 2 7 6 1 Investments 4 1 2 0 0

Net Current Assets 2 4 4 6 6 5 5 Miscellaneous Expenditure N I L

Accumulated Losses N I L

iv) Performance of the Company (Amount in ₹ Thousands)

Turnover and Other Income 6 3 9 7 9 7 7 Total Expenditure 6 1 7 0 7 4 8

Profit/(Loss) before Tax 4 8 0 2 7 0 Profit/(Loss) after Tax 3 2 0 1 8 2

Earning Per Share (₹) 4 0 . 2 6 Dividend Rate (%) 1 0 0

v) Generic Name of three Principal Products/Services of the Company (As per Monetary Terms)

Item Code No. (ITC code)	Product Description
610711.01	Gents Undergarments
610821.01	Ladies Undergarments
610910.02	T-Shirts

For and on behalf of the Board

G. P. Agarwala
Vice Chairman

P. R. Agarwala
Chairman

Priya Punjabi Agarwal
Company Secretary

K. B. Agarwala
Managing Director

Place : Kolkata

Date : The 30th day of May, 2011

STATEMENT RELATING TO SUBSIDIARIES

Statement relating to Subsidiary Company pursuant to Section 212 of The Companies Act, 1956

1.	Name of the Subsidiary	Euro Fashion Inners International Pvt. Ltd.	Imoogi Fashions Pvt. Ltd.
2.	Financial Year of the Subsidiary ended on	31st March, 2011	31st March, 2011
3.	Share of the Subsidiary held by the Company on the above date		
	(a) Number and Face Value	4,100,000 of ₹ 10/- each	10,000 of ₹ 10/- each
	(b) Extent of holding	100%	100%
4.	Net aggregate amount of Profit/(Loss) of the subsidiary for the above financial year so far as it concerns members of the Company		
	(a) Dealt with in the accounts of the Company for the year ended 31st March, 2011	—	—
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2011	₹ 16,778,785	₹ 44,667
5.	Net aggregate amount of Profit/(Loss) of the Subsidiary for the previous years of the subsidiary since it became a subsidiary so far as they concern Members of the Company		
	(a) Dealt with in the accounts of the Company for the year ended 31st March, 2011	—	—
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2011	₹ 45,143,306	₹ 32,953

For and on behalf of the Board

G. P. Agarwala
Vice Chairman

P. R. Agarwala
Chairman

Place : Kolkata

Date : The 30th day of May, 2011

Priya Punjabi Agarwal
Company Secretary

K. B. Agarwala
Managing Director

EURO FASHION INNERS INTERNATIONAL PVT. LTD.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Rajnish Agarwal
Shri Ramesh Agarwal
Shri Vikash Agarwal
Shri Sushil Patwari

AUDITORS

M/s K. Agrawal & Co.
Chartered Accountants
34, Ezra Street, Kolkata - 700 001

BANKERS

Indusind Bank Ltd.

REGISTERED OFFICE

102, VIP Plaza Plot No. 7
Veera Industrial Estate
New Link Road, Andheri (W)
Mumbai - 400 053
Email : feedback@eurofashions.in

CORPORATE OFFICE

Metro Tower, 8th Floor
1, Ho Chi Minh Sarani
Kolkata - 700 071

DIRECTORS' REPORT

To The Members

Your Directors have pleasure in presenting the Sixth Annual Report of your Company along with the Audited Financial Statements for the financial year ended 31st March, 2011

FINANCIAL RESULTS

The highlights of the financial results for the year 2010-2011 are as follows :

(Amount in ₹)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Sales & Other Income	343,524,742	310,124,722
Gross Profit before Interest, depreciation & Tax	29,704,210	17,796,250
Less : Interest	3,991,713	1,147,001
Gross Profit after Interest but before Depreciation and Taxation	25,712,497	16,649,249
Less : Depreciation	706,336	684,921
Profit before Tax	25,006,161	15,964,328
Less : Provision for Taxation	7,670,000	4,680,000
Provision for Deferred Tax	557,376	808,199
Prior Period Adjustment	—	27,267
Profit after Tax	16,778,785	10,448,862
Add : Surplus brought forward	28,364,521	17,915,659
Balance carried to Balance Sheet	45,143,306	28,364,521

OPERATIONS

The Sales & Other Income of the Company during the period under review are ₹ 343,524,742/- (Previous Year ₹ 310,124,722/-). The Company has earned a Profit after Tax of ₹ 16,778,785/- (Previous Year ₹ 10,448,862/-).

DIVIDEND

As the funds are required to be plucked to strengthen the financial position of the company, the board has decided not to recommend any dividend.

DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

DIRECTORS

Mr. Ramesh Agarwal retire by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment.

DIRECTORS' REPORT

AUDITORS

The Auditors M/s. K. Agrawal & Co. Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, Your Directors state that :

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures ;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year 2010–2011, and of the profit of the Company for that period ;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (d) the Annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

None of the employees of the company was in receipt of remuneration which requires disclosures under Section 217(2A) of the Companies Act, 1956 and the Rules made therein.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the concerned details relating to energy conservation, technology absorption, foreign exchange earnings and outgo are given in Annexure attached hereto, which forms part of this Directors' Report.

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the assistance and cooperation received from the, Bankers Government Authorities and all others during the year under review. Your Directors wish to place on record their deep sense of appreciation to all the employees for their contribution during the year

For and on behalf of the Board

Place : Kolkata

Dated : The 27th day of May, 2011

Rajnish Agarwal
Director

Ramesh Agarwal
Director

ANNEXURE to the Directors' Report

Information as required under section 217(1) (e) read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

Research & Development is being carried out by the Company in the areas of product design & marketing. Due to continuous efforts & development, products of your company enjoy premium position in the market. Other provisions of Section 217(1)(e) of the Companies Act, 1956 with regards to conservation of energy and technology absorption not applicable to your Company.

For and on behalf of the Board

Place : Kolkata

Dated : The 27th day of May, 2011

Rajnish Agarwal
Director

Ramesh Agarwal
Director

AUDITORS' REPORT

To the members of

Euro Fashion Inners International Private Limited

1. We have audited the attached Balance Sheet of **EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED** as at 31st March, 2011 and the related Profit & Loss Account on that date of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of The Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e. Based on the representations made by all the Directors of the Company as on March 31st, 2011 and taken on record by the Board of Directors of the Company and in accordance with the information and explanations as made available, the Directors of the Company do not, prima facie, have any disqualification as referred to in Clause (g) of sub-section (1) to Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the Notes thereon give in the prescribed manner the information required by the Companies Act, 1956 and also give respectively, a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st, March, 2011; and
 - (ii) in case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

For **K. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 306104E

CA K. C. Agrawal

Partner

Membership No. 010277

Place : Kolkata

Dated : The 27th day of May, 2011

ANNEXURE to the Auditors' Report

Referred to in Paragraph 3 of our report of even dated on the accounts for the year ended on 31st March, 2011 of EURO FASHION INNERS INTERNATIONAL PRIVATE LIMITED

- (i) In respect of its fixed assets :
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. Some of the fixed assets have been physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c. The Company has not disposed off any part of the fixed assets during the year.
- (ii) In respect of its inventories :
 - a. As explained to us, the inventories of finished and semi finished goods and raw materials were physically verified during the year by the Management. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable. In the case of materials lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In respect of loans taken and granted by the Company from/to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us :

The company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for sale of goods. Further based on our checking we have not come across any major weakness in the internal control.
- (v) In respect of contracts or arrangements enter in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :
 - a. The particulars of contract or arrangements referred to in section 301 that needed to be entered into the register, maintained under the said section have been so entered.
 - b. In our opinion and according to the explanation given to us, these transactions made in pursuance of such contracts have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) As explained to us, the Company has not accepted any deposit from the public in the meaning of the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) The Central government has not prescribed the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 for any products of the Company.

ANNEXURE to the Auditors' Report

- (ix) In respect of statutory dues :
- According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it were in arrears, as at 31st March, 2011 for a period of more than six months from the date they become payable.
 - According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it were in arrears, as at 31st March, 2011.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanation given by the management we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- (xiv) According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us the company has not given any guarantee for loans taken by others from banks or financial Institutions.
- (xvi) Based on the information and explanations given to us by the management, the company has not obtained any term loans.
- (xvii) We have been informed by management that the fund raised for short term basis have not been used for long term investment.
- (xviii) The company has not made any preferential allotment of shares during the year to parties or companies covered in register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debenture during the year and it has created proper securities or charges in respect of outstanding debentures.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) To the best of our knowledge and belief and according to information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E

CA K. C. Agrawal
Partner
Membership No. 010277

Place : Kolkata
Dated : The 27th day of May, 2011

BALANCE SHEET as at 31st March, 2011

(Amount in ₹)

	Schedule	31st March, 2011	31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	41,000,000	41,000,000
Reserves and Surplus	2	45,143,306	28,364,521
Loan Funds			
Secured Loans	3	2,703,807	24,788,276
Unsecured Loans	4	127,825,115	–
Deferred Tax Liability		1,973,732	1,416,356
TOTAL		218,645,960	95,569,153
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	35,093,155	34,589,818
Less : Depreciation		1,876,363	1,170,027
Net Block		33,216,792	33,419,791
Current Assets, Loans and Advances			
Inventories	6	244,330,807	46,352,677
Sundry Debtors	7	4,425,265	20,406,737
Cash and Bank Balances	8	422,609	268,966
Loans, Advances and Deposits	9	11,900,322	35,126,392
		261,079,003	102,154,772
Less : Current Liabilities and Provisions			
Current Liabilities	10	67,979,835	37,900,410
Provisions	11	7,670,000	2,105,000
		75,649,835	40,005,410
Net Current Assets		185,429,168	62,149,362
TOTAL		218,645,960	95,569,153
Notes Forming Part of the Accounts	19		

As per our Report of even date
For **K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E

CA K. C. Agrawal
Partner
Membership No. 010277
Place : Kolkata
Date : The 27th day of May, 2011

For and on behalf of the Board

Rajnish Agarwal
Director

Ramesh Agarwal
Director

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011

(Amount in ₹)

	Schedule	31st March, 2011	31st March, 2010
INCOME			
Sales		343,384,221	309,709,299
Other Income	12	140,521	415,423
Increase/(Decrease) in Stock	13	113,772,108	(14,768,059)
		457,296,850	295,356,663
EXPENDITURE			
Raw Materials Consumed	14	251,322,766	144,396,969
Manufacturing Expenses	15	92,589,737	67,198,334
Payments to and Provision for Employees	16	2,986,295	2,259,054
Selling, Distribution, Administration and Other Expenses	17	80,673,708	63,534,540
Finance Charges	18	4,011,847	1,318,517
Depreciation		706,336	684,921
		432,290,689	279,392,335
Profit before Tax		25,006,161	15,964,328
Less : Provision for Taxation		7,670,000	4,680,000
Less : Provision for Deferred Tax		557,376	808,199
Less : Prior Period Adjustment		—	27,267
Profit after Tax		16,778,785	10,448,862
Balance Brought from Previous Year		28,364,521	17,915,659
Balance Carried to Balance Sheet		45,143,306	28,364,521
Earning Per Share - Basic and Diluted (₹)		4.09	2.55
Number of equity share		4,100,000	4,100,000
Notes Forming part of the Accounts	19		

As per our Report of even date
For **K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E

CA K. C. Agrawal
Partner
Membership No. 010277
Place : Kolkata
Date : The 27th day of May, 2011

For and on behalf of the Board

Rajnish Agarwal
Director

Ramesh Agarwal
Director

SCHEDULES to the Balance Sheet

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 1 SHARE CAPITAL		
Authorised		
5,000,000 Equity Shares of ₹ 10/- each	50,000,000	50,000,000
Issued		
4,100,000 Equity Shares of ₹ 10/- each	41,000,000	41,000,000
Subscribed & Paid-up		
4,100,000 Equity Shares of ₹ 10/- each	41,000,000	41,000,000

SCHEDULE 2 RESERVE AND SURPLUS		
Profit & Loss Account	45,143,306	28,364,521
	45,143,306	28,364,521

SCHEDULE 3 SECURED LOANS		
From Bank		
Working Capital Loan	2,703,807	24,788,276
	2,703,807	24,788,276

Note :

The Working Capital Loan is secured by hypothecation of the entire current assets of the Company, equitable mortgage of land at Tirupur and personal guarantee of Promoter Directors of the Company.

SCHEDULE 4 UNSECURED LOANS		
Short Term Loans		
From Holding Company	127,825,115	—
	127,825,115	—

SCHEDULES to the Balance Sheet

(Amount in ₹)

SCHEDULE 5 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As on 1st April 2010	Additions	Sale	As at 31st March 2011	Upto 31st March 2010	For the year	Adjustment	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011
INTANGIBLE ASSETS										
Copy Right & Trade Mark	500,000	–	–	500,000	150,137	50,000	–	200,137	349,863	299,863
TANGIBLE ASSETS										
Land	4,688,520	–	–	4,688,520	–	–	–	–	4,688,520	4,688,520
Building	26,835,371	124,827	–	26,960,198	438,615	438,596	–	877,211	26,396,756	26,082,987
Furniture & Fixtures	59,701	33,510	–	93,211	1,378	5,095	–	6,473	58,323	86,738
Office Equipment	347,252	–	–	347,252	144,422	56,290	–	200,712	202,830	146,540
Plant & Machinery	1,441,234	316,021	–	1,757,255	178,427	85,990	–	264,417	1,262,807	1,492,838
Vehicles	717,740	28,979	–	746,719	257,048	70,365	–	327,413	460,692	419,306
Total	34,589,818	503,337	–	35,093,155	1,170,027	706,336	–	1,876,363	33,419,791	33,216,792
Previous Year	34,478,049	111,769	–	34,589,818	485,106	684,921	–	1,170,027	33,992,943	33,419,791

SCHEDULE 6 INVENTORIES

	31st March, 2011	31st March, 2010
(As taken, valued and certified by the management)		
Finished Goods	130,355,855	16,583,747
Raw Materials	43,110,785	21,499,531
Materials under process	60,327,094	6,294,502
Packing Materials	10,537,073	1,974,897
	244,330,807	46,352,677

SCHEDULE 7 SUNDRY DEBTORS (UNSECURED)

Debtors outstanding for a period exceeding six month		
Considered Good	2,240,192	2,599,478
Other Debts		
Considered Good	2,185,073	17,807,259
	4,425,265	20,406,737

SCHEDULE 8 CASH AND BANK BALANCE

Cash Balance in Hand	188,398	181,878
Balance with Schedule Banks		
In Current Account	234,211	87,088
	422,609	268,966

SCHEDULES to the Balance Sheet

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 9 LOANS, ADVANCES & DEPOSITS		
(Unsecured, Considered Good)		
Advance for Capital Goods	6,600,000	5,280,000
Advances - Recoverable in cash or in kind or for value to be received	4,925,122	7,009,332
Income Tax Refundable	—	1,782,193
Advance Tax (Net of Provision)	375,200	375,200
Advance to Holding Company	—	20,679,667
	11,900,322	35,126,392

SCHEDULE 10 CURRENT LIABILITIES		
Sundry Creditors		
- For Goods	34,580,678	13,948,076
- For Expenses	20,228,040	20,656,797
- For Advances, Deposits & Credit Balances	2,653,307	3,053,837
Book Debt Balance with Bank	10,457,810	241,700
	67,979,835	37,900,410

SCHEDULE 11 PROVISIONS		
For Taxation (Net of Payments)	7,670,000	2,105,000
	7,670,000	2,105,000

SCHEDULES to the Profit & Loss Account

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 12 OTHER INCOME		
Interest	140,521	415,423
	140,521	415,423
SCHEDULE 13 INCREASE/(DECREASE) IN STOCK		
Opening Stock	16,583,747	31,351,806
Less : Closing Stock	130,355,855	16,583,747
	113,772,108	(14,768,059)
SCHEDULE 14 RAW MATERIALS CONSUMED		
Opening Stock	27,794,033	18,093,982
(Includes Material Under Process ₹ 6,294,502/- Previous Year ₹ 3,357,010/-)		
Add : Purchases	326,966,612	154,097,020
	354,760,645	172,191,002
Less : Closing Stock	103,437,879	27,794,033
(Includes Material Under Process ₹ 60,327,094/- Previous Year ₹ 6,294,502/-)		
	251,322,766	144,396,969
SCHEDULE 15 MANUFACTURING EXPENSES		
Processing Charges	91,435,181	66,066,749
Carriage Inwards	1,154,556	1,131,585
	92,589,737	67,198,334
SCHEDULE 16 PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus & Leave Pay	2,672,926	2,015,084
Contribution to Provident Fund	101,358	76,420
Staff Welfare	212,011	167,550
	2,986,295	2,259,054
SCHEDULE 17 SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
A) Selling and Distribution Expenses		
Packing Materials Consumed	28,237,153	24,700,187
Carriage Outward	624,665	567,872
Brokerage & Commission	2,054,503	316,786
Advertisement	29,927,359	26,789,530
Marketing Expenses	7,506,148	6,697,634
Sales Promotion Expenses	9,174,466	152,953
	77,524,294	59,224,962

SCHEDULES to the Profit & Loss Account

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 17 SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
B) Administration and Other Expenses		
Rent, Rates & Taxes	120,848	172,273
Telephone, Telex & Fax	—	1,131
Electricity Charges	118,944	39,469
Printing & Stationery	94,363	111,438
Postage & Courier	32,553	156,997
Travelling & Conveyance	2,413	31,061
Legal & Professional Charges	58,237	121,366
Repair and Maintenance		
- For Other	840,281	466,772
Vehicles Maintenance Expenses	142,579	122,980
Auditors' Remuneration		
- As Audit Fees	22,060	22,060
- As Tax Audit Fees	5,515	5,515
Office Maintenance	421,012	247,725
Insurance	99,608	44,052
Other Expenses	210,489	89,325
Quality Development Expenses	450,523	301,894
Dealer's Incentive	495,977	657,120
Preliminary Expenses Written off	—	31,900
Bad Debts	34,012	1,686,500
	3,149,414	4,309,578
Total (A) + (B)	80,673,708	63,534,540

SCHEDULE 18 FINANCE CHARGES		
Interest		
- To Bank	3,471,124	1,019,465
- To Others	520,589	127,536
Other Financial Charges	20,134	171,516
	4,011,847	1,318,517

SCHEDULE to the Accounts

SCHEDULE 19 NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting Policies

The accounts of the company are prepared under the historical cost convention and on the basis of the accounting principles of a going concern to comply with the applicable accounting standards. For recognition of income and expenses, accrual basis of accounting is followed.

b) Revenue Recognition

Revenue from sale of goods is recognized upon passage of title to the customers.

c) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost of an asset comprises its purchase price and incidental expenses related thereto.

d) Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization.

e) Depreciation & Amortisation

- (i) Depreciation on fixed assets is provided on Straight Line Method at the rate prescribed in Schedule XIV of the Companies Act, 1956. Depreciation for assets purchased/sold during the period is proportionately charged.
- (ii) Copy Right & Trade Marks are amortized over a period of ten years.

f) Inventories

Inventories are valued using FIFO method on the basis mentioned below -

- i) Raw Materials, Packing Materials and Materials under process are valued at cost or net realizable value whichever is lower.
- ii) Finished goods are valued at cost including excise duty or net realizable value whichever is lower.
- iii) Cost of Material under process comprises cost of materials and proportionate Manufacturing Expenses.

g) Sales

Sales are recorded net of Value added tax, sales tax, sales return and discounts.

h) Employees Benefits

- i) Company's contributions to Provident Fund are charged to Profit & Loss Account.
- ii) Leave encashment benefits are accounted for on accrual basis.

i) Miscellaneous Expenditure

Preliminary expenses are amortised over a period of five years from the year of Incorporation of the Company.

j) Prior Period Adjustment

Income/Expenditure pertaining to prior periods is reflected as "Prior Period Adjustment".

k) Borrowing Cost

Borrowing Cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

SCHEDULE to the Accounts

l) Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act 1961.

Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

m) Contingent Liabilities

Contingent liabilities are generally not provided for in the accounts and are shown separately in Notes on Accounts.

n) Impairment of Assets

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flow.

B. NOTES ON ACCOUNTS

- Contingent Liabilities not provided for : ₹ Nil.
- In the absence of any intimation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act, 2006", the Company is unable to comply with the disclosures required to be made under the said Act.
- Figures of Previous year have been regrouped/rearranged wherever considered necessary.
- The company has carried out comprehensive exercise to assess the impairment loss of Assets. Based on such exercise, there is no impairments of Assets. Accordingly, no adjustment in respect of loss on impairment of Assets is required to be made in the Accounts.

5. Deferred Tax Liabilities

Calculation of Deferred Tax Liabilities as at 31st March, 2011 and 31st March, 2010 is as given below :

(Amount in ₹)

Particulars	Deferred Tax Liabilities as on 31.3.2011	Deferred Tax Liabilities as on 31.3.2010
Arising on account of difference between Book Value of Depreciable assets as per books of Account and Written Down value for tax purpose	1,973,732	1,416,356
Net Impact taken into Profit & Loss Account	557,376	808,199

SCHEDULE to the Accounts

6. Earning Per Shares (EPS)

Calculation of earning per shares as given below :

	2010-2011	2009-2010
a. Net profit after tax available for equity shareholder (₹)	16,778,785	10,448,862
b. Number of Equity Share outstanding during the year	4,100,000	4,100,000
c. Weighted average number of Equity Share outstanding during the year	4,100,000	4,100,000
d. Basic/Diluted Earning Per shares (₹)	4.09	2.55
e. Nominal Value Per Shares (₹)	10.00	10.00

The Company does not have any outstanding dilutive potential equity shares.

7. As per the Accounting Standard 18 on 'Related Party Disclosure' notified under sub-section 3(C) of Section 211 of the Companies Act, 1956, the related parties of the Company are as follows :

Holding Company : Rupa & Company Limited

Other Associates : Nil

(Amount in ₹)

Particulars	Holding Company		Other Associates	
	2010-2011	2009-2010	2010-2011	2009-2010
Purchases	NIL	3,446,860	NIL	NIL
Sales	228,082,297	180,804,793	NIL	NIL
Rent Paid	NIL	160,000	NIL	NIL

8. Additional information pursuant to Part II of Schedule VI of the Companies Act, 1956 :

INFORMATION IN RESPECT OF GOODS MANUFACTURED

A) Raw Materials Consumed - All Indigenous

	Quantity (in Kg.)		Amount (in ₹)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
i) Yarn				
Opening Stock	26,061	16,864	4,247,950	2,037,552
Purchases	228,584	692,237	48,503,463	94,109,024
	254,625	709,101	52,751,413	96,146,576
Consumption	210,780	683,040	41,116,478	91,898,626
Closing Stock	43,845	26,061	11,634,935	4,247,950

SCHEDULE to the Accounts

	Quantity (in Kg.)		Amount (in ₹)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
ii) Than				
Opening Stock	77,497	80,302	15,344,413	10,617,452
Purchases	1,147,693	261,139	238,496,389	37,930,792
Production	210,780	683,040	41,116,478	91,898,626
	1,435,970	1,024,481	294,957,280	140,446,870
Consumption	1,152,972	817,060	204,394,375	105,516,344
Sales	6,137	129,924	1,537,104	19,586,113
Closing Stock	276,861	77,497	89,025,801	15,344,413

	Quantity (in Mtrs.)		Amount (in ₹)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
iii) Elastic				
Opening Stock	895,967	1,203,006	1,254,354	1,443,607
Purchases	16,683,963	11,475,507	25,572,823	15,598,568
	17,579,930	12,678,513	26,827,177	17,042,175
Consumption	16,273,449	11,782,546	24,824,631	15,787,821
Closing Stock	1,306,481	895,967	2,002,546	1,254,354

B. Finished Products - Knitwear

	Quantity (in Dzs.)		Amount (in ₹)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Opening Stock	50,863	105,651	16,583,747	31,351,806
Purchases	136,450	2,935	4,026,750	694,969
Production	796,446	674,287	372,149,656	236,295,490
Sales	736,085	732,010	341,847,117	290,123,186
Closing Stock	247,674	50,863	130,355,855	16,583,747

SCHEDULE to the Accounts

OTHER INFORMATION

(Amount in ₹)

	Current Year	Previous Year
a) Expenditure in Foreign Currency	NIL	NIL
b) C.I.F. Value of Imports	NIL	NIL
c) Earning in Foreign Currency	NIL	NIL

Signatures to Schedule 1 to 19

As per our Report of even date
For **K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306104E

CA K. C. Agrawal
Partner
Membership No. 010277
Place : Kolkata
Date : The 27th day of May, 2011

For and on behalf of the Board

Rajnish Agarwal
Director

Ramesh Agarwal
Director

BALANCE SHEET ABSTRACT

Balance Sheet Abstract and Company's General Business Profile

Additional Information as required under Part-IV of Schedule-VI of the Companies Act, 1956.

i) Registration Details

Registration No.

U 1 7 1 2 0 M H 2 0 0 5 P T C 1 5 2 8 3 7

Balance Sheet Date

3 1 0 3 2 0 1 1

State Code

1 1

ii) Capital raised during the year (Amount in ₹ Thousands)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

iii) Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities

2 9 4 2 9 6

Total Assets

2 9 4 2 9 6

Sources of Funds

Paid-up Capital

4 1 0 0 0

Reserve & Surplus

4 5 1 4 3

Secured Loans

2 7 0 4

Unsecured Loans

1 2 7 8 2 5

Deferred Tax Liabilities

1 9 7 4

Application of Funds

Net Fixed Assets

3 3 2 1 7

Investments

N I L

Net Current Assets

1 8 5 4 2 9

Miscellaneous Expenditure

N I L

Accumulated Losses

N I L

iv) Performance of the Company (Amount in ₹ Thousands)

Turnover and Other Income

3 4 3 5 2 5

Total Expenditure

3 1 8 5 1 9

Profit/(Loss) before Tax

2 5 0 0 6

Profit/(Loss) after Tax

1 6 7 7 9

Earning Per Share (₹)

4 . 0 9

Dividend Rate (%)

N I L

v) Generic Name of three Principal Products/Services of the Company (As per Monetary Terms)

Item Code No. (ITC code)

610711.01

610821.01

610910.02

Product Description

Gents Undergarments

Ladies Undergarments

T-Shirts

As per our Report of even date

For **K. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 306104E

CA K. C. Agrawal

Partner

Membership No. 010277

Place : Kolkata

Date : The 27th day of May, 2011

For and on behalf of the Board

Rajnish Agarwal

Director

Ramesh Agarwal

Director

IMOOGI FASHIONS PVT. LTD.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Ramesh Agarwal
Shri Vikash Agarwal

AUDITORS

M/s Mittal & Agarwal
Chartered Accounts
161/1, M G Road, 2nd Floor
Kolkata - 700 007

BANKERS

Indusind Bank Ltd.

REGISTERED OFFICE

Metro Tower, 8th Floor
1, Ho Chi Minh Sarani
Kolkata - 700 071

REGISTRAR & SHARE TRANSFER AGENTS

Mareshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001

DIRECTORS' REPORT

To the Members

The Directors have pleasure in presenting their 2nd Annual Report together with the Audited Financial Statements of the Company for the Year ended 31st March, 2011.

FINANCIAL RESULTS

(Amount in ₹)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Profit/(Loss) before Tax	59,403	(11,714)
Less : Provision for Taxation	14,736	–
Profit/(Loss) after Tax	44,667	(11,714)
Balance Brought Forward from Last Year	(11,714)	–
Balance Carried to Balance Sheet	32,953	(11,714)

DIVIDEND

Due to inadequate profit during the year, directors do not propose any Dividend.

DIRECTORS

Mr. Vikash Agarwal, Director of the Company is to retire by rotation at the ensuing Annual General Meeting. Being eligible, he has offered himself for re-appointment and the Board recommends his re-appointment.

AUDITORS

M/S. Mittal & Agarwal, Chartered Accountants, Kolkata, being the Auditors of the Company will retire at ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have also furnished Certificate to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act. Members are requested to appoint them as Auditor of the Company for the current year and fix their remuneration.

DEPOSITS

The Company has not accepted any Deposits during the Year. Hence, no information is required to be appended to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, Your Directors state that :

In compliance with Section 217(2AA) of the Companies Act, 1956 the Directors confirm that -

- In the preparation of annual accounts, the applicable accounting standards have been followed;
- The Directors have selected such accounting policies as mentioned in Schedule 13 of the Annual Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting of records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on the going concern basis.

DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES

No Particulars of Employees as required by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended upto, have been furnished as the same does not apply to the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The Companies (Disclosure of Particulars in Report of the Board of Directors) Rule, 1988 do not apply and hence no disclosure has been made in this Report. The Company has had no foreign exchange earning or outgo.

APPRECIATION

The Directors place on record their appreciation for the co-operation and assistance rendered by the Company's Associates.

For and on behalf of the Board

Place : Kolkata

Dated : The 25th day of April, 2011

Ramesh Agarwal

Director

Vikash Agarwal

Director

AUDITORS' REPORT

To the Members of

Imoogi Fashions Private Limited

1. We have audited the attached Balance Sheet of **IMOOGI FASHIONS PRIVATE LIMITED** as at 31st March, 2011 and the Profit & Loss Account for the year annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provide reasonable basis for our opinion.
3. The Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, is not applicable to the Company so we did not make any comment on this behalf.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as it appears from our examination of the books of accounts of the Company;
 - (c) The Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of account of the Company;
 - (d) In our opinion Profit & Loss Account and Balance Sheet complies with the Accounting Standard prescribed in the Section 211(3c) of the Companies Act, 1956;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the notes thereon as per Schedule "13" give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - And
 - ii) In the case of Profit & Loss Account, of the Profit for the year ended on that date.

For **Mittal & AGRAWAL**
Chartered Accountants
Firm Registration No. 322461E

A. K. Mittal
Partner

Membership No. 056496

Place : Kolkata

Dated : The 25th day of April, 2011

BALANCE SHEET as at 31st March, 2011

(Amount in ₹)

	Schedule	31st March, 2011	31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	100,000	100,000
Reserves and Surplus	2	32,953	–
TOTAL		132,953	100,000
APPLICATION OF FUNDS			
Current Assets, Loans and Advances			
Inventories	3	3,776,568	–
Cash and Bank Balances	4	321,498	100,000
Loans and Advances	5	59,978	–
		4,158,044	100,000
Less : Current Liabilities and Provisions	6		
Current Liabilities		4,030,497	38,570
Provisions		14,736	–
		4,045,233	38,570
Net Current Assets		112,811	61,430
Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Preliminary Expenses	7	20,142	26,856
Profit & Loss Account		–	11,714
TOTAL		132,953	100,000

Notes on Accounts 13

Schedules referred to above form an integred part of the Balance Sheet.

As per our Report of even date

For **MITTAL & AGARWAL**

Chartered Accountants

Firm Registration No. 322461E

A. K. Mittal

Partner

Membership No. 056496

Place : Kolkata

Date : The 25th day of April, 2011

For and on behalf of the Board

Ramesh Agarwal

Director

Vikash Agarwal

Director

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011

(Amount in ₹)

	Schedule	31st March, 2011	31st March, 2010
INCOME			
Sales	8	102,959	—
Increase/(Decrease) in Stock	9	3,776,568	—
TOTAL		3,879,527	—
EXPENDITURE			
Purchase	10	3,248,951	—
Manufacturing/Job Work Expenses	11	187,570	—
Operating and Administrative Expenses	12	376,889	5,000
Preliminary Expenses written off		6,714	6,714
TOTAL		3,820,124	11,714
Profit/(Loss) before Tax		59,403	(11,714)
Less : Provision for Taxation		14,736	—
Profit/(Loss) after Tax		44,667	(11,714)
Balance Brought Forward from the Previous Year		(11,714)	—
Balance Carried to Balance Sheet		32,953	(11,714)

Notes on Accounts

13

As per our Report of even date

For **MITTAL & AGARWAL**

Chartered Accountants

Firm Registration No. 322461E

A. K. Mittal

Partner

Membership No. 056496

Place : Kolkata

Date : The 25th day of April, 2011

For and on behalf of the Board

Ramesh Agarwal

Director

Vikash Agarwal

Director

SCHEDULES to the Balance Sheet

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 1 SHARE CAPITAL		
Authorised		
100,000 Equity Shares of ₹ 10/- each	1,000,000	1,000,000
	1,000,000	1,000,000
Issued, Subscribed & Paid-up		
10,000 Equity Shares of ₹ 10/- each fully paid-up in cash	100,000	100,000
	100,000	100,000
SCHEDULE 2 RESERVES AND SURPLUS		
Profit & Loss Account (Annexed)	32,953	—
	32,953	—
SCHEDULE 3 INVENTORIES		
Unprocessed Than	3,608,425	—
Accessories	157,326	—
Packing Materials	10,817	—
	3,776,568	—
SCHEDULE 4 CASH AND BANK BALANCES		
Cash in Hand	55,619	100,000
Balances with banks (in Current Account)	265,879	—
	321,498	100,000
SCHEDULE 5 LOANS AND ADVANCES		
Sunita Garments	50,000	—
VAT Inputs	9,978	—
	59,978	—
SCHEDULE 6 CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Deposits	400,000	—
Sundry Creditors	425,184	—
Liabilities for Expenses	95,188	5,000
Other Payables	3,110,125	33,570
	4,030,497	38,570
Provisions		
For Taxations	14,736	—
	14,736	—
SCHEDULE 7 MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	26,856	33,570
Less : Written off	6,714	6,714
	20,142	26,856

SCHEDULES to the Profit & Loss Account

(Amount in ₹)

SCHEDULE	8	SALES	31st March, 2011	31st March, 2010
Finished/Trading Goods			54,844	—
Unprocessed Than			48,115	—
			102,959	—
SCHEDULE	9	INCREASE/(DECREASE) IN STOCK		
Closing Stock			3,776,568	—
Less : Opening Stock			—	—
			3,776,568	—
SCHEDULE	10	PURCHASES		
Accessories			157,326	—
Finished/Trading Goods			52,728	—
Packing Materials			10,817	—
Yarn			3,028,080	—
			3,248,951	—
SCHEDULE	11	MANUFACTURING/JOB WORK CHARGES		
Carriage Inwards			16,947	—
Knitting Charges			170,623	—
			187,570	—
SCHEDULE	12	OPERATING & ADMINISTRATIVE EXPENSES		
Bank Charges			2,592	—
Filling Fees			1,200	—
Professional Fee			1,000	1,000
Auditor's Remuneration				
- Audit Fee			7,500	4,000
Freight Charges			65,942	—
General Expenses			6,925	—
Interest			382	—
Rates & Taxes			8,800	—
Salary			155,813	—
Sales Promotion Expenses			51,405	—
Screen Charges			19,370	—
Trademark Registration Charges			55,960	—
			376,889	5,000

SCHEDULE to the Accounts

SCHEDULE 13 NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation of Financial Statements

- I. The Financial Statements have been prepared under the Historical Cost Convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956. The same are prepared on a going concern concept.
- II. The Company follows generally mercantile system of accounting and recognises significant items of income and expenditure on accrual basis, unless stated otherwise.

2) Inventories

Inventories are valued at the lower of cost and net realizable values except unprocessed than which are valued at realizable price.

3) Revenue recognition

The Company recognizes sales at the point of transfer of significant risks and rewards of ownership to the customers. Sales are net of Sales Tax, VAT and other Duties.

4) Miscellaneous Expenditure

Preliminary Expenses have been equally amortised over a period of 5 years from the year in which the Company will start its operation.

5) Income-Taxes

Income Tax are accounted for in accordance with the Accounting Standard 22 on "Accounting for taxes on Income" (As-22) notified under sub-section 3(c) of Section 211 of the Companies Act, 1956. Tax expenses comprises both current and deferred tax. Current Tax is determined as the amount of tax payable in respect of taxable income for the period using the applicable tax rates and tax laws. Deferred Tax Assets and Liabilities are recognized, subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income, that originates in one period and are capable of reversal in one or more subsequent periods and are measured using tax rate enacted or substantively enacted as at the Balance Sheet date. The carrying amount of deferred tax asset and liabilities are reviewed at each Balance Sheet date .

B) NOTES ON ACCOUNTS

1. Figures of the previous year have been re-grouped and re-classified wherever found necessary, to confirm to the current year's classification.
2. Figures have been rounded off to the nearest Rupee.
3. Additional Information's as Required under part II of the Schedule VI of the Companies Act, 1956

3.1 Opening stock :

Sl. No.	Items	31-03-2011		31-03-2010	
		Qty.	Value (₹)	Qty.	Value (₹)
1.	NIL	NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL	NIL

3.2 Closing Stock

Sl. No.	Items	31-03-2011		31-03-2010	
		Qty.	Value (₹)	Qty.	Value (₹)
1.	Unprocessed Than	16,861.80 Kg.	3,608,425.00	NIL	NIL
2.	Accessories	132,975 Pcs.	157,326.00	NIL	NIL
3.	Packing Material	2,000 Pcs.	10,817.00	NIL	NIL
	TOTAL		3,776,568.00	NIL	NIL

SCHEDULE to the Accounts

(Amount in ₹)

3.3 Purchases

Sl. No.	Items	31-03-2011		31-03-2010	
		Qty.	Value (₹)	Qty.	Value (₹)
1.	Finished/Trading Goods	70.00 Box	52,728.00	NIL	NIL
2.	Yarn	17,062.28 Kg.	3,028,080.00	NIL	NIL
3.	Accessories	132,975.00 Pcs	157,326.00	NIL	NIL
4.	Packing Materials	2,000.00 Pcs	10,817.00	NIL	NIL
	TOTAL		3,248,951.00	NIL	NIL

3.4 Sales

Sl. No.	Items	31-03-2011		31-03-2010	
		Qty.	Value (₹)	Qty.	Value (₹)
1.	Finished/Trading Goods	70.00 Box	54,844.00	NIL	NIL
2.	Unprocessed Than	200.48 Kg.	48,115.00	NIL	NIL
	TOTAL		102,959.00	NIL	NIL

3.5 Consumption of Raw Materials

Sl. No.	Items	31-03-2011		31-03-2010	
		Qty.	Value (₹)	Qty.	Value (₹)
1.	Yarn	17,062.28 Kg.	3,028,080.00	NIL	NIL
	TOTAL	17,062.28 Kg.	3,028,080.00	NIL	NIL

3.6 Production

Sl. No.	Items	31-03-2011		31-03-2010	
		Qty.		Qty.	
1.	Unprocessed Than	17,062.28 Kg.		NIL	
	TOTAL	17,062.28 Kg.		NIL	

4. Disclosure of the relationship and transactions with the related parties as defined in Accounting Standard 18 "Related Party Disclosures", notified under sub-section 3(C) of Section 211 of the Companies Act, 1956 are as follows :

4.1 Related Parties :

Holding Company	:	Rupa & Company Limited
Key Managerial Personnel	:	1. Mr. Ramesh Agarwal 2. Mr. Vikash Agarwal

4.2 Transactions with Related Parties :

	2011			2010		
	Holding Company	Key Managerial Personnel	TOTAL	Holding Company	Key Managerial Personnel	TOTAL
Sales	48,115.00	NIL	48,115.00	NIL	NIL	NIL
Advances Taken	3,124,670.00	NIL	3,124,670.00	NIL	30,570.00	30,570.00

BALANCE SHEET ABSTRACT

Balance Sheet Abstract and Company's General Business Profile

Additional Information as required under Part-IV of Schedule-VI of the Companies Act, 1956.

i) Registration Details

Registration No.
 Balance Sheet Date State Code

ii) Capital raised during the year (Amount in ₹ Thousands)

Public Issue Right Issue
 Bonus Issue Private Placement

iii) Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserve & Surplus
 Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Miscellaneous Expenditure
 Accumulated Losses

iv) Performance of the Company (Amount in ₹ Thousands)

Turnover and Other Income Total Expenditure
 Profit/(Loss) before Tax Profit/(Loss) after Tax
 Earning Per Share (₹) Dividend Rate (%)

v) Generic Name of Principal Products, Services of the Company (As per Monetary Terms)

Item Code No. (ITC code)	Product Description
61051020	Men's or Boys' Knitted Shirts
61052020	Men's or Boys' Shirts of Artificial Fibre
62052000	Men's or Boys' Shirts of Cotton

As per our Report of even date

For **MITTAL & AGARWAL**

Chartered Accountants

Firm Registration No. 322461E

A. K. Mittal

Partner

Membership No. 056496

Place : Kolkata

Date : The 25th day of April, 2011

For and on behalf of the Board

Ramesh Agarwal

Director

Vikash Agarwal

Director

CONSOLIDATED AUDITORS' REPORT

To the Board of Directors

Rupa & Company Limited

1. We have audited the attached Consolidated Balance Sheet of **RUPA & COMPANY LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2011 and also the related Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard AS-21 Consolidated Financial Statements notified in sub-section (3C) of Section 211 of the Companies Act, 1956, on the basis of separate audited financial statements of Rupa and Company Limited and its subsidiaries which have been audited by separate auditors included in the consolidated financial statements.
4. In our opinion and to the best of our information and according to the explanations given to us, the said consolidated financial statements together with the notes thereon attached thereto give in the prescribed manner the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2011;
 - ii) in the case of the Consolidated Profit & Loss Account, of the Profit of the Group for the year ended on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For **L. B. JHA & CO.**

Chartered Accountants

Firm Registration No. 301088E

T. Mandal

Partner

Membership No. 050070

Place : Kolkata

Dated : The 30th day of May, 2011

CONSOLIDATED BALANCE SHEET as at 31st March, 2011

(Amount in ₹)

Schedule	31st March, 2011	31st March, 2010
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital 1	79,629,060	79,629,060
Reserves and Surplus 2	1,597,432,594	1,352,864,744
	1,677,061,654	1,432,493,804
Loan Funds		
Secured Loans 3	1,839,585,867	1,247,625,222
Deferred Tax Liability	113,822,262	71,401,849
TOTAL	3,630,469,783	2,751,520,875
APPLICATION OF FUNDS		
Fixed Assets 4		
Gross Block	1,320,383,833	784,677,395
Less : Depreciation	234,640,651	189,550,079
Net Block	1,085,743,182	595,127,316
Capital Work in Progress	40,234,977	287,952,678
	1,125,978,159	883,079,994
Investments 5	100,000	60,100,000
Current Assets, Loans and Advances		
Inventories 6	2,356,291,532	1,277,292,575
Sundry Debtors 7	1,022,400,759	1,043,422,049
Cash and Bank Balances 8	74,343,995	69,095,714
Loans, Advances and Deposits 9	226,720,984	256,391,567
(A)	3,679,757,270	2,646,201,905
Less : Current Liabilities and Provisions		
(a) Current Liabilities 10	1,071,418,828	748,519,469
(b) Provisions 11	103,966,960	89,341,555
(B)	1,175,385,788	837,861,024
Net Current Assets (A – B)	2,504,371,482	1,808,340,881
Miscellaneous Expenditure		
(To the Extent not Written Off or Adjusted)		
Preliminary Expenses	20,142	—
TOTAL	3,630,469,783	2,751,520,875

Significant Accounting Policies and
Notes Forming Part of the Accounts

20

As per our Report of even date
For **L. B. JHA & CO.**
Chartered Accountants
Firm Registration No. 301088E

T. Mandal
Partner
Membership No. 050070
Place : Kolkata
Date : The 30th day of May, 2011

For and on behalf of the Board

G. P. Agarwala
Vice Chairman

P. R. Agarwala
Chairman

Priya Punjabi Agarwal
Company Secretary

K. B. Agarwala
Managing Director

CONSOLIDATED PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011

(Amount in ₹)

	Schedule	31st March, 2011	31st March, 2010
INCOME			
Sales/Income from Operations	12	6,500,338,337	5,324,822,257
Other Income	13	13,082,738	34,225,070
Increase/(Decrease) in Stock	14	370,590,174	163,685,875
		6,884,011,249	5,522,733,202
EXPENDITURE			
Purchases (Finished Goods)		3,605,293	2,333,322
Materials Consumed	15	3,388,003,182	2,710,391,233
Manufacturing Expenses	16	1,344,945,955	1,160,996,115
Payments to and Provision for Employees	17	48,961,775	32,676,641
Selling, Distribution, Administration and Other Expenses	18	1,399,116,401	1,137,300,107
Finance Charges	19	147,534,910	58,309,914
Depreciation & Amortisation		46,508,459	36,176,703
		6,378,675,975	5,138,184,035
Profit before Tax		505,335,274	384,549,167
Less : Provision for Taxation		125,684,736	127,180,000
Less : Provision for Deferred Tax		42,420,413	5,484,935
Less : Prior Period Adjustment		225,129	27,267
Profit after Tax		337,004,996	251,856,965
Balance Brought Forward from Previous Year		511,573,059	345,003,995
Balance available for Appropriation		848,578,055	596,860,960
APPROPRIATIONS			
General Reserve		25,000,000	25,000,000
Proposed Dividend		79,524,560	51,690,964
Corporate Dividend Tax		12,900,872	8,585,223
Balance Carried to Balance Sheet		731,152,623	511,584,773
		848,578,055	596,860,960
Earning Per Share - Basic and Diluted - Face value of Equity Shares ₹ 10/- each		42.38	31.67

Significant Accounting Policies &
Notes Forming Part of the Accounts

20

As per our Report of even date
For **L. B. JHA & CO.**
Chartered Accountants
Firm Registration No. 301088E

T. Mandal
Partner
Membership No. 050070
Place : Kolkata
Date : The 30th day of May, 2011

For and on behalf of the Board

G. P. Agarwala
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Company Secretary

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Chairman

K. B. Agarwala
Managing Director

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2011

(₹ in Lacs)

	31st March, 2011	31st March, 2010
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra-ordinary Items	5,053.35	3,845.49
Adjustment : (a) Depreciation Charges	465.08	361.77
(b) Interest Charges	1,364.30	528.01
(c) Preliminary Expenses Written Off	0.07	0.32
(d) Loss on Sale of Fixed Assets	8.37	9.38
	1,837.82	899.48
	6,891.17	4,744.97
Adjustment : (a) Interest Income	(104.58)	(301.75)
(b) Rent Income	–	–
(c) Profit on Sale of Investment	(0.41)	(1.19)
	(104.99)	(302.94)
Operating Profit before Working Capital Changes	6,786.18	4,442.03
Adjustment : (a) (Increase)/Decrease in Trade & Other Receivable	489.10	(2,362.54)
(b) (Increase)/Decrease in Inventories	(10,790.27)	(6,289.98)
(c) Increase/(Decrease) in Trade Payables	3,169.11	2,770.91
	(7132.06)	(5881.61)
Cash Inflow/(Outflow) form Operations	(345.88)	(1,439.58)
Less : (a) Direct Taxes Paid	(1,416.52)	(1,162.18)
Add : (a) Interest received from Operating Activities	24.34	24.53
Net Cash (inflow/Outflow) from Operating Activities	(1,738.06)	(2,577.23)
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES		
Inflow : (a) Sale of Fixed Assets	17.15	5.84
(b) Captial Subsidy	–	60.75
(d) Sale of Investment	600.41	506.19
(e) Interest Received	80.24	277.22
	697.80	850.00
Outflow : (a) Purchase of Fixed Assets	(2,919.59)	(3,493.50)
(b) Investment in Mutual Fund	–	(600.00)
	(2,919.59)	(4,093.50)
Net Cash Inflow/(Outflow) from Investing Activities	(2,221.79)	(3,243.50)

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2011

(₹ in Lacs)

	31st March, 2011		31st March, 2010	
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES				
(a) Dividend and Dividend Tax paid	(602.76)		(465.19)	
(b) Interest Paid	(1,304.52)		(528.01)	
(c) Increase/(Decrease) in Borrowing Capital	5,919.61		7,018.38	
Net Cash Inflow/(Outflow) from Financing Activities		4,012.33		6,025.18
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)		52.48		204.45
Cash & Cash Equivalents at the beginning of the year		690.96		486.51
Cash & Cash Equivalents at the end of the year		743.44		690.96

Notes :

- 1) The above Cash Flow Statement has been prepared pursuant to Clause 31 of Listing Agreement with Stock Exchange and under the indirect method set out in AS-3 notified under sub-section 3(C) of Section 211 of the Companies Act, 1956.
- 2) Significant Accounting Policies and other Notes to Accounts (Schedule 20) form an integral part of the Cash Flow Statement.

	31st March, 2011		31st March, 2010	
3) Cash & Cash Equivalents represents :				
Cash in Hand		43.88		29.05
Cheques in Hand		33.02		85.71
Balance with Banks		666.54		576.20
		743.44		690.96

- 4) Previous year figures have been re-grouped/re-classified to confirm to current year's classification.

As per our Report of even date

For **L. B. JHA & CO.**

Chartered Accountants

Firm Registration No. 301088E

T. Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : The 30th day of May, 2011

For and on behalf of the Board

G. P. Agarwala

Vice Chairman

Priya Punjabi Agarwal

Company Secretary

P. R. Agarwala

Chairman

K. B. Agarwala

Managing Director

CONSOLIDATED SCHEDULES to the Balance Sheet

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 1 SHARE CAPITAL		
Authorised		
20,000,000 Equity Shares of ₹ 10/- each	200,000,000	200,000,000
Issued		
7,973,356 Equity Shares of ₹ 10/- each	79,733,560	79,733,560
Subscribed & Paid-up		
7,952,456 Equity Shares of ₹ 10/- each	79,524,560	79,524,560
Add : Forfeited Shares (20,900 Nos)	104,500	104,500
	79,629,060	79,629,060

Note :

- (1) Of the above 50,000 Equity Shares of ₹ 10/- each have been allotted as fully paid-up bonus shares by capitalisation of General Reserve.
- (2) 1,948,356 Equity shares of ₹ 10/- each fully paid-up has been converted from Deep Discount Debentures.

SCHEDULE 2 RESERVES AND SURPLUS		
i) Share Premium	688,030,890	688,030,890
ii) Capital Subsidy	6,075,040	6,075,040
iii) General Reserve		
Opening Balance	147,174,041	122,174,041
Add : Transferred from Profit & Loss Account	25,000,000	25,000,000
	172,174,041	147,174,041
iv) Balance in Profit & Loss Account	731,152,623	511,584,773
Total (i + ii + iii + iv)	1,597,432,594	1,352,864,744

SCHEDULE 3 SECURED LOANS		
From Banks		
Working Capital Loans :		
Cash Credit/Working Capital Loans	1,210,313,600	903,623,364
Foreign Currency Loan	302,511,151	164,196,298
	1,512,824,751	1,067,819,662
Term Loans	326,761,116	179,805,560
	1,839,585,867	1,247,625,222

Note :

The aforesaid facilities are secured as under :

- (i) Other than Yes Bank Ltd. Working Capital Loans are secured by hypothecation of the entire current assets of the Company, equitable mortgage of certain property at Tirupur & Kolkata and Property at Kolkata of Rupa Global (P) Ltd. and corporate guarantee of Rupa Global (P) Ltd. and second charge on Domjur Unit.
- (ii) The term loan from IDBI is secured by all movable & immovable Assets of Domjur units of the Company and first charge on Wind Turbine Generator including Land & Building at Dhule in the State of Maharashtra.
- (iii) The term loan from Indusind Bank is secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed assets of Domjur unit on pari passu.
- (iv) All the above loans including working capital loan of Yes Bank Ltd. are further secured by personal guarantee of Promoter Directors of the Company.
- (v) Term Loans instalment amount payable within one year ₹ 86,761,116/-

CONSOLIDATED SCHEDULES to the Balance Sheet

(Amount in ₹)

SCHEDULE 4 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1st April 2010	Additions	Sale	As at 31st March 2011	Upto 31st March 2010	For the year	Adjustment	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011
INTANGIBLE ASSETS										
Copy Right & Trade Mark	65,500,000	–	–	65,500,000	43,651,507	6,550,000	–	50,201,507	21,848,493	15,298,493
Computer Software	23,245,418	–	–	23,245,418	12,675,739	4,649,084	–	17,324,823	10,569,679	5,920,595
TANGIBLE ASSETS										
Land	70,128,924	823,639	–	70,952,563	–	–	–	–	70,128,924	70,952,563
Furniture & Fixtures	38,235,068	2,785,379	–	41,020,447	16,359,750	2,506,626	–	18,806,376	21,875,318	22,154,071
Building	262,703,352	79,978,970	–	342,682,322	23,024,900	6,843,407	–	29,868,307	239,678,452	312,814,01
Plant & Machinery	210,093,216	448,270,907	–	658,364,123	57,536,566	18,455,004	–	75,991,570	152,556,650	582,372,553
Office Equipment	27,383,253	3,607,546	183,000	30,807,799	14,682,325	1,839,780	56,271	16,465,834	12,700,928	14,341,965
Vehicles	29,509,680	4,210,338	3,787,341	29,932,605	9,386,968	2,608,570	1,361,616	10,633,922	20,122,640	19,298,683
Wind Turbine Generator	57,878,556	–	–	57,878,556	12,232,324	3,055,988	–	15,288,312	45,646,232	42,590,244
TOTAL	784,677,395	539,676,779	3,970,341	1,320,383,833	189,550,079	46,508,459	1,417,887	234,640,651	595,127,316	1,085,743,182
Previous Year	671,768,898	116,923,754	4,015,257	784,677,395	155,292,255	36,176,703	1,918,879	189,550,079	516,476,643	595,127,316
Capital Work in Progress									287,952,678	40,234,977

	Face Value	Qty. of Shares/Units	Amount (₹)	Qty. of Shares/Units	Amount (₹)
SCHEDULE 5 INVESTMENT (At Cost)					
Long Term - Traded					
UNQUOTED					
In Mutual Funds					
- Morgan Stanley Growth Fund	10	10,000	100,000	10,000	100,000
- Reliance Liquid Fund - Treasury Plan	10	–	–	(2,717,809.800)	60,000,000
			100,000		60,100,000
Aggregate NAV of Mutual Funds			627,360		60,598,443

SCHEDULE 6 INVENTORIES

(At Cost or net realizable value whichever is lower, unless otherwise stated)

Finished Goods	966,827,714	600,014,108
Raw Materials	842,886,219	550,923,324
Materials under process	508,133,675	100,972,165
Packing Materials	38,443,924	25,382,978
	2,356,291,532	1,277,292,575

CONSOLIDATED SCHEDULES to the Balance Sheet

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 7 SUNDRY DEBTORS (UNSECURED)		
Debtors outstanding for a period exceeding six months		
- Considered Good	19,202,048	34,197,802
Other Debts		
- Considered Good	1,003,198,711	1,009,224,247
	1,022,400,759	1,043,422,049
SCHEDULE 8 CASH AND BANK BALANCES		
Cash in Hand (including cheques in hand of ₹ 3,302,026/- Previous Year ₹ 8,570,693/-)	7,690,004	11,476,191
Balances with Scheduled Banks		
- In Current Account	63,366,735	36,111,923
- In Unpaid Dividend Account	671,745	599,931
- In Fixed Deposit including interest accrued thereon	2,615,511	20,907,669
	74,343,995	69,095,714
SCHEDULE 9 LOANS, ADVANCES AND DEPOSITS		
(Unsecured, Considered Good)		
Advances - Recoverable in cash or in kind or for value to be received	127,113,789	187,084,709
Advances for Capital Goods	89,171,480	57,193,018
Income Tax Refundable	—	1,782,193
Advance Fringe Benefit Tax (Net of Payments)	375,200	375,200
Security Deposits	10,060,515	9,956,447
	226,720,984	256,391,567
SCHEDULE 10 CURRENT LIABILITIES		
Sundry Creditors		
- For Goods	440,923,274	228,884,127
- For Expenses	481,914,929	391,133,811
- For Advances, Deposits & Credit Balances	132,105,750	120,850,578
Book Debt Balance with Bank	10,457,810	241,700
Unclaimed Dividend [Refer Note No. D(6) of Schedule 20]	671,745	575,780
Temporary Overdraft due to Reconciliation	5,345,320	6,833,473
	1,071,418,828	748,519,469
SCHEDULE 11 PROVISIONS		
For Income Tax (Net of Payments)	11,541,528	29,065,368
For Proposed Dividend	79,524,560	51,690,964
For Corporate Dividend Tax	12,900,872	8,585,223
	103,966,960	89,341,555

CONSOLIDATED SCHEDULES to the Profit & Loss Account

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 12 SALES/INCOME FROM OPERATIONS		
Sales	6,435,115,017	5,231,889,055
Services (including T.D.S. ₹ 811,604 /-, P.Y. ₹ 1,204,243/-)	50,951,735	76,422,672
Export Incentives	6,306,502	6,828,031
Sale of Electricity	7,965,083	9,682,499
	6,500,338,337	5,324,822,257

SCHEDULE 13 OTHER INCOME		
Interest (including T.D.S. ₹ 753,271/-; P.Y. ₹ 3,277,223/-)	10,457,551	30,175,456
Profit on Sale of Investment	40,767	119,197
Liability no longer required written back	412,495	116,109
Miscellaneous Income	2,171,925	3,814,308
	13,082,738	34,225,070

SCHEDULE 14 INCREASE/(DECREASE) IN STOCK		
Opening Stock	600,014,108	436,328,233
Less: Closing Stock	970,604,282	600,014,108
	370,590,174	163,685,875

SCHEDULE 15 RAW MATERIALS CONSUMED		
Opening Stock		
- Raw Materials under process	100,972,165	64,528,012
- Other Raw Materials	550,923,324	127,378,591
Total Opening Stock	651,895,489	191,906,603
Add : Purchases	4,083,361,836	3,170,380,119
	4,735,257,325	3,362,286,722
Less : Closing Stock		
- Raw Materials under process	508,133,675	100,972,165
- Other raw Materials	839,129,468	550,923,324
Total Closing Stock	1,347,254,143	651,895,489
	3,388,003,182	2,710,391,233

CONSOLIDATED SCHEDULES to the Profit & Loss Account

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 16 MANUFACTURING EXPENSES		
Processing Charges	1,229,986,114	1,067,474,889
Store & Spares	516,717	515,912
Power & Fuel	38,278,683	29,031,642
Carriage Inwards	55,252,263	49,704,462
Factory Maintenance	20,912,178	14,269,210
	1,344,945,955	1,160,996,115
SCHEDULE 17 PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus & Leave Pay	46,172,979	29,576,618
Contribution to Provident Fund	1,201,925	814,173
Contribution to Gratuity Fund	865,182	1,511,011
Staff Welfare & Other Expenses	721,689	774,839
	48,961,775	32,676,641
SCHEDULE 18 SELLING DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
A) Selling and Distribution Expenses		
Packing Materials Consumed	484,210,873	423,410,218
Carriage Outward	47,509,847	35,976,458
Brokerage & Commission	82,873,240	67,576,108
Advertisement	521,639,438	433,342,845
Marketing Expenses	41,427,402	33,307,204
Sales Promotion Expenses	9,225,871	152,953
Dealers' Incentives & Sales Promotion	71,442,780	49,207,011
Business Convention	6,597,665	13,204,374
	1,264,927,116	1,056,177,171

CONSOLIDATED SCHEDULES to the Profit & Loss Account

(Amount in ₹)

	31st March, 2011	31st March, 2010
SCHEDULE 18 SELLING DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES		
B) Administration and Other Expenses		
Rent, Rates & Taxes	13,865,496	8,533,368
Insurance	1,638,537	860,251
Telephone, Telex & Fax	3,686,121	4,184,516
Electricity Charges	2,447,306	2,109,547
Printing & Stationery	3,338,847	2,609,311
Postage & Courier Charges	3,534,563	2,769,853
Travelling & Conveyance	15,368,493	8,832,871
Legal & Professional Charges	27,779,668	16,088,147
Repair and Maintenance		
- For Machinery	2,363,973	4,645,907
- For Others	7,790,120	4,981,921
Vehicles Maintenance Expenses	3,998,201	3,237,857
Subscription and Membership	814,087	324,784
Directors' Sitting fees	620,000	370,000
Directors' Remuneration	15,328,998	9,242,394
Auditors' Remuneration [Refer Note No. D(13) of Schedule 20]	448,498	269,686
Office Maintenance	4,490,733	4,453,080
Other Expenses	11,808,582	8,756,185
Preliminary Expenses Written Off	6,714	31,900
Foreign Exchange Loss/(Profit)	8,372,237	(7,920,270)
Loss on Sale of Fixed Assets	837,224	938,186
Quality Development Expenses	5,241,884	4,045,909
Bad Debts written off	409,003	1,757,533
	134,189,285	81,122,936
TOTAL (A) + (B)	1,399,116,401	1,137,300,107

SCHEDULE 19 FINANCE CHARGES		
Interest		
- To Bank	122,823,291	46,162,625
- To Others	13,617,261	6,466,600
Other Financial Charges	11,094,358	5,680,689
	147,534,910	58,309,914

CONSOLIDATED SCHEDULE to the Accounts

SCHEDULE 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

A. Principles of Consolidation

1. The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, and the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Act) and the relevant provisions of the said Act.
2. The financial statements are based on historical cost convention and are prepared on accrual basis.
3. CONSOLIDATED FINANCIAL STATEMENTS relates to Rupa & Company Limited, the Company and its subsidiaries. The Consolidated Financial Statements have been prepared on the following :
 - i) The consolidated financial statements are prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified under Section 211(3C) of the Act.
 - ii) The financial statements of the Company and its Subsidiaries have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating inter-company balances and transactions including profits in the year end inventories.
 - iii) The consolidated financial statements are prepared by adopting uniform accounting policies for like transaction and other events in similar circumstances and presented to the extent possible, in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.
 - iv) The cost to the Company of its investment in the subsidiaries and the company's portion of equity of subsidiaries at the dates on which investment in the subsidiary is made, is eliminated.
 - v) The financial statements of the subsidiaries in the consolidation are drawn up to the same reporting date as that of the company i.e, 31st March, 2011.

B. The Consolidated Financial Statement comprise of the financial statements of Rupa & Company Limited and its Subsidiaries as on 31st March, 2011, which are as under :

Name of the company	Extent of Company's Interest	Country of Incorporation
Euro Fashion Inners International Pvt. Ltd.	100%	India
Imoogi Fashion Pvt. Ltd.	100%	India

C. Significant Accounting Policies

1. Use of Estimates

The Preparation of Financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of Income and Expenses during the reporting period. Difference between the actual results and the estimates are recognized in the year in which the results are known/materialized.

2. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods and services are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer

3. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost of an asset comprises its purchase price and incidental expenses related thereto. Capital Work in Progress comprises the cost of fixed assets that are not yet ready for their intended use as on the balance sheet date.

CONSOLIDATED SCHEDULE to the Accounts

4. Intangible Assets

Intangible Assets are recognized only when future economic benefits attributable to the asset will flow to the enterprise and cost can be measured reliably and to be amortized in equal installment over a useful life.

5. Depreciation & Amortization

- i) Depreciation on fixed assets is provided on Straight Line method at the rates prescribed in Schedule XIV of the Act. Depreciation for assets purchased/sold during the period is proportionately charged.
- ii) Copy Right & Trade Marks are amortized over a period of ten year.
- iii) Computer software is amortized by one - fifth on Straight line method.

6. Investments

- i) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments
- ii) Long Term Investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary.
- iii) Current Investments are stated at lower of cost and fair value determined on an individual investment basis. Decline in the value of current Investment are charged to the profit and loss account.

7. Inventories

Inventories are valued using FIFO method on the basis mentioned below -

- i) Raw Materials, Packing Materials and Materials under process are valued at cost or net realizable value whichever is lower.
- ii) Finished goods are valued at cost or net realizable value whichever is lower.
- iii) Cost of Material under process comprises cost of materials and conversion cost up to the relative stage of completion.

8. Government Grants

- i) Government Grants of the nature of Project Subsidy on Capital Assets is recognized as Capital Subsidy when there is a reasonable assurance that the subsidy will be received.
- ii) Revenue Grant is recognized in the profit and loss account on confirmation of reasonable assurance of the receipt.

9. Sales

Sales are recorded net of indirect taxes (Sales Tax, VAT etc), sales return and discounts.

10. Exports Incentives

Benefits on account of duty drawback are accounted in the year of export.

11. Employees' Benefits

- i) Company's contributions to Provident Fund are charged to Profit & Loss Account as and when they become payable.
- ii) Gratuity Liability is defined benefit obligation and is provided for on basis of actuarial value. It is a defined fund maintained with Life Insurance Corporation of India (LIC) under the Group Gratuity Scheme. In respect of the Subsidiary Companies no actuarial valuation of the liability has been done for Gratuity.
- iii) Actuarial gains/losses are immediately taken into Profit & Loss Account and not deferred.
- iv) Leave encashment benefits are accrued and settled on a 12-month period of September to August and are accounted for accordingly.

CONSOLIDATED SCHEDULE to the Accounts

12. Foreign Currency Transactions

- i) Transactions in Foreign Currencies are recorded at exchange rates prevailing at the time of the transaction.
- ii) Foreign Currency assets and liabilities covered by forward contracts are stated at forward contract exchange rate. The cost of the forward exchange contract is amortized over the period of the contract.
- iii) Assets and liabilities are valued at rates prevailing at the end of the year. Any income or expense on account of exchange difference is recognized in the Profit & Loss Account.

13. Borrowing Cost

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

14. Taxes on Income

- i) Tax on income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.
- ii) Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- iii) Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

15. Segment Reporting

- i) The accounting policies applicable to the reportable segments are the same as those as used in the preparation of the financial statements as set out above.
- ii) Segment revenue and expense include amount, which can be directly identifiable to the segment or allocable on a reasonable basis.
- iii) Assets and liabilities relate to the company as a whole and do not relate to any other segment, are not allocated.
- iv) The Group has identified business segment as its primary segment. The Group has also identified as its Reportable Geographical Segment the sales to Indian markets and export sales.

16. Prior Period Adjustments/Extra ordinary Items

- i) Prior period items which arise in the current period as a result of error or omission in preparation of prior period's financial statement are separately disclosed in the current statement of Profit or Loss. However, differences in actual Income/expenditure arising out of over/under estimation pertaining to prior periods are not treated as "Prior Period Adjustment".
- ii) Extraordinary items, i.e. gains or losses which arise from events or transactions which are distinct from ordinary activities of the company which are material are separately disclosed in the statement of accounts.

17. Provisions, Contingent Liabilities and Contingent Assets

- i) The Company recognizes as Provisions, the liabilities being present obligations arising from past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
- ii) Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.
- iii) Contingent Assets are neither recognized nor disclosed.

CONSOLIDATED SCHEDULE to the Accounts

18. Impairment of Assets

On the basis of an assessment in each balance sheet date, if the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use, determined by the present value of estimated future cash flow.

D. Notes on Accounts

1. Contingent Liabilities not provided for in respect of :

(Amount in ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Bank Guarantee	4,519,000	4,519,000
Letters of Credit	-	81,605,908
Sales Tax Demands (under appeal)	32,285,172	29,661,690
Income Tax Demands (under appeal)		2,518,740
Total	36,804,172	11,83,05,338

2. Managing and Whole time Directors' Remuneration :

Directors Remuneration included in Schedule 18 comprises of

(Amount in ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Salaries & Allowances	13,200,000	7,200,000
Estimated value of Perquisites #	1,943,055	1,856,451
Commission	1,200,000	1,200,000
Total	16,343,055	10,256,451

Includes Depreciation and Rent charges of ₹ 1,014,057 (P.Y. ₹ 1,014,057) debited to respective accounts.

- Sales Tax incentives granted by the Government of West Bengal, Finance (Taxation) department under West Bengal Industrial Promotion (Assistant to Industrial Unit) Scheme, 1994 against payment of Value Added Tax under the West Bengal Value Added Tax Act, 2003 and Central Sales Tax Act, 1956 are recognized when there is a reasonable assurance of receipt. Amounts recognized during current year ₹ 231.95 lacs (P.Y. - Nil).
- In the absence of any confirmation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act 2006" the Company is unable to make provision wherever required under the said Act.
- The Company has contributed to a group gratuity scheme with LIC, where LIC maintain and manages the fund. The Company makes annual contribution towards the benefit plan towards service cost and shortfall in value of obligation calculated on actuarial basis. No actuarial valuation of gratuity liability has been done for the subsidiary companies where no employee has completed statutory minimum service period to become eligible for payment of Gratuity as per Gratuity Act, 1972.

The company contributes to Employees Provident Fund organisation and the employer's contribution with other charges as are payable are charged off to the Profit & Loss Account in the period of their accrual.

The company does not pay any leave encashment benefit beyond a period of 1 year within which it is fully encashed or lapsed. Hence no actuarial valuation is required for Provident Fund & Leave Encashment benefit.

CONSOLIDATED SCHEDULE to the Accounts

Disclosure pursuant to Accounting Standard - 15 : Employee Benefit

A. Amount recognised in Balance Sheet are as follows :

(Amount in ₹)

	2010-2011	2009-2010
Present value of defined benefit obligation	5,305,927	4,385,304
Fair value of Plan Assets	5,017,516	3,539,137
Present value of unfunded obligation	NIL	NIL
Unrecognised Past service cost	(576,771)	(664,844)
Net assets/liability	865,182	1,511,011

B. Amount recognised in Profit & Loss Account and charged to payment to and provision for employees under schedule 17 are as follows :

Current Service Cost	443,982	415,797
Interest Cost	350,824	282,655
Expected Return on plan assets	(370,892)	(283,578)
Net Actuarial (Gain)/Loss recognised during the year	475,817	236,080
Adjustment of (Excess)/Short Past Service Cost	(34,549)	860,057
Total Expenses recognised in Profit & Loss Account	865,182	1,511,011

C. Reconciliation of opening and closing Balances of present value of obligation :

Present Value of obligation at the beginning of the year	4,385,304	3,533,183
Current Service Cost	443,982	415,797
Interest Cost	350,824	282,655
Benefits paid	(350,000)	(82,411)
Net Actuarial (Gain)/Loss recognised during the year	475,817	236,080
Present Value of obligation at the end of the year	5,305,927	4,385,304

D. Reconciliation of opening and closing Balances of Fair Value of Plan Assets :

Opening fair value of Plan Asset	3,539,137	3,337,970
Expected return on Plan Asset	370,892	283,578
Contribution by employer	1,457,487	—
Benefits Paid	(350,000)	(82,411)
Closing fair value of Plan Asset	5,017,516	3,539,137

E. Principal Actuarial Assumptions used :

Discount Rate	8%	8%
Expected Salary increases	3.4%	7%
Withdrawal Rate (depending on age)	1-3%	1-3%
Mortality Rate	LIC 1994/96 (Ultimate)	

F. Estimate of future salary increase considered in actuarial valuation, taking account of inflation, seniority, promotion etc. other relevant factor such as supply and demand in employment market .

CONSOLIDATED SCHEDULE to the Accounts

6. Unpaid dividend does not include any amount to be credited to Investor Education and Protection Fund. There are no dues required to be credited to the Investor Education and Protection Fund as on 31.03.2011.
7. Bank Guarantee issued in favour of the Company are secured against fixed deposits pledged with the banks and other current assets. Fixed Deposit Receipts held on lien by the banks/others against such Guarantees as on 31st March 2011 was ₹ 25.96 Lacs (P.Y. ₹ 208.88 Lacs).
8. Loans and advances include an amount of ₹ 286.89 Lacs paid towards procurement of spinning equipment for Spinning Unit to be set up at Tirupur, Tamil Nadu and lying since 2006. The plan of setting up of Spining Unit has since been shelved and the amount is fully recoverable/adjustable only against future supplies from the vendors. No provision has been made for same.
9. Finished goods includes rejected goods carrying ₹ 18,687,722 (Previous year ₹ 17,741,575) carried at NRV which is less than cost
10. The management of the respective companies has carried out a comprehensive exercise to assess the impairment loss of the assets and based on such exercise, it has been concluded that there is no impairment of any assets. Accordingly, no adjustment in respect of loss on impairment of assets is required to be made in the Statement of Accounts
11. The Rupa & Company Limited has approved in its Extraordinary General Meeting held on 9th April, 2011 the amendment of the Authorized Capital and Issued and Subscribed capital by subdivision of the existing 200 Lacs numbers of Equity shares of the Company of the face value of ₹ 10 to 2,000 Lacs numbers of Equity shares of ₹ 1/- each. Accordingly, the Issued and Subscribed Share Capital represent 7,95,24,560 equity shares of ₹ 1/- each fully paid up out of which 2,09,000 equity shares with a paid up amount of ₹ 104,500 as forfeited shares.
12. In the opinion of the Board of Directors of the respective companies the Current Assets, Loans & Advances and deposits are approximately of the value stated in the financial statements, if realized in the ordinary course of business unless otherwise stated. The provision for all known liabilities is adequate and not in excess of the amount reasonably required.
13. Auditors Remuneration includes amount paid or payable :- (Amount in ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
a) Audit Fees	349,560	215,085
b) Taxation Matter	35,515	33,090
c) Other Matters	63,423	21,511
Total	448,498	269,686

CONSOLIDATED SCHEDULE to the Accounts

14. Deferred Tax Liabilities :

Calculation of Deferred Tax Liabilities as at 31st March, 2011 and 31st March, 2010 is as given below :

(Amount in ₹)

Particulars	As at 31st March 2011	As at 31st March 2010
Arising on account of difference between Book Value of Depreciable Assets as per Books of Account and written down value for tax purpose	113,822,262	71,915,442
Expenses charged but allowable in the future year on payment or under other provisions of the Income Tax Act, 1961	NIL	(513,593)
Net Deferred Tax Liability	113,822,262	71,401,849
Net Impact taken into Profit & Loss Account	42,420,413	5,484,935

15. Earning Per Share (EPS) :

Calculation of earning per shares as given below :

	2010-2011	2009-2010
A. BASIC		
i) Number of Equity Shares at the beginning of the year	7,952,456	7,952,456
ii) Number of Equity Shares at the end of the year	7,952,456	7,952,456
iii) Weighted average number of Equity Shares Outstanding during the year	7,952,456	7,952,456
iv) Face Value of Equity Shares (₹)	10.00	10.00
v) Profit after Tax for Equity Shareholders (₹)	337,004,996	251,856,965
vi) Basic Earnings Per Share (v/iii) (₹)	42.38	31.67
B. DILUTED		
i) Number of Dilutive potential Equity Shares	NIL	NIL
ii) Diluted Earnings Per Share (₹) [Same as A(vi) above]	42.38	31.67

CONSOLIDATED SCHEDULE to the Accounts**16. Segment information :****i) Primary Segment (Business Segments);****(Amount in ₹)**

Particulars	Sales	Services	Electricity Charges	Elimination	Total
Revenue	6,441,421,519 (5,238,717,086)	50,951,735 (76,422,672)	7,965,083 (9,682,499)		6,500,338,337 (5,324,822,257)
Inter Segment services		92,653,574 (139,062,563)		92,653,574 (139,062,563)	
Segment Result (PBIT)	638,021,686 (415,652,347)	11,572,603 (21,815,852)	3,275,895 (5,390,882)		652,870,184 (442,859,081)
Interest	130,984,079 (53,379,840)	15,723,237 (3,151,576)	827,594 (1,778,498)		147,534,910 (58,309,914)
Profit before Tax					505,335,274 (384,549,167)
Provision for Taxation					125,684,736 (127,180,000)
Provision for Deferred Tax					42,420,413 (5,484,935)
Income Tax for earlier year					225,129 (27,267)
Profit after Tax					337,004,996 (251,856,965)
Other Information					
Assets					4,805,855,571 (3,589,381,899)
Liabilities					3,128,793,917 (2,156,888,095)
Depreciation	23,862,784 (23,070,946)	19,589,687 (10,049,769)	3,055,988 (3,055,988)		46,508,459 (36,176,703)

ii) Secondary Geographical segment - Revenue

Particulars	Domestic	Export	Total
Revenue	6,439,757,951 (5,228,839,976)	60,580,386 (95,982,281)	6,500,338,337 (5,324,822,257)

Note :-

- Assets used or liabilities contracted in the Group of Companies operations have not been identified to any of the reportable segments, as the assets and liabilities are used interchangeably between segments.
- Previous year figures are given in brackets.

CONSOLIDATED SCHEDULE to the Accounts

17. Related Party Disclosure :

- i) As per the Accounting Standard on 'Related Party Disclosure' notified in sub-section 3(c) of Section 211 of the Act, the related parties of the Group of Companies are as follows :

Key Management Personnel	Mr. P. R. Agarwala	<i>Chairman</i>
	Mr. G. P. Agarwala	<i>Vice Chairman</i>
	Mr. K. B. Agarwala	<i>Managing Director</i>
	Mr. Ramesh Agarwal	<i>Executive Director</i>
	Mr. Mukesh Agarwal	<i>Executive Director</i>
Relatives of Key Management Person	Shri Baijnath Agarwal	
	Mr. Manish Agarwal	
	Mr. Ravi Agarwal	
	Mr. Vikash Agarwal	
	Mr. Rajnish Agarwal	
	Smt Puspa Devi Agarwal	
	Mr. Suresh Agarwal	
Other Associates	Binod Hosiery	
	Salasar Projects and Estates Pvt. Ltd.	
	Sidhant Flats & Apartments Pvt. Ltd.	
	Salasar Infrastructure Ltd.	
	Salasar Developers & Garments Pvt. Ltd.	
	Bajrangbali Projects Ltd.	
	Sidhant Textiles Pvt. Ltd.	
	Ganesh Enclave Ltd.	
	Ravi Global Pvt. Ltd.	
	Kadambari Impex & Agency Pvt. Ltd.	

- ii) Information on related party transaction as required by Accounting Standard (AS-18) for the year ended 31st March, 2011.
(Amount in ₹)

Particulars	Key Management Personnel		Relative of key Management Personnel		Other Associates	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Rent	492,000	492,000	114,000	114,000	978,000	96,000
Salary & Perquisites	14,128,998	8,042,394	8,900,000	4,200,000		
Commission	1,200,000	1,200,000				
Loan Repayment						21,111,659
Interest Paid						35,561

CONSOLIDATED SCHEDULE to the Accounts

18. Euro Fashion Inners International Pvt. Ltd & Imoogi Fashions Pvt. Ltd. are wholly owned Subsidiaries of the Company. The financial position and results of the subsidiaries are given below : (Amount in ₹)

Particulars	Euro Fashion Inners International Pvt. Ltd.		Imoogi Fashions Pvt. Ltd.	
	31st March, 2011	31st March, 2010	31st March, 2011	31st March, 2010
Funds employed				
Share Capital	41,000,000	41,000,000	100,000	100,000
Reserves & Surplus	45,143,306	28,364,521	32,953	–
Secured loan	2,703,807	24,788,276	–	–
Unsecured Loan	127,825,115	–	–	–
Deferred tax liability	1,973,732	1,416,356	–	–
Current liability	67,979,835	37,900,410	4,030,497	38,570
Provisions	7,670,000	2,105,000	14,736	–
Application of Funds				
Fixed Assets	33,216,792	33,419,791	–	–
Current assets	249,178,681	67,028,380	4,098,066	100,000
Loans & Advances	11,900,322	35,126,392	59,978	–
Miscellaneous expenditure (to the extent not written off)	–	–	20,142	26,856
Profit & Loss Account (Dr.)	–	–	–	11,714
Income				
Sale of products	343,384,221	309,709,299	102,959	–
Other Income	140,521	415,423	–	–
Expenses				
Manufacturing and Other Expenses	431,584,353	278,707,414	3,820,124	11,714
Depreciation	706,336	684,921	–	–
Profit before tax	25,006,161	15,964,328	59,403	(11,714)
Provision for taxation	7,670,000	4,680,000	14,736	–
Provision for deferred tax	557,376	808,199	–	–
Prior Period Adjustment	–	27,267	–	–
Profit after tax	16,778,785	10,448,862	44,667	(11,714)

19. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the company's financial statement.

20. Figures of Previous year have been re-grouped/re-arranged wherever considered necessary to conform to current year's groupings and classifications.

Signatures to Schedules 1 to 20

As per our Report of even date

For **L. B. JHA & CO.**

Chartered Accountants

Firm Registration No. 301088E

T. Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : The 30th day of May, 2011

For and on behalf of the Board

G. P. Agarwala

Vice Chairman

Priya Punjabi Agarwal

Company Secretary

P. R. Agarwala

Chairman

K. B. Agarwala

Managing Director

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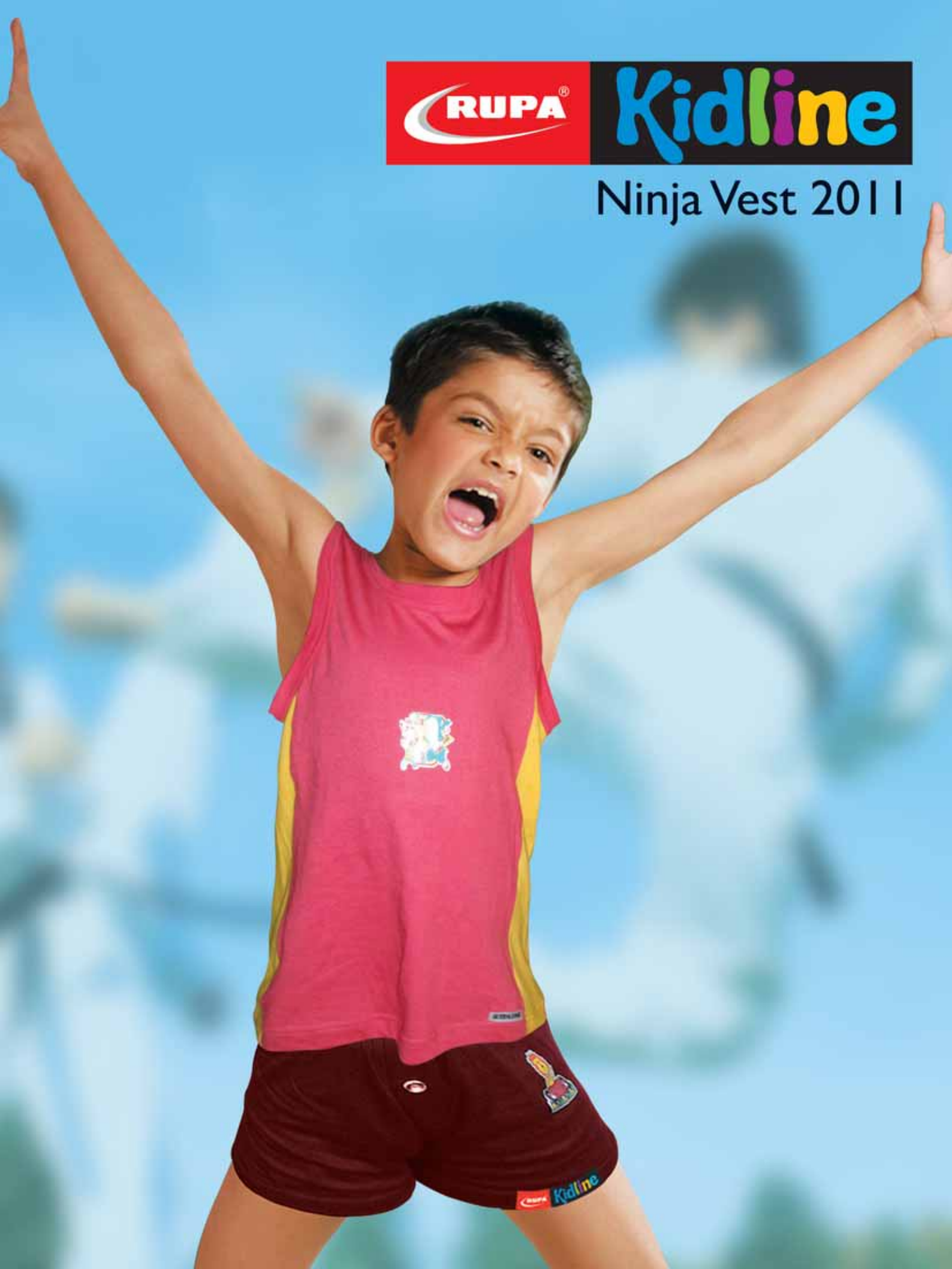
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RUPA & COMPANY LIMITED

Registered Office : Metro Tower, 8th Floor
1 Ho Chi Minh Sarani Kolkata - 700 071

NOTICE

NOTICE is hereby given that Twenty Sixth Annual General Meeting of the members of **RUPA & COMPANY LIMITED** will be held at Merchants' Chamber of Commerce, Somani Conference Hall, 15B, Hemanta Basu Sarani, Kolkata- 700 001 on Wednesday, September 28, 2011 at 11.00 a.m to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a director in place of Shri Radhe Shyam Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Sushil Patwari who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri Dharam Chand Jain who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s L. B. Jha & Company, Chartered Accountants as Statutory Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration.

By order of the Board
For **RUPA & COMPANY LIMITED**

Place : Kolkata
Dated : The 30th day of May, 2011

Priya Punjabi Agarwal
Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Book of the Company will remain closed from **September 21, 2011 to September 28, 2011 (both days inclusive)**.
3. Duly executed and stamped transfer deeds, along with the share certificates, should be submitted to the Company's Registrar and Share Transfer Agents before the closure of the Register of members for registration.
4. Members are requested to notify immediately any change in their address to the Company's Registrar and Share Transfer Agents, Maheshwari Datamatics Pvt. Ltd. of 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001.
5. Dividend on Equity Shares as recommended by the Board of Directors, if approved at this Annual General Meeting will be paid to those who are member as on 21st September, 2011 being the record date fixed for the purpose of payment of dividend or their mandates. In respect of shares held in electronic form, the dividend will be paid by the beneficial owner of the shares as per the details provided by the depositories for the purpose.
6. Members are requested to encash their Dividend warrant or receipts as dividend remaining unclaimed for 7(seven) years are required to be transferred to the Investor Education and Protection Fund established by the Central Government under section 205C of the Companies Act, 1956. Once unclaimed dividends are transferred to the fund, members will not be entitled to claim these dividends.

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of the IEPF under the provisions of Section 205(B) of the Companies Act, 1956. In view of the above, the shareholders are advised to send all the un encashed dividend warrants to the Registered Office/Mumbai Office of the Company for revalidation and encash them immediately. Unclaimed/Unencashed dividend for the year ended 31st March, 2003 has already been transferred to the IEPF.

7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m to 12 noon.
8. Shareholders seeking any information with regard to the Accounts are requested to write to the Company at least seven days in advance so as to enable the Management to keep the information ready at the Annual General Meeting.
9. Members/Proxy are requested to bring their copies of Annual Report and produce Attendance slip duly filled in for attending the meeting.
10. Details of directors seeking appointment/re-appointment at the meeting is incorporated in the Corporate Governance Report as required to be provided in terms of the Listing Agreement with the Stock Exchanges.
11. Ministry of Corporate Affairs, Govt. of India vide Circular No. 17/2011 dated 21.4.2011 has made available an option to shareholders to receive communications electronically, save paper and in turn save nature. Your Company is eager to cover more and more shareholders under the ambit of Go Green Initiative and has made available an option particularly to shareholders holding shares in physical mode to register their e-mail id with R&T agent. We request shareholders to avail of this facility and strengthen the Go Green movement.

Shareholders holding shares in demat mode are requested to update their DP records for changes in e-mail id to receive timely communications from the Company.



RUPA & COMPANY LIMITED

Registered Office : Metro Tower, 8th Floor, 1 Ho Chi Minh Sarani Kolkata - 700 071

ATTENDANCE SLIP

Members attending the Meeting in Person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company at Somani Conference Hall, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on 28th September 2011 at 11:00 A.M.

.....
Full name of the Member (in BLOCK LETTER)

.....
Signature

Folio No.

Full name of the Proxy (in BLOCK LETTER)

.....
Signature

NOTES :

1. Member/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting
 2. Member/Proxyholder desirous of attending the meeting should bring his copy of the Notice for reference at the meeting.
-



RUPA & COMPANY LIMITED

Registered Office : Metro Tower, 8th Floor, 1 Ho Chi Minh Sarani Kolkata - 700 071

PROXY FORM

I/We of

Being member/members of the above named Company hereby appoint.....

of or failing him

of as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of M/s Rupa & Company Limited to be held on Wednesday, the 28th day of September, 2011 and any adjournment thereof.

Signed this day of, 2011

Folio No/ Client ID No.

Signature

Affix
Revenue
Stamp