

STAYING AHEAD IN STYLE

Annual Report
(2012-2013)



India's No.1 Knitwear Company

HOW THE STYLE IS DEFINED

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DEMANDING CUSTOMERS...

Are attracted by Buccellati.

Buy Nike.

Invest in Royal Dutch Shell.

Trust eBay.

Admire Apple.

Swear by Ferrari.

And prefer RUPA.



At Rupa, we try to foresee what the opportunities will unfurl: in terms of quality of life, customer aspirations and market trends globally.



**WHAT'S UNIQUE ABOUT THE LOGO
PRINTED ON THE MOST
INNERWEAR
PRODUCTS
SOLD IN INDIA?**

RUPA® The most trusted knitted innerwear and casual wear brand. Touching the lives of more than a million consumers with comfort and style. Across every region. Across every minute.

Resulting in a market leadership among the plethora of branded intimate garments.

STAYING AHEAD IN STYLE WITHOUT ANY FULL STOPS

At Rupa & Company Limited, businesses are all about being transformational, being constantly on the move and expanding our world.

We are expanding capacities, diversifying into multi-product verticals, anticipating and fulfilling the growing needs of our customers.

The result being, Rupa today is one of the biggest knitwear manufacturing Company in India, a multi-product and multi-market player, harmonizing expertise, resources, opportunities and knitting experience.

Going forward, we would accelerate this momentum to create a differential value for our stakeholders.





A 5 MINUTE READ

Rupa & Company Limited, is one of India's leading innerwear and casual wear manufacturing Company. We are present across the entire manufacturing value chain from the dyeing process to the finished innerwear and casual wear manufacturing.

The organisations high end integrated operations and facilities enable us to manufacture a wide array of innerwear and casual wear garments.



10

SUCCESSFUL BRANDS
AND MORE THAN 100
REGISTERED TRADEMARKS

3,800

SKU'S UNDER VARIOUS
BRANDS AND SUB-BRANDS
OF RUPA

15.32%

EBIDTA MARGIN,
ONE OF THE HIGHEST
IN LAST 5 YEARS

₹ 6,000 Lacs
EXPENDITURE ON
ADVERTISING AND
SALES PROMOTION

97.80%

BUSINESS DERIVED
THROUGH SALE OF FINISHED
KNITWEAR PRODUCTS

200%

RECORD DIVIDEND
DURING
THE YEAR 2012-13

Vision

To be a world-class knitwear Company, committed to total customer satisfaction and enhancing shareholders value by building on our core strengths - innovative designs, superlative quality of material, cutting-edge technology and demonstrating the highest standards of workmanship.

Mission

To strengthen and retain our leading position in the innerwear and casual wear category.

To exceed the customer's expectations by constantly offering the best quality products across different categories.

To promote the latest R&D and to follow eco-friendly production processes.

To create and deliver value for all stakeholders.

To create sustainable growth in return to maximize the wealth of our stakeholders and enhanced support to our associates.

To uphold the highest standards of business ethics and lead the way in fulfilling corporate social responsibilities.

Origin

A name synonym in the innerwear and casual wear industry, the Company was incorporated during the year 1985 by 3 first generation entrepreneurs, Mr. P. R. Agarwala, Mr. G. P. Agarwala and Mr. K. B. Agarwal.

Presence

Registered office situated at Kolkata.

State-of-the-art manufacturing facilities situated at Delhi, Tirpur and Domjur with a combined capacity to produce 7,00,000 pieces a day.

Product basket

The Company's varied product basket comprises of a wide array of innerwear and casual wear in the highly fragmented unorganised hosiery market with men's and women's innerwear, knitted burmudas and loungers, cute innerwear specially designed for kids, winter wear, foot wear, leggings for women and jeans in varied colours and designs.

Market reach

The Company's products are marketed across India through an extensive distribution network of 950 dealers.

Listing

Shares of the Company are listed at the National Stock Exchange Limited (Stock code: RUPA), BSE Limited (Stock code: 533552), Calcutta Stock Exchange Limited (Stock code: 028161) and Jaipur Stock Exchange Limited (Stock code: 811).

Depository connectivity with NSDL and CDSL.

Pride

The Company is an ISO 9001:2008 certified Company.

The Company has also been accorded as the "largest innerwear and casual wear manufacturing Company in India" by "Limca Book of Records" for the 10th time.

The Company has also been accorded with "Power Brand" status in the year 2011.

Ranked 27th and accorded with "Platinum Award" for its Annual Report of year 2011-12 at LACP, USA.

The Brands of the Company are endorsed by leading celebrities like Hrithik Roshan, Ronit Roy, Karan Grover, and Rajpal Yadav.

Timeline

1979

- The promoters started the business as Binod Hosiery a partnership firm which launched the brand "Rupa" and various other brands.

1985

- Established as Rupa & Co. Pvt. Ltd.

1995

- Took over the business of Binod Hosiery on a going concern basis and converted into a Public Limited Company.

1999-2000

- Set up a dyeing unit at Domjur, West Bengal.
- Also ventured into manufacture of Thermal wear products.

1997

- Apart from manufacturing inner wear, started manufacturing casual wear.

1996

- Initial Public offer and listing of equity shares at CSE & JSE.

2002

- Awarded by the "Limca Book of Records" for the first time being a largest manufacturer of hosiery products.

2003

- Acquired the Brand Euro and started exports of products.
- Received the Texcellence Award for the best brand for wollen knitwear.

2005

- Launch of the Premium Brand Macroman.

2011

- Launched apparel for kids under the brand "IMOOGI".
- Listing of the shares at NSE and BSE.

2010

- Further doubled the dyeing capacity at Domjur.
- Launch of another premium brand "Air".
- Received the Master Brand Award from CMO Asia.

2006

- Acquired the Brand Rupa in the name of the company.
- Doubled the dyeing capacity at Domjur.
- Received ISO 9001:2008 certification from BSI India.

2012

- Forayed into the manufacturing of jeans under the brand "Euro Jeans".
- Forayed into the manufacturing of leggings for women under the brand "Femmora".

2013

- Conferred with 27th rank worldwide and Platinum Award at LACP, USA for its Annual Report for the year 2011-12.



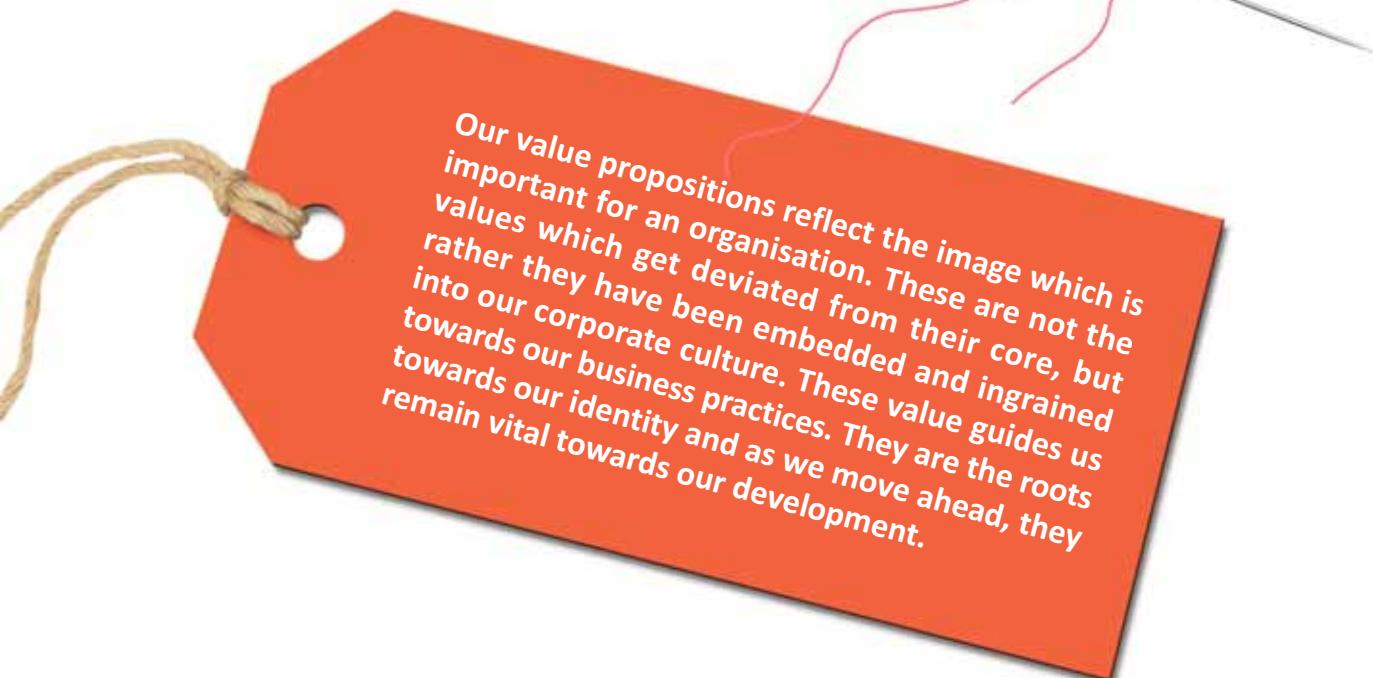
**IF IT IS COMFORT,
IT MUST BE RUPA**



**IF IT IS TRENDY,
IT MUST BE RUPA**



**IF IT IS EXCELLENT PRICE VALUE,
IT MUST BE RUPA**



Our value propositions reflect the image which is important for an organisation. These are not the values which get deviated from their core, but rather they have been embedded and ingrained into our corporate culture. These value guides us towards our business practices. They are the roots towards our identity and as we move ahead, they remain vital towards our development.



LEADERSHIP EXCELLENCE

Innovation : We conduct faster innovation in our processes and products to create and deliver value.

Agility : We are flexible, responsive and adaptable to the changing market dynamics.



BUSINESS EXCELLENCE

Performance Excellence : We, individually and collectively, are passionately committed to exceed our goals.

Operational Excellence : We set standards in all operational processes through an unwavering focus on continuous and sustained improvement.

Customer Centricity : We constantly strive to delight our customers.



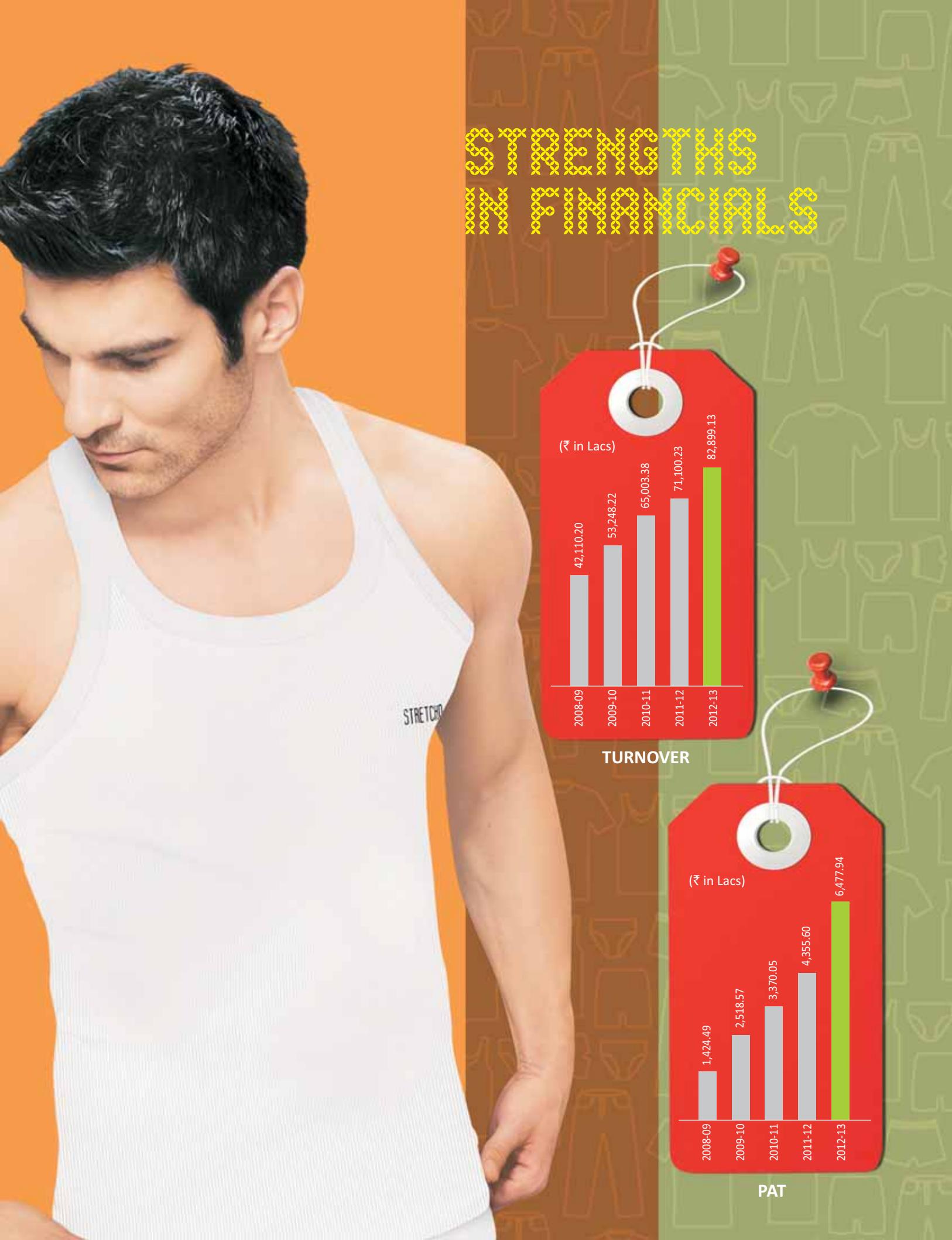
PEOPLE EXCELLENCE

Nurturing Team Spirit : We believe in teamwork to enable our people to perform and succeed beyond their individual capacities.

Respect for Individual : We encourage a culture of trust and openness where everyone is valued.

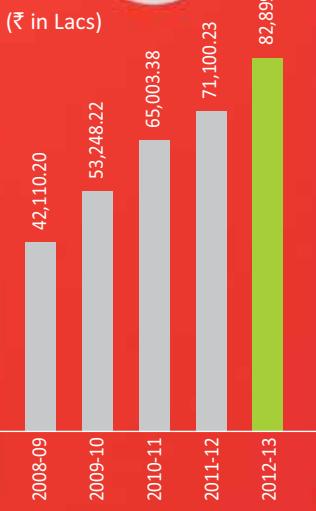
Continuous Learning : We relentlessly pursue learning for sustained competitive advantage.





STRENGTHS IN FINANCIALS

(₹ in Lacs)

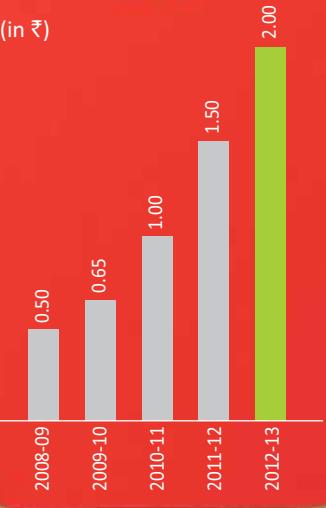
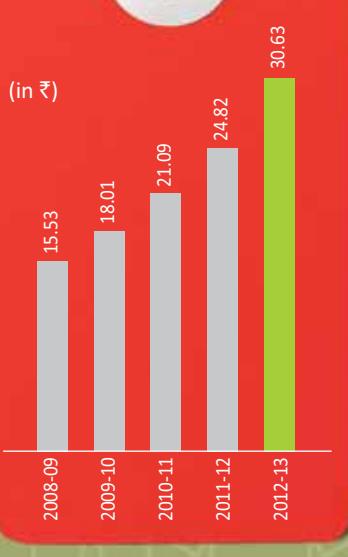
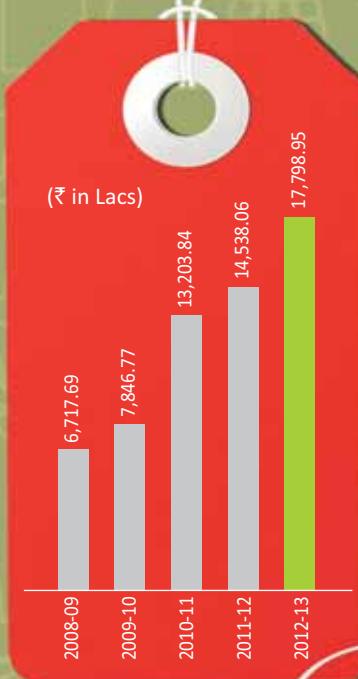


TURNOVER

(₹ in Lacs)

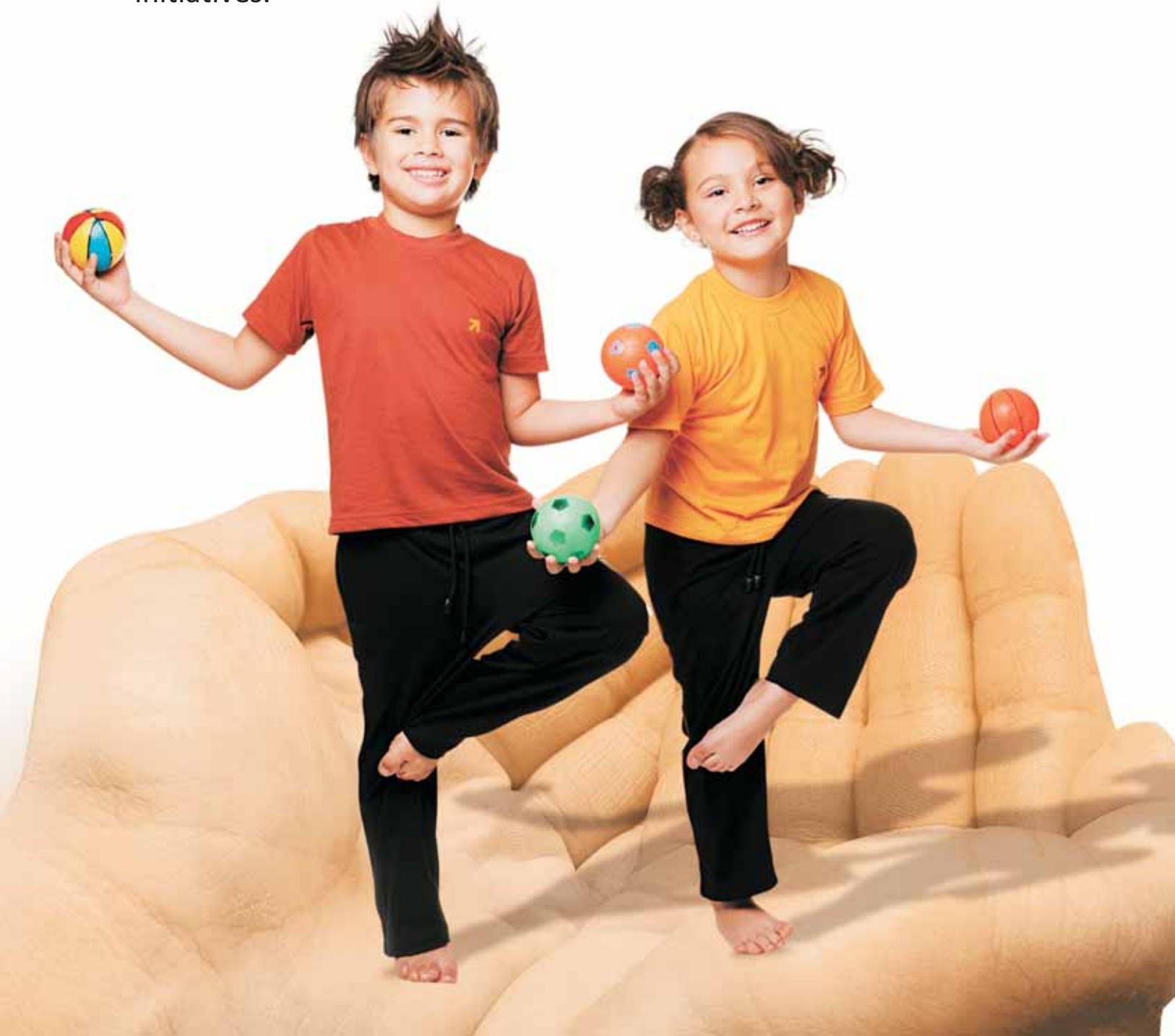


PAT



STAYING AHEAD IN STYLE AND SPREADING SMILES TO THE FACES OF MANY

At Rupa & Company Limited, we align our business priorities with social commitments as a part of our sustainability initiatives.



HUMAN RESOURCE DEVELOPMENT

At Rupa, human resource is viewed as the most valuable asset. Nurturing an empowering organisational culture, our people are always inspired to deliver qualitative performance. The Company believes that the ability to deliver value to its customers depends essentially on its ability to attract and retain skilled & trained manpower. Our competitive advantage lies in our people, who have the spirit of commitment to the shared purpose of creating and enduring value of stakeholders.

We always aim to emerge as a preferred employer within our industry through the following initiatives :

- Widening career opportunities for the employees.
- To create a leadership pipeline through succession planning and talent management.
- Performance based employee appraisal, compensation structure at par with the best industry standards, performance linked plans and retirement benefits.
- Talent nurturing and a people strategy development for organizational growth.
- Enhanced employee participation in decision making.
- Periodic employee feedback surveys alongwith performance appraisals.

The emphasis on people and process has resulted in the following :

One of the lowest attrition rates at the senior level among the employees, reflecting the positive impact of empowerment and leadership opportunities among the employees.

CORPORATE SOCIAL RESPONSIBILITY

At Rupa, a sensitive concern for the community and the world makes our business truly sustainable. We believe that for growth to be responsible, it should go beyond numbers. It should go to the society to create a better world. That's the kind of growth in which our Company believes and constantly strives for.

Ecoknit

We focus on manufacturing eco-friendly products which does not harm the mother nature. Our manufacturing processes also confirms to such beliefs. The manufacturing units are installed with water saving and recycling processes. Conventional dyeing methods waste millions of gallons of fresh water, whereas our manufacturing units are instilled with revolutionary technologies like Air-Dyeing which helps in the conservation of water & energy. We source natural fibres grown in sustainable farming methods. Our products are designed to arrest ecological footprints even after consumption.

Education first

With a belief that quality education can change the masses, the Company has established Sobhasaria Engineering College at Sikar in Rajasthan, providing education to the children in the surrounding areas. The Company is also a part of The Heritage Institute of Technology, The Heritage School and Sri Sri Academy at Kolkata in West Bengal providing quality education through newer techniques and varied focus on extra co-curricular activities.

Steady health

On the ideology of health is wealth, the Company is associated with Sankara Nethralaya (Kolkata) and various other hospitals.



m SERIES
INTERNATIONAL COLLECTION



MACROMAN 

STAYING AHEAD IN STYLE

THROUGH A

POWERFUL BRAND REPUTATION

WE BELIEVE THAT BRAND PLAYS THE BIGGEST ROLE IN THE BUILDING BLOCKS OF ANY CORPORATE IDENTITY. BRAND IS THE FACE OF EQUITY. IT SHOWCASES THE COMPANY'S IDENTITY TO THE MARKET. BEGINNING WITH EMPLOYEE CONTRIBUTION, TO THE PRODUCT; ITS PACKAGING; ITS COLOUR, A BRAND PROGRESSES TOWARDS BECOMING THE COMPANY'S GREATEST ASSET. A STRONG BRAND CAN ELEVATE THE PERCEPTION OF A COMPANY IN THE EYES OF ALL ITS STAKEHOLDERS - INTERNAL AND EXTERNAL.

At Rupa & Company Limited, we strive for providing superior quality at competitive prices. Our innerwear and casual wear appeal to diverse customer needs. We remain to growing our brand value and followed the strategy of progressing from commodity centric marketing to brand-led market positioning through following initiatives:

- Widened the product offering across all sections of society-mass, semi-premium and premium segments, covering various price points.
- Invested ₹ 16,740.88 Lacs in advertisement and publicity over three years.
- Co-sponsoring Rajasthan Royals during Indian Premier League (IPL-6).
- Extended our brand association through our galaxy of national actors like Hrithik Roshan, Ronit Roy, Karan Grover and Rajpal Yadav.
- Introduced a female innerwear under the sub brand "Macro woman."
- Associated with Hrithik Roshan to enhance the appeal and visibility of "Macroman" innerwear.
- Endorsements promoted through print, radio, television and outdoor, resulting in a countrywide brand visibility.
- Brand visibility promoted through social networking websites like Facebook and Twitter.

**1,10,000 RETAIL OUTLETS SPREAD ACROSS 675 LOCATIONS
WHERE PRODUCTS OF THE COMPANY ARE SOLD**

**950 DEALERS AND 829 SALES REPRESENTATIVES UNDER
THE UMBRELLA BRAND OF RUPA**

17 EXCLUSIVE BRAND OUTLETS OF THE COMPANY

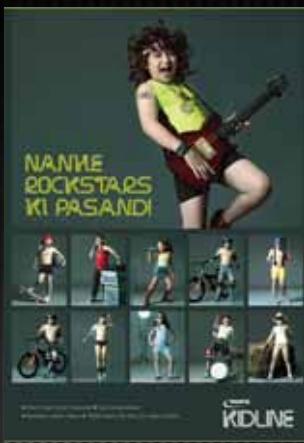
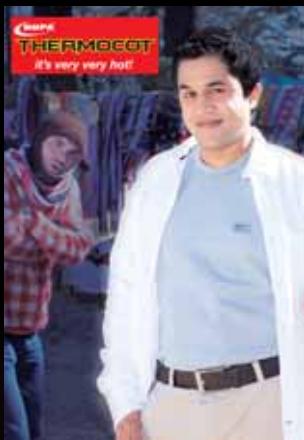
**8 PRODUCTS PER SECOND IS BEING SOLD ACROSS THE
WORLD**

**FRONTLINE AND JON CONTRIBUTING TO MAJOR SALES
OF THE COMPANY**

**MORE THAN 15% CONTRIBUTION TO THE SALES CAME
FROM THE PREMIUM INNERWEAR BRANDS**



OUR BRANDS



STAYING AHEAD IN STYLE

WITH UNEQUIVOCAL FOCUS ON EXCELLENCE

Consumer looks for companies that sustain the uniformity of the quality of their brands. At Rupa, quality is not just in the product, it is in the mind space. It is an ongoing obsession at our Company.

In the hosiery business, quality needs to be impeccable across the entire value chain where the use of sub-standard fibre and other inaccurate raw materials can lead to an entire lot being rejected. The result is that the Company's facilities comprise of best-in-class equipment sourced from reputable vendors. Besides, benchmarking itself with best practices has helped the Company improve its productivity and quality standards. This quality policy has been reinforced through a documented discipline across every organisational level. This has insured process consistency and is reflected in the ISO 9001:2008 certification.

Rupa's quest for quality products is reflected not only in its ability to sustain long-term relation with its consumers. It has also helped the Company to achieve several laurels and awards.

- **Largest innerwear and casual wear manufacturing Company in India by "Limca Book of Records" for the 10th time.**
- **Power brand status for the year 2011.**
- **Master brand during the year 2010.**
- **Star brand India award during the year 2010-11.**
- **Global Awards for Brand Excellence by World Brand Congress during the year 2010.**
- **League of American Communication Professionals (LACP), USA, awards for the Best Annual Report during the year 2011-12. It won Platinum Award in the "Consumer Durables - Textiles/Apparel/Luxury" category and was conferred with 27th rank globally out of 5,500 entries.**



MASTER BRAND
2010

STAR BRAND OF INDIA
2010-2011

Limea
Book of Records
National Record 2012

World Brand Awards
GLOBAL AWARDS FOR BRAND EXCELLENCE

DSI
REGISTRATION

Rajni & Tufar
AWARDS FOR RETAIL EXCELLENCE

Rupa & Co. Ltd.
LIFETIME ACHIEVEMENT AWARD
Prabhulal B. Agarwal
Chairman
Rupa & Co.

Rupa & Co. Ltd.
10th Anniversary
YOUTH MARKETING AWARDS
RUPA

Chosen by the Indian Consumer
INDIAN POWER BRANDS
2011-2012
THE GLOBAL SUPERPOWER EDITOR

LACP
TOP 100
ANNUAL REPORTS OF 2011
PLATINUM
OVERALL

LACP
VISION AWARDS
2011
COMPETITION WINNER
PLATINUM
OVERALL

RUPA

CULTURAL MILAN
A THOUGHT

A portrait of impossible growth

MANAGEMENT REVIEW

**From left**

Mr. G. P. Agarwala, *Vice Chairman*

Mr. P. R. Agarwala, *Chairman*

Mr. K. B. Agarwal, *Managing Director*

We propagate business optimism under distressed economic conditions. We believe that rather than putting the responsibility on the external driven factors, we must aspire to evolve our own strategies for growth and resilience. It's quite interesting to note that many global enterprises were founded not during years of easy growth, but during years of economic hardships. But the factoring reasoning may be: hardship teaches us to question conventions, think laterally and take the road less travelled.

2012-13 was a challenging year for the Indian and the global economies. The global economic growth hovered around 3.2% in 2012, lower than 2011 (3.9%) on account of the eurozone debt crisis, inflation and market volatility. Many large developing countries including Brazil, Russia, China and the Russian Federation saw a significant fall in their GDP growth in the past 2 years. This fall was attributed to a combination of external conditions and domestic impediments. Correspondingly, the Indian economy's growth stood at 5% during the year 2012-13. It was the lowest in a decade on account of weaker growth coming out of its manufacturing, agriculture and services sector.

Despite all this, the long-term prospect continues to be bright and the government is initiating reforms to elevate the economy to a higher growth trajectory. At Rupa, we withstood challenges and were able to deliver satisfactory overall performance. During the year 2012-13 we achieved a higher growth in Turnover by 16.59% to ₹ 82,899.13 Lacs; 35.95% growth in EBIDTA to ₹ 12,676.12 Lacs; 33.33% growth in Dividend payout to a robust 200%.

Milestones

There were a number of reasons which facilitated to the overall growth of your Company. The strong brand positioning well supported by a host of flagship brands like Rupa, Frontline, Jon, Air, Macroman, Macroman M'Series, Euro, Bumchums, Thermocot and Imoogi. We also forayed into women's leggings segment and launched our product under the brand "Femmora". We also diversified our focus and forayed into the men's apparel segment manufacturing Jeans for men and thereby launched "Euro Jeans" under our flagship brand EURO.

For the Indian consumer, today branded garments are no longer an aspirational requirement, but they are more of a lifestyle necessity. Rupa's product mix caters to the varied needs of the Indian consumers which includes Basic, Mid-Premium, Premium and Super Premium. With the change in

consumption pattern both from the urban & rural consumer and rise in the disposable income in the hands of the youth, our Company is fully geared to capitalise on the opportunities through its enhanced focus on the premium and super premium category of its products.

Stronger foundations

Innovation is the best defined mantra for the success of any enterprise. From product innovation, to product upgradation including its branding, packaging, designing, distribution with an eye on changing aspirations of the consumers leads to visionary innovation. We derive our success on three main pillars - innerwear & outwear pedigree, brand building initiatives and our desire to reach to newer geographies and tap budding consumers.

The result being, today our products are available across a chain of 1,10,000 retail outlets through a bouquet of 950 dealers. Our products are sold through 17 Exclusive Brand Outlets (EBO). Our products are also available at leading super markets & hyper markets well supported by 3,800 Stock-keeping units (SKU's) under various brands of the Company.

At Rupa, we believe that this reach can only be sustained through aggressive brand building initiatives. In 2012-13, we invested 7.67% of the total revenue on various advertisement and sales promotional activities. On an average, across the globe, 8 products of the Company are being sold in every second.

At Rupa, our aggressive marketing on products of various categories, both for masses and classes, derived a superior return on our topline. Frontline and Jon contributed to a major part of the revenue. Our premium brands Macroman and M'Series contributed to more than 18% on our topline.

One of recent branding initiatives "Ekla Cholo Re" not only envisages the vision of our promoter's towards standing tall and alone against any kind of social injustice, but it also gives the prudent view to the stand of the Company for standing

tall against every tides of market cycles. Our Company also associated itself as co-sponsors of the Rajasthan Royals team at IPL-6 to enhance its brand visibility.

Macroman, a budding fashion for the Gen Y male, is a premium brand of the Company and is promoted across the globe through the young bollywood actor Hrithik Roshan as its brand ambassador.

At Rupa, our constant focus is on producing and promoting eco-friendly products and processes for a greener world. The Company sources natural and bio-degradable fibres grown in sustainable methods. The manufacturing units have been installed with water saving & recycling processes and use revolutionary technologies like Air-Dyeing to conserve water and energy. These products are designed for to arrest ecological footprints even after consumption.

Quality - the biggest factor

At Rupa, we have always believed that nothing rewards more than great quality. We take pride in our ability to deliver highest standards of quality products to our clients - each and every time. Our capability emanates from consistent initiatives to increase quality awareness amongst our employees across units and hierarchies. Today, we command dominant market share in the unorganized retail segment of knitwear and hosiery industry.

Positive Outlook

The Indian knitwear industry continues to hold significant potential. Highly fragmented and intense competition from unorganised players still gives immense potential to the organised players who command a major portion of the market. The aggressive branding and awareness activities by

the organised players among the emerging rural and urban consumers give a big boost to the industry. Today's consumer is becoming brand conscious and opening of EBO and MBO gives us a huge boost in our business.

The average Indian is between the age of 18-40 and the rise in disposable income amongst this segment has given a distinctive shift in the demand towards quality and branded products. After metros, smaller towns and villages are emerging as the epic centre for the demand of such goods, evolving the face of suburban and rural India. Our strategy is to capitalise on this potential. Backed by such initiatives, we expect to take our Company to newer paths of growth and sustainability.

The future belongs to the consumers and they are enhancing their focus on branded garments. Rupa being one of the undisputed market leaders in branded garments is well positioned to leverage the market potential. On the strength of talent and teamwork, we are building an organisation known for its dynamism and constant innovation. In short, an organisation which is always ahead in style to create an exceptional value for its shareholders.

On behalf of the Board, we would like to thank all our shareowners, management team, employees, suppliers, associates and loyal customers for their unflinching support and endeavour.

Thanking you

P. R. Agarwala, *Chairman*

G. P. Agarwala, *Vice Chairman*

K. B. Agarwal, *Managing Director*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. P. R. Agarwala, *Chairman*
 Mr. G. P. Agarwala, *Vice-Chairman*
 Mr. K. B. Agarwal, *Managing Director*
 Mr. Ramesh Agarwal
 Mr. Mukesh Agarwal
 Mr. Sushil Patwari
 Mr. Dharam Chand Jain
 Mr. Vinod Kumar Kothari
 Mr. Raj Narain Bhardwaj
 Mr. Dipak Kumar Banerjee

COMPANY SECRETARY

Mrs. Priya Punjabi Agarwal

AUDITORS

M/s. L. B. Jha & Co.
 Chartered Accountants
 GF-1 Gillander House
 8, Netaji Subhas Road
 Kolkata - 700 001

BANKERS

Indusind Bank Ltd.
 State Bank of India
 CitiBank N.A.
 Standard Chartered Bank
 HDFC Bank
 Development Credit Bank
 The Hongkong and
 Shanghai Banking
 Corporation Ltd.

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.
 6, Mangoe Lane, 2nd Floor
 Kolkata - 700 001
 Email : mdpldc@yahoo.com



NOTICE

NOTICE is hereby given that Twenty Eight (28th) 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 Saturday, 28th September, 2013 at 11 a.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the year ended as on that date, together with the Reports of the Directors' and Auditors' thereon.
2. To declare 200% dividend on Equity Shares for the year ended March 31, 2013.
3. To appoint a director in place of Mr. Vinod Kumar Kothari who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.

Special Business :

5. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :
"RESOLVED THAT Mr. Raj Narain Bhardwaj appointed as a Director in casual vacancy subsequent to the resignation of Mr. Radheshyam Agarwal at their meeting held on May 28, 2012 under section 262 read with Article No. 125 of Articles of Association of the Company and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with a deposit of ₹ 500/- under Section 257 of the Companies Act, 1956 from a member intending to propose Mr. Raj Narain Bhardwaj and signifying his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :
"RESOLVED THAT Mr. Dipak Kumar Banerjee, Director who was appointed by the Board of Directors as an Additional Director in the Board Meeting held on May 30, 2013 under Section 260 of the Companies Act, 1956 read with Article No. 122 of the Articles of Association of the Company and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with a deposit of ₹ 500/- under Section 257 of the Companies Act, 1956 from a member intending to propose Mr. Dipak Kumar Banerjee and signifying his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Registered Office :

1, Ho Chi Minh Sarani
Metro Tower, 8th Floor
Kolkata - 700 071
Dated: May 30, 2013

By order of the Board
For RUPA & COMPANY LIMITED

Priya Punjabi Agarwal
Company Secretary & Compliance Officer

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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in relation to the Special Business in Item nos. 5, 6 to be transacted are annexed herewith.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from September 21, 2013 to September 28, 2013 (both days inclusive).
4. Duly executed and stamped transfer deeds, along with the share certificates, should be submitted to the Company's Registrar and Share Transfer Agents (RTA) before the closure of the Register of members for registration.

NOTICE

5. 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.
6. 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 September 21, 2013 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 to the beneficial owner of the shares as per the details provided by the depositories for the purpose at the close of business hours on September 20, 2013.
7. In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's RTA, M/s. Maheshwari Datamatics Pvt. Limited under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants :
 - (i) Name of Sole/First holder and the Folio Number.
 - (ii) Particulars of Bank Account viz.:
 - a) Name of Bank
 - b) Name of Branch
 - c) Complete Address of Bank with Pin Code Number
 - d) Account Type (whether Savings Account or Current Account) Bank Account Number
8. Members may kindly note that the bank account details as furnished by them or by NSDL/CDSL to the Company, for shares held in the physical form and in the dematerialized form respectively, will be printed on their dividend warrant(s) as a measure of protection against fraudulent encashment.
9. 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 205C of the Companies Act, 1956. In view of the above, the shareholders are advised to send the entire unencashed 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, 2005 has already been transferred to the IEPF.

10. 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 am to 12.00 noon.
11. 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.
12. Members are requested to mention their Folio No./Client Id No./DP ID No. (in case of shares held in dematerialized form) in all their correspondence with the Company/Depository Participant in order to facilitate response to their queries promptly.
13. Members/Proxy are requested to bring their copies of Annual Report and produce duly filled in attendance slip duly filled in for attending the meeting.
14. In case of joint holders attending the AGM, only such joint holder who is first in the order of names will be entitled to vote by show of hands or at poll.
15. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing to attend and vote on their behalf at the meeting preferably 48 hours before the scheduled time of commencement of the AGM for making necessary arrangement.

NOTICE

16. Maheshwari Datamatics Pvt. Ltd. is the Registrar & Share Transfer Agent (R&T Agent) of the Company. All investor related communication may be addressed to it at the following address:

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata 700 001
Phone : +91 33 2243 5809
Fax : +91 33 2248 4787
E-mail: mdpldc@yahoo.com
17. Non-resident Indian Members are requested to inform Maheshwari Datamatics Pvt. Ltd. immediately of :
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their Bank account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code no., if not mentioned earlier.
18. Members are requested to visit the website of the Company 'www.rupa.co.in' for viewing the quarterly and annual financial results and for more information on the Company.
19. The Company's Equity Shares are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), Calcutta Stock Exchange (CSE), Jaipur Stock Exchange Limited (JSEL).
20. Pursuant to provisions of section 109A of the Companies Act, 1956, members can avail of the nomination facility in respect of shares held by them in physical form by submitting Form No. 2B of the Companies (Central Govt.'s) General Rules and Forms, 1956 to the Company or RTA. A copy of the said Form 2B may be had from the Company Secretary at the Registered Office of the Company on written request.
21. 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 email 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 email id to receive timely communications from the Company through the electronic mode as per the circular for all future correspondences of Company.

Explanatory Statement Pursuant to Provisions of Section 173(2) of the Companies Act, 1956

Item No. 5

The Board of Directors of the company appointed Mr. Raj Narain Bhardwaj as a Director in casual vacancy subsequent to the resignation of Mr. Radheshyam Agarwal at their meeting held on May 28, 2012 under section 262 read with Article No. 125 of Articles of Association of the Company. Accordingly Mr. Raj Narain Bhardwaj will hold office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member, under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Raj Narain Bhardwaj to act as the Director of the Company.

The Board considers that having regard to his wide knowledge and experience in the field of Securities Market, Law, Finance, Economics etc, it will be in the interest of the Company to appoint Mr. Raj Narain Bhardwaj as a Director of the Company.

Your Directors recommend the resolution for your approval.

Except Mr. Raj Narain Bhardwaj, no other director of the Company is in any way, concerned or interested in the resolution.

Item No. 6

The Board of Directors of the company appointed Mr. Dipak Kumar Banerjee as an Additional Director at their meeting held on May 30, 2013 under section 260 read with Article No. 122 of Articles of Association of the Company. Accordingly

NOTICE

Mr. Dipak Kumar Banerjee will hold office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member, under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Dipak Kumar Banerjee to act as the Director of the Company.

The Board considers that having regard to his wide association and experience with the Unilever Group of Companies in India, UK & Africa and with responsibilities for developing Business in 7 Countries; it will be in the interest of the Company to appoint Mr. Dipak Kumar Banerjee as a Director of the Company.

Your Directors recommend the resolution for your approval.

Except Mr. Dipak Kumar Banerjee, no other director of the Company is in any way, concerned or interested in the resolution.

Registered Office :
1, Ho Chi Minh Sarani
Metro Tower, 8th Floor
Kolkata - 700 071
Dated: May 30, 2013

By order of the Board
For **RUPA & COMPANY LIMITED**
Priya Punjabi Agarwal
Company Secretary & Compliance Officer

NOTICE

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

Name of Director	Mr. Vinod Kumar Kothari	Mr. Raj Narain Bhardwaj	Mr. Dipak Kumar Banerjee
Date of Birth	September 01, 1961	May 08, 1945	February 19, 1946
Qualification	B.Com (Hons), FCA	B.A (Hons), M.A. (Economics)	B.Com(Hons); Chartered Accountant
Date of appointment	July 26, 2004	May 28, 2012	May 30, 2013
List of other Public Ltd Companies in which directorship held	<p>1) Gontermann Peipers (I) Ltd. 2) Greenply Industries Ltd. 3) JSW Ispat Steel Limited 4) AllBank Finance Limited</p>	<p>1) SREI Venture Capital Ltd. 2) Jaiprakash Power Ventures Ltd. 3) Jaiprakash Associates Ltd. 4) Milestone Capital Advisors Ltd. 5) Microsec Financial Services Ltd. 6) Reliance Infratel Ltd. 7) Jaypee Infratech Ltd. 8) Dhunseri Petrochem & Tea Ltd. 9) Amtek Auto Ltd. 10) SBI Life Insurance Company Ltd.</p>	<p>1) DIC India Ltd. 2) Tata Metaliks Ltd. 3) Tata Metaliks Kubota Pipes Ltd. 4) Tata Sponge Iron Ltd. 5) Tinplate Co. of India Ltd. 6) Tayo Rolls Limited 7) Mjunction Services Ltd. 8) TM International Logistics Ltd. 9) International Shipping and Logistics Ltd, Dubai 10) Shristi Infra Dev. Corp. Ltd.</p>
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director	<p>Audit Committee Membership 1) Gontermann Peipers (I) Ltd. 2) Greenply Industries Ltd.</p> <p>Remuneration Committee 1) Gontermann Peipers (I) Ltd.</p> <p>Shareholders/Investors Grievance Committee 1) Gontermann Peipers (I) Ltd.</p>	<p>Audit Committee Chairmanship 1) Jaiprakash Associates Ltd. 2) Invent Assets Securitization and Reconstruction (P) Ltd Membership 1) Milestone Capital Advisors Ltd. 2) Reliance Infratel Ltd. 3) Microsec Financial Services Ltd. 4) Jaiprakash Power Ventures Ltd. 5) Lanco Teesta Hydro Power (P) Ltd. 6) SBI Life Insurance Company Ltd.</p> <p>Remuneration Committee 1) Reliance Infratel Ltd.</p> <p>Shareholders/ Investors' Grievance Committee 1) Microsec Financial Services Ltd. - Chairman</p>	<p>Audit Committee Chairmanship 1) DIC India Ltd 2) Mjunction Services Ltd 3) TM International Logistics Limited 4) Tata Metaliks Kubota Pipes Ltd Membership 1) Tata Metaliks Ltd 2) Tata Sponge Iron Ltd 3) Tinplate Co. of India Ltd 4) Tayo Rolls Limited 5) Shristi Infra Dev Corp Ltd</p>

DIRECTORS' REPORT

Dear Shareholders

Your Directors have great pleasure in presenting their Twenty Eighth (28th) Annual Report together with the Audited Statement of Accounts of the Company and Auditors' Report for the year ended March 31, 2013.

FINANCIAL RESULTS

The highlights of the financial results for the year 2012-13 are as follows :

	Year Ended 31.03.2013	Year Ended 31.03.2012	(Amount in ₹)
Revenue from Operations & Other Income	8,173,980,729	6,994,727,284	
Total Expenditure	6,954,214,387	6,120,826,305	
Gross Profit before Interest, Depreciation & Tax	1,219,766,342	873,900,979	
Less : Interest & Finance Charges	208,860,765	211,430,432	
Gross Profit after Interest but before Depreciation and Taxation	1,010,905,577	662,470,547	
Less : Depreciation	66,293,510	60,615,340	
Profit before exceptional items & Tax	944,612,067	601,855,207	
Less : Exceptional Items	29,585,783	-	
Profit before Tax	915,026,284	601,855,207	
Less : Provision for Tax	277,000,000	177,000,000	
Provision for Deferred Tax	20,449,038	14,349,709	
Provision/(Write back) relating to earlier years	-	(4,711,205)	
Profit after Tax	617,577,246	415,216,703	
Add : Surplus brought forward	937,554,919	685,976,364	
Surplus Available	1,555,132,165	1,101,193,067	
Appropriation :			
Transfer to General Reserve	30,000,000	25,000,000	
Proposed Dividend	159,049,120	119,286,840	
Tax on Proposed Dividend	27,030,398	19,351,308	
Balance carried to Balance Sheet	1,339,052,647	937,554,919	

OPERATIONS

The Company has achieved a growth of 16.83% in Revenue from Operations during the year under review over the previous year. The Revenue from Operations during the year under review is ₹ 8,164,223,817 as against ₹ 6,987,959,313 in the previous year. Your Company has also achieved a growth of 39.58% in Gross Profit before Interest, Depreciation and Tax & 48.74% in Profit after Tax respectively during the period under review over the previous year. The Gross Profit before Interest, Depreciation and Tax during the year under review is ₹ 1,219,766,342 as compared to ₹ 873,900,979 in the previous year. The Profit after Tax for the year under review is ₹ 617,577,246 as against ₹ 415,216,703 in the previous year.

DIRECTORS' REPORT

TRANSFER TO RESERVES

In accordance with the provisions of the Companies Act, 1956 read with Companies (Transfer to Reserves) Rules, 1975, your directors propose to transfer a sum of ₹ 30,000,000 [last year ₹ 25,000,000] to the General Reserve. Distribution Tax on dividend is being borne by the Company.

CORPORATE SOCIAL RESPONSIBILITY VOLUNTARY GUIDELINES

The Ministry of Corporate Affairs has released a set of voluntary guidelines on Corporate Social Responsibility (CSR) in December, 2010. The Company is proactively practicing the guidelines laid down. Some of the activities carried out by the company as a part of its CSR initiatives are briefly discussed in the Annual Report.

SUBSIDIARY COMPANIES

Your Company has two 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".

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit & Loss and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with Section 212 of the Companies Act, 1956 and the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies."

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard 21 reads with General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs (MCA), Government of India and Clause 32 of the Listing Agreement with Stock Exchange(s), the Audited Financial Statements, duly audited by the Statutory Auditors of the Company M/s. L. B. Jha & Co., Chartered Accountants, together with the Auditors' Report thereon is Annexed with these accounts and forms part of the Annual Accounts. The Financial Statements of each of the Subsidiary(ies) has been duly approved by the respective Board of Directors of the Subsidiary(ies).

DIVIDEND

Considering the financial performance of your Company during the Financial Year 2012-2013 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 ₹ 2.00 per share (200%) for the Financial Year 2012-2013 (previous year 150%).

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' REPORT

DIRECTORS

Mr. Dipak Kumar Banerjee joined the Board during the year under review as an Additional Director under Section 260 of the Companies Act, 1956 to hold office up to the date of the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

Mr. Raj Narain Bhardwaj was appointed as a Director under section 262 of the Companies Act, 1956 of the Company on May 28, 2012 to fill in the casual vacancy caused due to the resignation of Mr. R. S. Agarwal and holds office till the forthcoming Annual General Meeting and is eligible for re-appointment.

Mr. Vinod Kumar Kothari retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself 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 along with certificate from Practising Company Secretary as required under Clause 49 of Listing Agreement;
- iii) Auditors' Certificate regarding compliance of conditions of Corporate Governance;
- iv) Declaration duly signed by Mr. Kunj Bihari Agarwal, 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.

As required under the provisions of the Section 224 (1B) of the Companies Act, 1956, the Company has obtained written confirmation from L. B. Jha & Co; that their appointment if made would be in conformity with the limits specified in the Section.

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 for the year ended March 31, 2013, 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 2012 - 2013, 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. Further, since there was no such remuneration received the Company had nothing to disclose under the requirements of provisions of Section 219(1) (b) (iv) of the said Act.

DIRECTORS' REPORT

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, 2013

Prahlad Rai Agarwala

Chairman

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - I

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

FORM A
(Form for disclosure of particulars with respect to Conservation of Energy)

	2012-13	2011-12
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased :		
- Units (kwh)	7,244,800	6,110,797
- Total Amount - ₹	57,086,445	38,933,879
- Rate/Unit - ₹	7.88	6.37
b) Own Generation		
- Through Diesel Generator		
- Units (Kwh)	558,469	706,771
- Units per litre of Diesel oil - ₹	6.56	6.56
- Cost/Unit - ₹	7.56	6.67
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others		
Rice Husk		
Quantity (MT)	11,399	9,425
Total Cost - ₹	35,652,273	38,292,652
Rate/Unit - ₹/MT	3,127.67	4,062.88
B. CONSUMPTION PER UNIT OF PRODUCTION		
Dyeing & Bleaching Production (in Kg)	5,128,657	4,266,235
Electricity (kwh)	1.52	1.60
Coal	Nil	Nil
Furnace Oil	Nil	Nil
Rice Husk (MT)	0.002	0.002

ANNEXURE TO THE DIRECTORS' REPORT

(Amount in ₹)

Foreign Exchange Earnings & Outgo	
Foreign Exchange Earning	212,511,055
Foreign Exchange Outgo	104,164,863

ANNEXURE - II

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 :

National Stock Exchange of India Limited

Exchange Plaza, Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
NSE Symbol : RUPA

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code : 533552

Calcutta Stock Exchange Association Limited

7, Lyons Range
Kolkata - 700 001
Scrip Code : 028161

Jaipur Stock Exchange Limited

Stock Exchange Building
Jawaharlal Nehru Marg, Malviya Nagar, Jaipur - 302 017
Scrip Code : 811

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 9 years for the same. For the financial year ended March 31, 2013, the Sales of your Company has increased to ₹ 82,899.13 Lacs as compared to ₹ 71,100.23 Lacs in the previous year, a growth of 16.59%.

The EBIDTA was ₹ 12,676.12 Lacs as compared to ₹ 9,106.34 Lacs in the previous year, a growth of 39.20% whereas the Profit after Tax (PAT) was ₹ 6,477.94 Lacs as compared to ₹ 4,355.61 Lacs in the previous year, a growth of 48.73%. Out of the amount available for appropriation, your Directors recommend a dividend of 200% aggregating to ₹ 1,590.49 Lacs (Previous Year ₹ 1192.87 Lacs) on equity shares of face value of ₹ 1 per share. The dividend tax on the dividend recommended will be ₹ 270.30 Lacs (Previous Year ₹ 193.51 Lacs). Your company's Reserve & Surplus has also been grown by 24.37% from ₹ 18,943.55 Lacs in FY 2012 to ₹ 23,560.69 Lacs in FY 2013.

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, Thermocot and Imoogi. The Company has a wide array of products (managing over 2,000 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. Subsequent to the launch of apparel for kids under the brand "IMOOGI" and leggings under the brand name "femmora" your Company has recently forayed into the men's apparel segment manufacturing men's Jeans under the brand name "Euro Jeans".

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. Presently the Sales mix of your Company's products are similar with the categorization 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

Following the slowdown induced by the global financial crisis in 2008-09, the Indian economy responded strongly to fiscal and monetary stimulus and achieved a growth rate of 8.6% and 9.3% respectively in 2009-10 and 2010-11. However, with the economy exhibiting inflationary tendencies, the Reserve Bank of India (RBI) started raising policy rates in March 2010. High rates as well as policy constraints adversely impacted investment, and in the subsequent two years viz. 2011-12 and 2012-13, the growth rate slowed to 6.2% and 5.0% respectively. Nevertheless, despite this slowdown, the Compound Annual Growth Rate (CAGR) for Gross Domestic Product (GDP) at factor cost, over the decade ending 2012-13 is 7.9%. The moderation in growth is primarily attributable to weakness in industry (comprising the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sectors), which registered a growth rate of only 3.5% and 3.1% in 2011-12 and 2012-13 respectively. The rate of growth of the manufacturing sector was even lower at 2.7% and 1.9% for these two years respectively. The growth rate of the services sector also declined to 8.2% in 2011-12 and 6.6% in 2012-13. As per the Advance Estimates released by the CSO, the rate of growth in terms of GDP at market prices (at 2004-05 prices) is expected to be 3.3% for 2012-13 as against 6.3% in 2011-12. Quarterly GDP growth rate in India declined in each of the successive quarters between the fourth quarter of 2010-11 and the fourth quarter of 2011-12.

MANAGEMENT DISCUSSION AND ANALYSIS

India's growth in 2013-14 will be largely shaped by domestic factors. CRISIL Research expects India's GDP growth to pick-up in 2013-14 due to a revival in private consumption rather than a strong upturn in investments. A lift in agriculture (assuming normal monsoon), lower interest rates and pre-election welfare spending by the government will support higher consumption. A mild recovery in exports and a pick-up in consumption will enhance growth in industry and services.

INDUSTRY STRUCTURE AND DEVELOPMENTS

A. Readymade Garments (RMG) Industry

The readymade garments industry is one among the globalised industries of the world. Readymade garments manufactured in India are well received across the overseas market and India has emerged as a preferred sourcing destination. India's environmental conditions have favored the textile Industry including Readymade garments.

The readymade garments industry has played a substantial role in the Indian economy. The largest segment for the readymade garment segment includes the age-group of 16-35 that is very brand conscious and gives priority to high quality products. Branded readymade garments account over 21% of the readymade garment industry

Liberalisation and the government's supportive policies have aided the growth of the garments industry. The sector is a great contributor towards foreign exchange earnings and employment generation. As estimated by CRISIL the overall readymade garments (RMG) industry (domestic and exports) is expected to grow at a 3-4% CAGR to ₹ 2,250 billion by 2017 from ₹ 1,889 billion in 2012. Growth would be led by domestic demand for RMG, which is expected to post a CAGR of 5-6%. Exports are expected to be muted during the same period.

Rising disposable income, large working population especially women, and changing preferences of consumers from need based to experience based, has further fuelled the growth of the sector. People today have become fashion conscious and are well aware of the running trends. They are buying branded clothes from shopping malls and discount outlets, which have changed their way of dressing. With growth of the organized retail and expected boom in the retail segment, Indian garment industry is going to take a modernized form and become a major segment in the years to come.

B. Innerwear Industry

According to industry reports, the Indian innerwear industry stood at ₹ 14,000 crores (in FY 2011) and is expected to grow at a CAGR of 13.2% to ₹ 43,700 crores by FY 2020. The innerwear market in India is underpenetrated with per capita spend significantly lower than other Asian peers. Over the coming years, the sales of the innerwear are projected to rise at a CAGR of 18.61% by 2016 with an increase in number of shopping malls, MBO and other retail outlets which offers a better buying space to the consumers.

The increasing purchasing power of consumers and growing number of working women, along with increased awareness about better fits, quality, colours and styling as well as an openness to indulge in innerwear apparel have led to a significant growth of the segment. The growth in organised retail is offering better buying space to the consumer and pushing the brands to upgrade their retail imagery by increased marketing spends. Branded products account for about 65% of this market.

A distinctive shift from price sensitivity to brand sensitivity and preference for bold colours and innovative designs are two key trends to have emerged in this segment. The opening of exclusive brand outlets for innerwear has been a recent development and is expected to grow in the days to come.

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. Your Company is present across all the segments and predominantly caters to the Mid-Premium segment.

MANAGEMENT DISCUSSION AND ANALYSIS

The share of men and women in terms of value has grown at a CAGR of 12.67% and 15.62% respectively which underscored that the women's innerwear market had outgrown the men's innerwear market in terms of value. The increase in women's innerwear market in comparison to men's innerwear is largely due to the rise in the population of working women in the country.

In terms of geographical mix, the rural market dominates the demand for innerwear in India. CRISIL Research expects demand from rural market to grow by 17.40% CAGR and urban market by 13.10% 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 holds immense growth potential for the lingerie industry, which is evident from the entry of large international brands in the Indian market in the last few years. A key factor characterizing the blooming Indian lingerie market is the increasing size of the organized market and the declining share of the unorganized market resulting in growing independent brands taking charge of the market. In addition, growing income levels of Indians and their changing lifestyles has rechristened lingerie from just an undergarment to a fashion clothing item, at least in the urban centers.

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

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

OPPORTUNITIES & THREATS

The Emerging Retail Industry and Malls also provide huge opportunities for the Apparel, Handicraft and other segments of the industry. There is growing concern over deceleration in growth in overall exports, including textiles. The Union Budget 2013-14 entailed negligible boosts for the textile and hosiery sector :-

- The zero excise duty on cotton textiles at fiber, yarn, fabric and garment stage announced will help reduce prices of end products.
- Continuation of the Technology Upgradation Fund Scheme in the Twelfth Five Year Plan with an investment target of ₹ 2400 crores.
- Scheme for Integrated Textile Parks (SITPs) a special dispensation for setting up integrated apparel Parks with in-house manufacturing units has been provided under the Scheme. An additional grant of ₹ 10 crores will now be available to each new park that is being set up under this scheme to cater exclusively to the apparel sector.
- A new scheme called the Integrated Processing Development Scheme with an outlay of ₹ 500 crores will address the environmental concerns relating to the textile industry with special focus on setting up of infrastructure related effluent treatment. Environmental compliances have created new costs for the industry and this initiative will help the industry in maintaining its competitiveness.
- The synthetic spun yarn is exposed to 12% excise duty at the fiber stage, but zero duty from yarn to garment stage.
- Exemption of ready made garments from excise duty ambit in Budget 2013-14. Earlier, garment makers had to pay 3.6% excise duty on MRP value of garments compulsorily irrespective of claiming input tax credit or not

MANAGEMENT DISCUSSION AND ANALYSIS

- The textile sector which has been witnessing subdued growth in the past few years is also likely to benefit from the government's decision to do away with excise duty on cotton.
- Zero excise duty route, as existed prior to Budget 2011-12, is being restored in respect of branded readymade garments and made ups. In the case of cotton there will be zero duty at the fibre stage and, in the case of spun yarn of man made fibres, there will be a duty of 12% at the fibre stage. The Zero excise duty route will be in addition to the CENVAT route now available.

However, your Company 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.

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.

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 with more and more international brands and retailers penetrating Indian markets can also result in pricing pressure as international players bring with them superior technology, high quality and economies of scale across the supply chain along with 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has an innate desire and zeal to contribute towards the welfare and social upliftment of the community. The Company continues to support the following CSR initiatives :

- The group has established the Sobhasaria Engineering College at Sikar in Rajasthan which provides quality education to the children of the local populace;
- Rupa is part of the Heritage Institute of Technology as well as The Heritage School and Sri Sri Academy in Kolkata, to meet the challenges created in the country owing to increased global competition and rapid technological changes;
- As part of its efforts to give back to society, Rupa is also closely associated with various hospitals, like Sankara Nethralaya (Eye Hospital), Kolkata;
- Rupa is sincerely committed to producing environmentally friendly clothes that minimize carbon footprint and help to make the planet a greener place. All Rupa products are made from superior and natural fibers that are grown in sustainable farming methods. Rupa ensures that the raw materials and production processes do not destroy the environment with harmful chemicals and conserve water, energy and natural resources.

ENVIRONMENT AND SAFETY

Your Company is conscious of the importance of environmentally clean and safe operations. Your Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE OUTLOOK

Your Company has achieved a significant growth at all levels and 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 pursuant to the launch of outer fashion wear for kids under the brand Imoogi your company has also forayed into men's fashion wear and has commenced manufacturing Jeans under its premium Brand EURO"

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 shareholder value. 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) Composition of the Board

The Board provides leadership, strategic guidance and independent view to the Company's management while discharging its responsibilities. The Board consists of distinguished persons having requisite knowledge and expertise in business & industry, corporate finance, taxation, legal matters, risk management and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, meets with the requirements of Clause 49 (1) (A) of the Listing Agreement. The number of Independent Directors is one-half of the total number of Directors.

The Company had no pecuniary relationship or transactions with the Non-Executive Directors during 2012-13. The Independent Directors are not related to promoters or persons occupying management positions at the Board level or any level below the Board; they were neither in employment for the last three years nor they are material suppliers, service providers, customers, a lessor, or a lessee of the Company, which may affect their independence. They do not hold substantial shares in the Company. All these directors are above 21 years of age.

The Company Board comprises of 10 (ten) directors as on March 31, 2013. The Chairman is an Executive Director, and half of the Board consists of Independent Directors.

Meetings of the Board

The Composition of the Board of Directors as on March 31, 2013 & the number of other Directorships and Board Committee Memberships/Chairmanships including changes since the last report is given in the table below. During the financial year ended March 31, 2013, 4 (four) Board Meetings were held, i.e. on May 28, 2012, July 28, 2012, November 03, 2012 and February 04, 2013.

Name of Directors	Category	Number of Other Directorships and Committee Position held		
		Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Prahlad Rai Agarwala (Chairman)	Executive & Non-Independent	1	-	-
Mr. Ghanshyam Prasad Agarwala (Vice-Chairman)	Executive & Non-Independent	1	-	-
Mr. Kunj Bihari Agarwal (Managing Director)	Executive & Non-Independent	1	-	-

REPORT ON CORPORATE GOVERNANCE

Name of Directors	Category	Number of Other Directorships and Committee Position held		
		Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Mukesh Agarwal	Executive & Non-Independent	4	-	-
Mr. Ramesh Agarwal	Executive & Non-Independent	11	1	1
Mr. Shree Krishna Khaitan	Non-Executive & Independent	N.A.	N.A.	N.A.
Mr. Radhe Shyam Agarwal**	Non-Executive & Independent	N.A.	N.A.	N.A.
Mr. Raj Narain Bhardwaj#	Non-Executive & Independent	10	6	3
Mr. Dharam Chand Jain	Non-Executive & Independent	-	-	-
Mr. Sushil Patwari	Non-Executive & Independent	5	2	-
Mr. Vinod Kumar Kothari	Non-Executive & Independent	4	3	-

** Mr. Radhe Shyam Agarwal resigned from directorship of the Company with effect from May 28, 2012.

Mr. Raj Narain Bhardwaj was appointed as a Director in the casual vacancy caused by the resignation of Mr. Radhe Shyam Agarwal with effect from May 28, 2012.

* Directorships in Private Companies are not included.

+ Only covers membership/chairmanship of Audit Committee and Shareholder / Investor Grievance Committee (excluding Rupa & Company Limited) have been considered.

None of the Directors is a member of more than ten Committees or Director in more than fifteen Companies or Chairman of more than five Committees across all Companies.

b) Board Procedure

The Board meets at least once a quarter to review the quarterly business and the financial performance of the Company. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The Board papers, comprising the agenda backed by comprehensive background information are circulated to the Directors in advance and, in exceptional cases, the same is tabled at the Board Meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

The information as specified in Annexure I A to the existing Clause 49 of the Listing Agreement entered into with the Stock Exchanges is regularly made available to the Board wherever applicable.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting, on the overall performance of the Company.

The Board's function is not limited to matters requiring statutorily the Board's approval. The Board is involved in all the important decisions relating to the Company and policy matters, strategic business plans, new avenues of investment and expansion, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board.

The Minutes of the Board Meetings are circulated to all Directors and confirmed at subsequent Meeting.

The Minutes of Audit Committee and other Committees of the Board are regularly placed before the Board. The Minutes of the Board Meetings of the subsidiary companies are placed in the Board Meetings of the Company.

REPORT ON CORPORATE GOVERNANCE

c) Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the financial year ended March 31, 2013, four Board Meetings were held on May 28, 2012, July 28, 2012, November 03, 2012 and February 04, 2013. The attendance of each Director at the Board Meetings and also at the last Annual General Meeting (AGM) is given below :

Name of Directors	Category	Attendance Particulars	
		Board Meetings	Last AGM
Mr. Prahlad Rai Agarwala (Chairman)	Executive & Non-Independent	4	Yes
Mr. Ghanshyam Prasad Agarwala (Vice-Chairman)	Executive & Non-Independent	2	No
Mr. Kunj Bihari Agarwala (Managing Director)	Executive & Non-Independent	4	No
Mr. Mukesh Agarwal	Executive & Non-Independent	3	No
Mr. Ramesh Agarwal	Executive & Non-Independent	3	No
Mr. Shree Krishna Khaitan*	Non-Executive & Independent	2	No
Mr. Raj Narain Bhardwaj	Non-Executive & Independent	3	No
Mr. Dharam Chand Jain	Non-Executive & Independent	1	No
Mr. Sushil Patwari	Non-Executive & Independent	4	No
Mr. Vinod Kumar Kothari	Non-Executive & Independent	4	Yes

*Mr. Shree Krishna Khaitan resigned from directorship of the Company with effect from February 04, 2013.

d) Directors seeking Appointment/Re-appointment at ensuing AGM

Mr. Dipak Kumar Banerjee joined the Board during the year under review as an Additional Director under Section 260 of the Companies Act, 1956 to hold office up to the date of the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

Mr. Vinod Kumar Kothari and Mr. Raj Narain Bhardwaj, Directors are liable to 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. Vinod Kumar Kothari	Mr. Raj Narain Bhardwaj	Mr. Dipak Kumar Banerjee
Date of Birth	September 01, 1961	May 08, 1945	February 19, 1946
Qualification	B.Com (Hons), FCA	B.A. (Hons), M.A. (Economics)	B.Com (Hons); Chartered Accountant
Date of appointment	July 26, 2004	May 28, 2012	May 30, 2013
Expertise in specific functional areas	Securitization & Structured Finance, Credit Derivatives, Leasing & Asset Financing	Securities Market, Law, Finance and Economics	Strategic Planning, Organisation Structure, Financial Control

REPORT ON CORPORATE GOVERNANCE

Name of Director	Mr. Vinod Kumar Kothari	Mr. Raj Narain Bhardwaj	Mr. Dipak Kumar Banerjee
List of other Public Ltd Companies in which directorship held	<p>1) Gontermann Peipers (I) Ltd.</p> <p>2) Greenply Industries Ltd.</p> <p>3) JSW Ispat Steel Limited</p> <p>4) AllBank Finance Limited</p>	<p>1) SREI Venture Capital Ltd.</p> <p>2) Jaiprakash Power Ventures Ltd.</p> <p>3) Jaiprakash Associates Ltd.</p> <p>4) Milestone Capital Advisors Ltd.</p> <p>5) Microsec Financial Services Ltd.</p> <p>6) Reliance Infratel Ltd.</p> <p>7) Jaypee Infratech Ltd.</p> <p>8) Dhunseri Petrochem & Tea Ltd.</p> <p>9) Amtek Auto Ltd.</p> <p>10) SBI Life Insurance Company Ltd.</p>	<p>1) DIC India Ltd.</p> <p>2) Tata Metaliks Ltd.</p> <p>3) Tata Metaliks Kubota Pipes Ltd.</p> <p>4) Tata Sponge Iron Ltd.</p> <p>5) Tinplate Co. of India Ltd.</p> <p>6) Tayo Rolls Limited</p> <p>7) Mjunction Services Ltd.</p> <p>8) TM International Logistics Ltd.</p> <p>9) International Shipping and Logistics Ltd, Dubai</p> <p>10) Shristi Infra Dev. Corp. Ltd.</p>
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director	<p>Audit Committee</p> <p>Membership</p> <p>1) Gontermann Peipers (I) Ltd.</p> <p>2) Greenply Industries Ltd.</p> <p>Remuneration Committee</p> <p>1) Gontermann Peipers (I) Ltd.</p> <p>Shareholders/Investors Grievance Committee</p> <p>1) Gontermann Peipers (I) Ltd.</p>	<p>Audit Committee</p> <p>Chairmanship</p> <p>1) Jaiprakash Associates Ltd.</p> <p>2) Invent Assets Securitization and Reconstruction (P) Ltd</p> <p>Membership</p> <p>1) Milestone Capital Advisors Ltd.</p> <p>2) Reliance Infratel Ltd.</p> <p>3) Microsec Financial Services Ltd.</p> <p>4) Jaiprakash Power Ventures Ltd.</p> <p>5) Lanco Teesta Hydro Power (P) Ltd.</p> <p>6) SBI Life Insurance Company Ltd.</p> <p>Remuneration Committee</p> <p>1) Reliance Infratel Ltd.</p> <p>Shareholders/ Investors' Grievance Committee</p> <p>1) Microsec Financial Services Ltd. - Chairman</p>	<p>Audit Committee</p> <p>Chairmanship</p> <p>1) DIC India Ltd</p> <p>2) Mjunction Services Ltd</p> <p>3) TM International Logistics Limited</p> <p>4) Tata Metaliks Kubota Pipes Ltd</p> <p>Membership</p> <p>1) Tata Metaliks Ltd</p> <p>2) Tata Sponge Iron Ltd</p> <p>3) Tinplate Co. of India Ltd</p> <p>4) Tayo Rolls Limited</p> <p>5) Shristi Infra Dev Corp Ltd</p>

3. COMMITTEES OF BOARD

The Board constituted various committees to function in specific areas and to take informed decision within delegated powers. Each Committee exercises its functions within the scope and area as defined in constituting it. These Committees are constituted in conformity of Listing Agreement and provisions of the Companies Act, 1956. The Company has the following Committees :

- Audit Committee
- Remuneration Committee
- Shareholders/Investor Grievance Committee

I. AUDIT COMMITTEE

Broad Terms of Reference

As on March 31, 2013 the Audit Committee comprised of five members, three of them were Non-Executive & Independent. All members have financial and accounting background. The Company Secretary of the Company acts as Secretary of the Audit Committee.

REPORT ON CORPORATE GOVERNANCE

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 :
 - a) 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;
 - b) Changes, if any, in accounting policies and practices along with reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) 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.

Composition, meetings and attendance of the Committee

The Audit Committee comprises of Five Directors, three of whom are Independent Directors and two are Non-Independent Directors. The Audit Committee is constituted in accordance with the provisions of Clause 49 (II) (A) of the Listing Agreement and the Companies Act, 1956. All the members of the committee are well versed with finance & accounts, legal matters, company law, corporate affairs and general business practices. The Committee is empowered to seek any information it requires from any employee or to obtain legal or other independent professional advice when considered necessary. The Executive Director of the Company is specially invited at the meetings of the Committee, whenever required. The Statutory Auditors and the Internal Auditors are also invited to the Meetings whenever required. The quorum for the Audit Committee Meeting is two members. The Company Secretary acts as Secretary to the Committee.

The minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meetings. The Audit Committee met 4 (four) times during the year with a maximum time gap of about four months, i.e., May 28, 2012, July 28, 2012, November 03, 2012 and February 04, 2013.. The Committee reviewed the results of operation; Statement of significant related party transactions submitted by management. The composition of the Audit Committee and the number of meetings attended by the Members is as follows :

Name of Member	Position and Category	No. of Meetings Attended
Mr. Vinod Kumar Kothari	Chairman, Non-Executive & Independent	4
Mr. Sushil Patwari	Member, Non-Executive & Independent	4
Mr. Raj Narain Bhardwaj	Member, Non-Executive & Independent	1
Mr. Mukesh Agarwal	Member, Executive & Non-Independent	3
Mr. Ramesh Agarwal	Member, Executive & Non-Independent	3
Mr. Shree Krishna Khaitan*	Member, Non-Executive & Independent	2

*Mr. Shree Krishna Khaitan resigned from directorship of the Company with effect from February 04, 2013.

The Company Secretary was present at all the above meetings.

Mr. Vinod Kumar Kothari Chairman of the Audit Committee attended the last Annual General Meeting held on September 29, 2012 and replied to the queries related to Accounts to the satisfaction of the shareholders.

Meetings & Attendance of Directors in Meetings

During the financial year ended March 31, 2013, four Audit Committee Meetings were held on May 28, 2012, July 28, 2012, November 03, 2012 and February 04, 2013.

The attendance at the Audit Committee Meetings is as under :

Name of Members	Meetings held during the year and Attendance			
	May 28, 2012	July 28, 2012	November 03, 2012	February 04, 2013
Mr. Vinod Kumar Kothari	Present	Present	Present	Present
Mr. Sushil Patwari	Present	Present	Present	Present
Mr. Shree Krishna Khaitan*	Present	Present	Absent	NA
Mr. Raj Narain Bhardwaj	NA	NA	NA	Present
Mr. Mukesh Agarwal	Absent	Present	Present	Present
Mr. Ramesh Agarwal	Present	Present	Absent	Present

*Mr. Shree Krishna Khaitan resigned from directorship of the Company with effect from February 04, 2013.

REPORT ON CORPORATE GOVERNANCE

INTERNAL AUDITORS

The Company has appointed a firm of Chartered Accountants as Internal Auditors to review the internal control systems of the Company and to report thereon. The report of the Internal Auditors is reviewed by the Audit Committee.

II. REMUNERATION COMMITTEE

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.

Composition of the Committee

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

Meetings & Attendance of Directors in Meetings

No meeting of the committee was held during the year.

Remuneration Policy

A. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees @ ₹ 20,000 for each meeting of the Board and ₹ 10,000 for any Committee thereof attended by them.

B. Remuneration to Whole-time Directors

The appointment of Whole-time Directors are governed by resolutions passed by the Board of Directors and Shareholders of the Company, which covers the terms of such appointment, payment of remuneration to Whole-time Directors, which are governed by the respective Agreements executed between them and the Company. Remuneration paid to Whole-time Directors are recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at General Meetings. The remuneration package of Whole-time Directors comprises of salary, perquisites and allowances, commission and contributions to Provident and Other Funds as approved by the shareholders at General Meetings. Annual increments are decided by the Remuneration Committee and recommended to the Board for approval thereof. Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

REPORT ON CORPORATE GOVERNANCE

Details of Remuneration of Directors for the financial year ended March 31, 2013 are given below :

Non-Executive Directors

Name of Directors	Sitting Fees (₹)	Numbers of shares held
Mr. Shree Krishna Khaitan	60,000	Nil
Mr. Raj Narain Bhardwaj	70,000	Nil
Mr. Dharam Chand Jain	20,000	40,000
Mr. Sushil Patwari	1,30,000	Nil
Mr. Vinod Kumar Kothari	1,20,000	Nil
Total	4,00,000	40,000

Whole-Time Directors

Name of Directors	Salary & Allowances (₹)	Commission (₹)	Perquisites (₹)	Total (₹)
Mr. Prahlad Rai Agarwala (Chairman)	3,600,000	1,200,000	643,989	5,443,989
Mr. Ghanshyam Prasad Agarwala (Vice-Chairman)	3,000,000	-	701,128	3,701,128
Mr. Kunj Bihari Agarwal (Managing Director)	3,000,000	-	909,969	3,909,969
Mr. Ramesh Agarwal	1,800,000	-	-	1,800,000
Mr. Mukesh Agarwal	1,800,000	-	-	1,800,000
Total	13,200,000	1,200,000	2,255,086	16,655,086

III. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Terms of Reference

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.

Share transfer formalities are done fortnightly by the Registrars, M/s. Maheshwari Datamatics Pvt. Ltd. The Compliance Officer is authorized to give effect to share transfers as approved by the Registrars & Share Transfer Agents.

The Share Department of the Company and the Registrar & Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Department of Company Affairs, Registrar of Companies etc.

The Minutes of the Shareholders/Investors Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and e-mail addresses to facilitate prompt action.

REPORT ON CORPORATE GOVERNANCE

Composition

The composition of the Committee of Directors is as under :

Name of Members	Category
Mr. Sushil Patwari	Non-Executive & Independent
Mr. Mukesh Agarwal	Executive & Non-Independent

Compliance Officer

The Board has designated Ms. Priya Punjabi Agarwal, Company Secretary as the Compliance Officer.

Meeting and Attendance

During the financial year ended March 31, 2013 1(One) Shareholders'/Investors' Grievances Committee meeting was held on November 03, 2012.

The attendance at the Committee Meeting is as under :

Name of Members	Meeting held during the year and Attendance
	November 03, 2012
Mr. Sushil Patwari	Present
Mr. Mukesh Agarwal	Present

Details of Shareholders Complaints Received, not solved and Pending Share Transfers

The total number of complaints received, and replied to the satisfaction of the shareholders during the year ended March 31, 2013 were 1 (one). There were no complaints outstanding as on March 31, 2013. The Company confirms that that there was no share transfers request and dematerialization/rematerialization requests pending as on March 31, 2013.

Shareholders'/Investors' complaints and other correspondence are normally attended to within twenty one working days except where constrained by disputes or legal impediments.

4. SUBSIDIARY COMPANIES

The Company has two subsidiary companies. Both the subsidiary companies are non-listed and non-material. The Minutes of the Board Meetings of the subsidiary companies are placed in the Board Meetings of the Company. Statement of important and significant transactions of the subsidiary companies is placed regularly in the Board Meetings of the Company. The Audit Committee of the Company regularly reviews financial statement & in particular the investments made by the unlisted subsidiaries of the Company.

5. 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.

REPORT ON CORPORATE GOVERNANCE

6. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2009- 2010	Merchants Chamber of Commerce Somani Conference Hall 15B Hemanta Basu Sarani, Kolkata - 700 001	30.09.2010	11.00 A.M.
2010- 2011	Merchants Chamber of Commerce Somani Conference Hall 15B Hemanta Basu Sarani, Kolkata - 700 001	28.09.2011	11.00 A.M.
2011-2012	Merchants Chamber of Commerce Somani Conference Hall 15B Hemanta Basu Sarani, Kolkata - 700 001	29.09.2012	11.00 A.M.

(b) Special Resolutions Passed at last three Annual General Meetings (AGM) :

1 (one) special resolution was passed during the Annual General Meeting held on September 30, 2010.

(c) Passing of Resolutions by Postal Ballot :

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.

7. 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 March 31, 2013 and a declaration to this effect signed by Managing Director forms part of this report.

8. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the Securities & Exchange Board of India (Prevention of Insider Trading) Regulations, 1992, the Company has framed a Code of Conduct for prevention of Insider Trading by Company insiders. The code, inter alia, prohibits purchase and/or sale of shares of the Company by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company.

9. DISCLOSURES

a) Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large

The Board has obtained certificates/disclosures from key management personnel that they did not have any material financial and commercial interest in transactions with the Company that may have a potential conflict with the Company's interest at large. Transactions with related parties as per requirements of Accounting Standard 18 are disclosed in Note No.40 in the Annual Report.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

c) Non-mandatory requirements

Adoption of Non-mandatory requirements of Clause 49 of the listing Agreement are being reviewed by the Board from time to time and adopted wherever necessary.

REPORT ON CORPORATE GOVERNANCE

d) Reconciliation of share capital audit

As stipulated by SEBI, a qualified Practising Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

10. MEANS OF COMMUNICATION

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by Clause 41 of the Listing Agreement.
- ii. The approved financial results are forthwith sent to the Listed Stock Exchanges and are published in one of the prominent business daily and a local language newspaper. Presently the same are not sent to the shareholders separately.
- iii. The Company's financial results and official news releases are displayed on the Company's website www.rupa.co.in
- iv. The shareholders may send their complaints, if any, directly to the Compliance Officer at investors@rupa.co.in
- v. Any presentations made to the institutional investors and analysts during the year under review were also posted on the company's website.
- vi. Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

11. GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in the section Shareholder Information which forms part of this Annual Report.

12. COMPLIANCE CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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 March 31, 2013 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 has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. 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 Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of 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, 2013

REPORT ON CORPORATE GOVERNANCE

SHAREHOLDER INFORMATION

Registered Office : Metro Tower, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata - 700 071
 Phone : +91 33 3057 3100

Annual General Meeting : Date and Time
 September 28, 2013 at 11.00 A.M.

Venue :
 Somani Conference Hall
 Merchants Chamber of Commerce
 15B, Hemanta Basu Sarani, Kolkata - 700 001

Financial Calendar :

Financial reporting for the quarter ending June 30, 2013	: On or before 14.08.2013
Financial reporting for the half year ending September 30, 2013	: On or before 14.11.2013
Financial reporting for the quarter ending December 31, 2013	: On or before 14.02.2014
Financial reporting for the year ending March 31, 2014	: On or before 30.05.2014

Date of Book Closure : September 21, 2013 to September 28, 2013 (both days inclusive)

Dividend :

The dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid at par to those members, whose names appear on the Company's Register of Members as holders of equity shares in physical form on September 21, 2013. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose as on the closing hours of business on September 20, 2013.

Listing on Stock Exchange :

The Equity shares of the Company are listed on The Calcutta Stock Exchange (CSE) and The Jaipur Stock Exchange Limited (JSEL). Bombay Stock Exchange has permitted the Equity shares of the Company for trading under the "B" group with effect from September 09, 2011 and National Stock Exchange has permitted the Equity shares of the Company for trading with effect from December 07, 2011. Annual Listing Fees as prescribed have been paid to all the designated stock exchanges for the financial year 2013-14.

Stock Code :

NSE RUPA	BSE 533552	CSE 028161	JSE 811
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Demat ISIN No. For NSDL and CDSL - INE895B01021

Stock Market Data :

There were no transactions in the equity shares of the Company listed at The Calcutta Stock Exchange and Jaipur Stock Exchange, hence monthly high and low quotations and volume of shares traded on the Bombay Stock Exchange and National Stock Exchange during the year are given below :-

REPORT ON CORPORATE GOVERNANCE

Month & Year	BSE			NSE		
	High (₹)	Low (₹)	Close (₹)	High (₹)	Low (₹)	Close (₹)
April, 2012	159.00	137.55	138.20	160.00	140.00	141.00
May, 2012	151.60	134.00	149.20	149.90	135.00	148.00
June, 2012	147.00	126.60	138.00	148.00	130.00	136.00
July, 2012	147.00	122.50	140.00	149.50	130.00	142.00
August, 2012	148.00	135.00	140.00	150.00	135.05	140.00
September, 2012	151.20	139.95	144.00	145.00	139.95	143.40
October, 2012	149.90	140.00	140.00	168.00	131.20	141.00
November, 2012	150.00	139.95	140.25	149.50	135.10	146.75
December, 2012	149.70	139.00	140.20	150.00	135.00	140.50
January, 2013	152.50	138.20	140.00	148.00	137.00	140.00
February, 2013	185.00	140.00	166.30	183.00	139.95	166.10
March, 2013	194.80	145.00	165.00	180.00	145.50	165.55

Registrar and Share Transfer Agents :

Maheshwari Datamatics Pvt. Ltd.

6, Mango Lane, 2nd Floor, Kolkata - 700 001

Phone : +91 33 2243 5809

Fax : +91 33 2248 4787

E-mail : mdpldc@yahoo.com

Share Transfer System :

The transfer of shares in physical form is processed and completed by Maheshwari Datamatics Private Limited every fortnight provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a practicing Company Secretary audits the System of Transfer and a Certificate to that effect is issued.

Distribution of Shareholding as on March 31, 2013 :

Number of Shares	Shareholders		Shares	
	No.	% of Total	No.	% of Total
1 - 500	1,358	81.5616	65,948	0.0829
501 - 1000	70	4.2042	60,368	0.0759
1001 - 2000	83	4.9850	157,539	0.1981
2001 - 3000	10	0.6006	29,000	0.0365
3001 - 4000	24	1.4414	95,500	0.1201
4001 - 5000	17	1.0210	84,326	0.1060
5001 - 10000	42	2.5225	348,294	0.4380
10001 and above	61	3.6637	78,683,585	98.9425
Total	1,665	100.00	79,524,560	100.00

REPORT ON CORPORATE GOVERNANCE

Shareholding Pattern as on March 31, 2013 :

Category	No. of Shares Held	% of Share Capital
A. PROMOTER'S HOLDING		
Promoters		
a. Indian Promoters	59,586,390	74.93
b. Foreign Promoters	Nil	Nil
Sub-total	59,586,390	74.93
B. NON-PROMOTER'S HOLDING		
1. Institutional Investors		
a. Mutual Funds and UTI	Nil	Nil
b. Banks, Financial Institutions, Insurance Companies	Nil	Nil
c. FIIs	Nil	Nil
Sub-total	Nil	Nil
2. Others		
a. Bodies Corporate	18,657,623	23.46
b. Indian Public	1,276,204	1.61
c. NRIs	1,110	0.00
d. Others	3,233	0.00
Sub-total	19,938,170	25.07
Grand Total	79,524,560	100.00

Dematerialization of shares and liquidity :

99.24% of the equity shares of the Company have been dematerialized as on March 31, 2013. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have the option to dematerialize their shares with either of the depositories.

Status of Dematerialization as on March 31, 2013 :

Particulars	No. of Shares	% to Total Capital	No. of Accounts
National Securities Depository Ltd. (NSDL)	76,415,137	96.09	935
Central Depository Services (India) Ltd. (CDSL)	2,502,106	3.15	467
Total Dematerialized	78,917,243	99.24	1,402
Physical	607,317	0.76	263
Grand Total	79,524,560	100	1,665

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.

Unclaimed Dividends :

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unpaid/unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF :

REPORT ON CORPORATE GOVERNANCE

Financial Year	Date of declaration of dividend	Due Date for transfer to IEPF
2005-2006	August 28, 2006	04.10.2013
2006-2007	September 14, 2007	20.10.2014
2007-2008	September 30, 2008	05.11.2015
2008-2009	September 22, 2009	28.10.2016
2009-2010	September 30, 2010	20.10.2017
2010-2011	September 28, 2011	04.10.2018
2011-2012	September 29, 2012	05.10.2019

Nomination :

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

Electronic Clearing Service :

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for crediting dividends through Electronic Clearing Services (ECS) to the investors wherever ECS and bank details are available, in the absence of ECS facility, the Company is required to print the bank account details on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors.

However, members who wish to receive dividend in an account other than the one specified while opening the Depository Account, may notify their DPs about any change in the Bank Account details.

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

Address for Correspondence :

Registrar & Share Transfer Agents	Registered Office
Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor Kolkata - 700 001 Phone : +91 33 2243 5809 Fax : +91 33 2248 4787 E-mail : mdpldc@yahoo.com	M/s. Rupa & Company Limited Metro Tower, 8th Floor 1, Ho Chi Minh Sarani Kolkata - 700 071 Phone : +91 33 3057 3100 Fax : +91 33 2288 1363 E-mail : connect@rupa.co.in/investors@rupa.co.in

INDEPENDENT AUDITORS' OPINION

To the Members of Rupa & Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Rupa & Company Ltd ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and 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, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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.

INDEPENDENT AUDITORS' OPINION

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

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

Chartered Accountants

Firm Registration No. 301088E

Tirtha Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : 30th May 2013

ANNEXURE TO THE AUDITORS' REPORT

Annexure to Auditors' Report to the members of RUPA & COMPANY LIMITED

[Referred to in paragraph 1 under the heading of "Report on Other legal and Regulatory Requirements" of our report of even date]

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) The fixed assets disposed 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 assumption.
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.
(b) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and was commensurate with the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. Discrepancies noticed on physical verification of stocks had been adequately dealt with in the books of accounts.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(b) The Company has not taken any loans, secured or unsecured, to 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) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(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. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and the company has duly maintained records the cost records in the prescribed manner in which these are required to be maintained.
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

ANNEXURE TO THE AUDITORS' REPORT

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, 2013, 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 VAT, Central Sales Tax and Income 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 Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	5,275	2005-2006	West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal Value Added Tax Rules, 2005	VAT	1,195	2009-2010	Additional Commissioner of Commercial Taxes (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	4,306	2009-2010	Additional Commissioner of Commercial Taxes (Appeal)
Income Tax Act, 1961	Income Tax	1,568	2009-2010	CIT Appeals

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
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 Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. The Company has not undertaken any trade in shares, securities or mutual funds during the year.
15. Based on our audit procedures 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 as at 31st March 2013, in our opinion and according to the information and explanations given to us, there were no funds raised on a short-term basis which have been used for long-term investments.
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.
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.

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

Chartered Accountants

Firm Registration No. 301088E

Tirtha Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : 30th May 2013

BALANCE SHEET

as at 31st March, 2013

(Amount in ₹)

	Note	March 31, 2013	March 31, 2012
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	3	79,629,060	79,629,060
Reserves & Surplus	4	2,260,332,618	1,828,834,890
Total Shareholders' Funds (i)		2,339,961,678	1,908,463,950
Non-Current Liabilities			
Long Term Borrowings	5	152,222,222	160,000,000
Deferred Tax Liabilities	6	146,647,277	126,198,239
Other Long Term Liabilities	7	178,502,709	142,674,789
Total Non-Current Liabilities (ii)		477,372,208	428,873,028
Current Liabilities			
Short Term Borrowings	8	1,873,582,710	1,470,880,146
Trade Payables	9	453,896,586	388,488,253
Other Current Liabilities	10	695,280,225	539,213,950
Short Term Provisions	11	186,079,518	138,638,148
Total Current Liabilities (iii)		3,208,839,039	2,537,220,497
Total Equity & Liabilities (i)+(ii)+(iii)		6,026,172,925	4,874,557,475
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	1,385,542,499	1,116,957,600
Intangible Assets	13	8,315,307	12,417,259
Capital Work-in-Progress		11,539,840	39,851,260
Intangible Assets under Development		—	1,169,226,119
Non-Current Investments	14	41,215,000	41,200,000
Long Term Loans & Advances	15	161,538,795	143,069,540
Other Non Current Assets	16	5,449,570	—
Total Non Current Assets (iv)		1,613,601,011	1,353,495,659
Current Assets			
Inventories	17	2,717,468,084	2,066,646,142
Trade Receivables	18	1,445,601,549	1,255,451,906
Cash & Bank Balances	19	57,357,959	51,245,136
Short Term Loans & Advances	20	117,077,694	91,749,302
Other Current Assets	21	75,066,628	55,969,330
Total Current Assets (v)		4,412,571,914	3,521,061,816
Total Assets (iv)+(v)		6,026,172,925	4,874,557,475

The notes are an integral part of these financial statements

As per our Report of even date

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

Firm Registration No. 301088E

*Chartered Accountants***T. Mandal***Partner*

Membership No. 050070

Place : Kolkata

Date : The 30th day of May, 2013

Ramesh Agarwal
*Director***P. R. Agarwala**
*Chairman***Priya Punjabi Agarwal**
*Company Secretary***Mukesh Agarwal**
Director

For and on behalf of Board

STATEMENT OF PROFIT & LOSS

for the year ended 31st March, 2013

(Amount in ₹)

	Note	March 31, 2013	March 31, 2012
REVENUE			
Revenue From Operations (Gross)	22	8,558,218,919	7,502,930,141
Less : Excise Duty		393,995,102	514,970,828
Revenue From Operations (Net)		8,164,223,817	6,987,959,313
Other Income	23	9,756,912	6,767,971
Total Revenue		8,173,980,729	6,994,727,284
EXPENSES			
Cost of materials consumed	24	4,357,379,381	3,774,683,846
Purchases of Stock-in-trade	25	310,363,936	321,744,058
Changes in inventories of Finished Goods, Work-in-progress and stock-in-trade	26	(448,701,920)	(330,518,573)
Employee Benefits Expense	27	104,611,903	82,805,994
Finance Cost	28	208,860,765	211,430,432
Depreciation & Amortisation expense	29	66,293,510	60,615,340
Other expenses	30	2,630,561,087	2,272,110,980
Total Expenses		7,229,368,662	6,392,872,077
Profit before exceptional and extraordinary items and tax		944,612,067	601,855,207
Exceptional Items (Loss of Stock Due To Fire)		(29,585,783)	—
Profit before extraordinary items and tax		915,026,284	601,855,207
Extraordinary Items		—	—
Profit before tax		915,026,284	601,855,207
Tax Expense :			
- Current Tax		277,000,000	177,000,000
- Deferred Tax		20,449,038	14,349,709
- Provision/(Write back) relating to earlier years		—	(4,711,205)
Profit/(Loss) for the period from continuing operations		617,577,246	415,216,703
Profit/(Loss) for the period		617,577,246	415,216,703
Earnings per Equity Share - Basic and Diluted			
(Nominal value per equity share ₹ 1)	38	7.77	5.22

The notes are an integral part of these financial statements

As per our Report of even date

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

Firm Registration No. 301088E

Chartered Accountants

T. Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : The 30th day of May, 2013

For and on behalf of Board

Ramesh Agarwal

Director

P. R. Agarwala

Chairman

Priya Punjabi Agarwal

Company Secretary

Mukesh Agarwal

Director

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(Amount in ₹)

		March 31, 2013	March 31, 2012
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES			
Profit Before Tax & Extra-ordinary Items		915,026,284	601,855,207
Adjustment :			
(a) Depreciation and Amortisation	66,293,510		60,615,340
(b) Interest Expense	182,551,523		183,431,659
(c) Loss on Sale of Fixed Assets	2,746,874		314,144
(d) Interest Income	(6,372,027)	245,219,880	(3,903,278)
Operating Profit before Working Capital Changes		1,160,246,164	842,313,072
Changes in Working Capital :			
(a) (Increase)/Decrease in Trade and other Receivables	(261,000,972)		(182,602,230)
(b) (Increase)/Decrease in Inventories	(650,821,942)		41,538,015
(c) Increase/(Decrease) in Trade and other Payables	235,647,675	(676,175,239)	(51,251,060)
Cash Generated from Operations		484,070,925	649,997,797
Less : (a) Direct Taxes Paid		(252,845,147)	(152,761,908)
Add : (a) Interest received from Operating Activities		4,749,657	3,382,211
Net Cash Inflow/(Outflow) from Operating Activities		235,975,435	500,618,100
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES			
Inflow : (a) Sale of Fixed Assets	1,767,920		540,142
(b) Interest received	1,622,370	3,390,290	521,067
Outflow : Purchase of Fixed Assets		(306,988,017)	(137,934,378)
Net Cash Inflow/(Outflow) from Investing Activities		(303,597,727)	(136,873,169)

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(Amount in ₹)

	March 31, 2013	March 31, 2012
C. CASH FLOW ARISING FORM FINANCING ACTIVITIES		
(a) Dividend and Dividend Tax paid	(138,638,148)	(92,425,432)
(b) Interest Paid	(182,551,523)	(174,433,453)
(c) Increase/(Decrease) in Long Term Borrowings	(7,777,778)	(80,000,000)
(d) Increase/(Decrease) in ShortTerm Borrowings	402,702,564	(39,240,798)
Net Cash Inflow/(Outflow) from Financing Activities	73,735,115	(386,099,683)
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	6,112,823	(22,354,752)
Cash & Cash Equivalents at the beginning of the year	51,245,136	73,599,888
Cash & Cash Equivalents at the end of the year	57,357,959	51,245,136

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 Notes to Accounts form an integral part of the Cash Flow Statement.
- 3) Cash & Cash Equivalents represents :

(Amount in ₹)

	As at 31.3.2013	As at 31.3.2012
Cash in Hand	1,533,591	1,546,082
Cheques in Hand	—	948,074
Balance with Banks	55,824,368	48,750,980
Total	57,357,959	51,245,136

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

As per our Report of even date

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

Firm Registration No. 301088E

Chartered Accountants

T. Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : The 30th day of May, 2013

For and on behalf of Board

Ramesh Agarwal

Director

P. R. Agarwala

Chairman

Priya Punjabi Agarwal

Company Secretary

Mukesh Agarwal

Director

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Rupa & Company Limited (the Company) is engaged in manufacture of hosiery products in knitted undergarments, casual wears and thermal wears. It has a Power Generation Unit operated on Windmill process. The Company is a public limited company and is listed on the National Stock Exchange of India Ltd., Bombay Stock Exchange Ltd., Calcutta Stock Exchange Ltd. and the Jaipur Stock Exchange Ltd.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

2.2 Use of Estimates

The preparation of the Financial Statement 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.

2.3 Tangible Asset

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit & Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit & Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets at the rates prescribed under Schedule XIV of the Companies Act, 1956.

2.4 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit & Loss. The amortization rates used are :

NOTES TO THE FINANCIAL STATEMENTS

Assets	Rates
Copyrights & Trade marks	10%
Computer software	20%

2.5 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit & Loss in the period in which they are incurred.

2.6 Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.7 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.8 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Foreign Currency Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

NOTES TO THE FINANCIAL STATEMENTS

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit & Loss.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit & Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit & Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

2.10 Revenue Recognition

Sale of goods : Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer and goods are unconditionally handed over to the transporters for delivery as per the terms of the contract and are recognised net of discounts (including cash discounts and other schemes, as per trade practices followed by the industry), rebates, sales taxes and excise duties.

Sale of Services : In contracts involving the rendering of services, revenue is measured using the proportionate completion method.

2.11 Other Income

Interest : Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend : Dividend income is recognised when the right to receive dividend is established.

2.12 Export Incentives

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

2.13 Employee Benefits

(i) Provident Fund : Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Company's Contributions to Provident Fund are charged to Statement of Profit & Loss as and when they become payable.

(ii) Gratuity : The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the

NOTES TO THE FINANCIAL STATEMENTS

Statement of Profit & Loss in the year in which they arise. Gratuity Liability is a Fund maintained with the Life Insurance Corporation of India (LICI) under the Group Gratuity Scheme).

2.14 Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only 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 realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassess unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.15 Provisions and Contingent Liabilities

Provisions : Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.16 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 Statement of Profit & Loss on confirmation of reasonable assurance of the receipt.

NOTES TO THE FINANCIAL STATEMENTS

2.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

The Company has identified business segment as its primary segment. The Company has also identified as its reportable geographical segment, the sales to Indian market and export sales.

2.18 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.20 Prior Period Adjustments/Extraordinary Items

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 Statement of Profit & Loss. However, differences in actual Income/expenditure arising out of over/under estimation pertaining to prior periods are not treated as "Prior Period Adjustment".

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 Profit & Loss.

NOTES TO THE FINANCIAL STATEMENTS

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
NOTE 3 SHARE CAPITAL		
Authorised :		
200,000,000 Equity Shares of ₹ 1/- each	200,000,000	200,000,000
Issued :		
79,733,560 Equity Shares of ₹ 1/- each	79,733,560	79,733,560
Subscribed and paid up :		
79,524,560 Equity Shares of ₹ 1/- each	79,524,560	79,524,560
209,000 Forfeited Shares of ₹ 1/- each ₹ 0.50 per share paid up	104,500	104,500
Total	79,629,060	79,629,060

	March 31, 2013	March 31, 2012
(3a) Reconciliation of Number of Shares		
Balance as at the beginning of the year	79,524,560	79,524,560
Balance as at the end of the year	79,524,560	79,524,560

(3b) Rights, preferences and restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(3c) Shares held by holding company, its ultimate holding company or any subsidiary of the holding company/ultimate holding company and subsidiary of holding company	Nil	Nil
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(3d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	March 31, 2013		March 31, 2012	
	No of Shares	%	No of Shares	%
Promoter & Promoter Group :				
Ghanshyam Prasad Agarwala	7,240,910	9.11	7,240,910	9.11
Kunj Bihari Agarwal	7,278,000	9.15	7,278,000	9.15
Prahlad Rai Agarwala	9,021,090	11.34	9,021,090	11.34
Purvanchal Leasing Ltd.	5,807,670	7.30	5,807,670	7.30
Rajnish Enterprises Ltd.	15,821,190	19.89	15,821,190	19.89
Public :				
Karuna Impex Enterprises Limited	8,650,000	10.88	8,650,000	10.88

	March 31, 2013	March 31, 2012
(3e) Equity Shares allotted as fully paid up on conversion of Deep Discount Debentures in F.Y. 2008-09	19,483,560	19,483,560

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 4 RESERVES & SURPLUS		
Capital Subsidy :		
Balance as at the beginning of the year	6,075,040	6,075,040
Balance as at the end of the year	6,075,040	6,075,040
General Reserve :		
Balance as at the beginning of the year	197,174,041	172,174,041
Add : Transferred from Surplus in Statement of Profit & Loss	30,000,000	25,000,000
Balance as at the end of the year	227,174,041	197,174,041
Securities Premium Account :		
Balance as at the beginning of the year	688,030,890	688,030,890
Balance as at the end of the year	688,030,890	688,030,890
Surplus in Statement of Profit & Loss :		
Balance as at the beginning of the year	937,554,919	685,976,364
Profit for the year	617,577,246	1,555,132,165
Less : Appropriations		
Proposed dividend on Equity shares for the year	159,049,120	119,286,840
Dividend distribution tax on proposed dividend	27,030,398	19,351,308
Transfer to General Reserve	30,000,000	216,079,518
Balance as at the end of the year	1,339,052,647	
Total Reserves & Surplus	2,260,332,618	1,828,834,890

NOTE 5 LONG TERM BORROWINGS		
Secured :		
Term Loans		
From Banks :		
- Indian Rupee loans	152,222,222	160,000,000
Total Secured Loans	152,222,222	160,000,000
Total Long Term Borrowings	152,222,222	160,000,000

Note :

- (a) Nature of Security and terms of repayment for secured borrowings

Nature of Security	Terms of Repayment
Two Term Loans from IndusInd Bank aggregating to 2,544.44 lakhs (March 31, 2012-₹ 2400 lakhs) (including Current maturities of ₹ 1022.22 lakhs; March 31, 2012 ₹ 800 lakhs) secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed Assets of Domjur unit and personal Guarantees of 3 Directors.	(i) 1st Term Loan (of run down balance ₹ 1600 lakhs as on 31.3.2013) is fully repayable within 13.03.2015 by quarterly instalments of ₹ 200 lakhs and bearing Interest @12.50% per annum. (ii) 2nd Term Loan of run down balance of ₹ 944.44 lakhs repayable within 14.06.2017 after a moratorium of 6 months by 18 equal quarterly instalments of ₹ 55.55 lakhs each.

- (b) There are no defaults in payment of interest and principals against the above loans.

NOTES TO THE FINANCIAL STATEMENTS

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
NOTE 6 DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities		
On Account of difference between net book value of depreciable capital assets as per books vis-a-vis written down value as per tax laws	146,647,277	126,198,239
Total	146,647,277	126,198,239
NOTE 7 OTHER LONG TERM LIABILITIES		
Others		
Security Deposits from Customers	178,502,709	142,674,789
Total	178,502,709	142,674,789
NOTE 8 SHORT TERM BORROWINGS		
Secured :		
From Banks		
Working Capital Loans :		
- Indian Rupee loans	1,245,407,871	1,128,863,642
- Foreign Currency loans	628,174,839	342,016,504
Total secured Loans	1,873,582,710	1,470,880,146
Total Short term borrowings	1,873,582,710	1,470,880,146

Note :

Nature of Security and terms of repayment for secured borrowings :

- Working capital loan from banks are secured by hypothecation of inventories, books debt and other current assets and further secured by second charge of movable & immovable fixed assets of Domjur unit
- Foreign Currency Loans are repayable within one year from the drawdown date.
- The company has swapped its principal repayment of an INR Loan at equivalent USD on the maturity date @ ₹ 55.70 at an interest rate of 4% and a monthly settlement of actual USD rate with the swap rate.
- None of the loans are overdue either in respect of payment of interest or principal.

NOTE 9 TRADE PAYABLES			
Trade payables (including acceptances)		453,896,586	388,488,253
Total		453,896,586	388,488,253

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 10 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings (Note 5)	102,222,222	80,000,000
Unpaid dividends : (refer note below)	844,320	754,310
Advances from customers	15,995,560	17,345,902
Provision of Income tax Net of Advance ₹ 383,624,382 (March 31, 2012 - ₹ 153,616,321)	45,038,532	23,383,679
Statutory dues including Provident Fund, ESI, Service Tax and Tax deducted at Source etc.	63,934,551	102,886,714
Temporary Overdraft due to Reconciliation	1,897,854	967,574
Other Liabilities	465,347,186	313,875,771
Total	695,280,225	539,213,950

Note : As per information available, there are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

NOTE 11 SHORT TERM PROVISIONS			
Provision for Proposed Equity Dividend		159,049,120	119,286,840
Provision for tax on proposed Equity dividend		27,030,398	19,351,308
Total		186,079,518	138,638,148

	Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Wind Turbine Generator	Total
NOTE 12 TANGIBLE ASSETS								
Gross Block :								
As at April 1, 2011	66,264,043	315,722,124	656,606,868	40,927,236	29,185,886	30,460,547	57,878,556	1,197,045,260
Additions	692,196	82,303,949	41,101,134	4,231,465	3,947,292	4,862,742	—	137,138,778
Disposals	—	—	—	—	5,086,344	13,530	—	5,099,874
As at March 31, 2012	66,956,239	398,026,073	697,708,002	45,158,701	28,046,834	35,309,759	57,878,556	1,329,084,164
Additions	19,887,594	161,543,189	116,629,326	11,083,111	13,890,266	7,940,794	—	330,974,280
Disposals	—	—	3,712,344	177,664	5,572,656	183,638	—	9,646,302
As at March 31, 2013	86,843,833	559,569,262	810,624,984	56,064,148	36,364,444	43,066,915	57,878,556	1,650,412,142
Depreciation :								
As at April 1, 2011	—	28,991,096	75,727,153	18,859,903	10,306,509	16,265,122	15,288,312	165,438,095
Additions	—	8,384,283	31,654,235	2,694,636	2,722,665	2,422,250	3,055,988	50,934,057
Disposals	—	—	—	—	4,232,058	13,530	—	4,245,588
As at March 31, 2012	—	37,375,379	107,381,388	21,554,539	8,797,116	18,673,842	18,344,300	212,126,564
Additions	—	10,548,963	34,970,194	3,421,084	3,172,119	2,698,054	3,055,987	57,866,401
Disposals	—	—	2,085,681	39,204	2,987,230	11,207	—	5,123,322
As at March 31, 2013	—	47,924,342	140,265,901	24,936,419	8,982,005	21,360,689	21,400,287	264,869,643
Net Block :								
At March 31, 2013	86,843,833	511,644,920	670,359,083	31,127,729	27,382,439	21,706,226	36,478,269	1,385,542,499
At March 31, 2012	66,956,239	360,650,694	590,326,614	23,604,162	19,249,718	16,635,917	39,534,256	1,116,957,600

Note : All assets are own assets.

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	Copyrights and Trademarks	Computer Software	Total
NOTE 13 INTANGIBLE ASSETS			
Gross Block :			
At April 1, 2011	65,000,000	23,245,418	88,245,418
Purchase	—	1,179,317	1,179,317
Internal Development	—	—	—
At March 31, 2012	65,000,000	24,424,735	89,424,735
Purchase	—	4,325,157	4,325,157
Internal Development	—	—	—
At March 31, 2013	65,000,000	28,749,892	93,749,892
Amortisation :			
At April 1, 2011	50,001,370	17,324,823	67,326,193
Charge for the year	6,500,000	3,181,283	9,681,283
At March 31, 2012	56,501,370	20,506,106	77,007,476
Charge for the year	6,500,000	1,927,109	8,427,109
At March 31, 2013	63,001,370	22,433,215	85,434,585
Net Block :			
At March 31, 2013	1,998,630	6,316,677	8,315,307
At March 31, 2012	8,498,630	3,918,629	12,417,259

Note : All assets are own assets.

	March 31, 2013	March 31, 2012
NOTE 14 NON-CURRENT INVESTMENTS		
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Investment in Subsidiaries :		
10,000 (31.3.2012 -10,000) Equity Shares of ₹ 10/- each in Imoogi Fashions Pvt. Ltd.	100,000	100,000
41,00,000 (31.3.2012 - 41,00,000) Equity Shares of ₹ 10/- each in Euro Fashion Inners International (P) Ltd.	41,000,000	41,000,000
Investment in Other Companies :		
1,500 (31.3.2012 - NIL) Equity Shares of ₹ 10 each in West Bengal Hosiery Park Infrastructure Limited	15,000	—
Total Trade Investments	41,115,000	41,100,000
Non-Trade Investments (valued at cost unless stated otherwise)		
In Mutual Funds (quoted) :		
10,000 (31.3.2012 -10,000) Mutual Fund Units of ₹ 10/- each in Morgan Stanley Growth Fund	100,000	100,000
Total Non-Trade Investments	100,000	100,000
Total Non-Current Investments	41,215,000	41,200,000
Aggregate amount of quoted investments	100,000	100,000
Market Value of quoted investments	631,780	562,860
Aggregate amount of unquoted investments	41,115,000	41,100,000

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 15 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good : (unless otherwise stated)		
Capital Advances (Refer note below)	149,684,383	134,286,793
Security Deposits	11,854,412	8,782,747
Total	161,538,795	143,069,540

Note : Includes an amount of ₹ 286.89 lakhs advanced for procurement of equipment and machinery for a spinning mill, which plan has since been abandoned and the amount is recoverable on diversion of the order by the vendor to a third party.

NOTE 16 OTHER NON CURRENT ASSETS			
Others :			
Long term deposits with banks with maturity period more than 12 months [Refer note below]	5,449,570		—
Total	5,449,570		—

Note : Held as lien by bank against bank guarantees

NOTE 17 INVENTORIES			
Raw Materials	636,042,025	431,257,179	
Work In Progress	232,233,090	203,906,562	
Finished Goods	1,782,308,277	1,395,813,940	
Stock-in-Trade	19,371,783	15,076,511	
Packing Material	47,512,909	20,591,950	
Total	2,717,468,084	2,066,646,142	
Details of Inventory			
Finished Goods			
In Transit :			
- Knitwear	2,250,662	9,829,487	
Others :			
- Knitwear	1,780,057,615	1,385,984,453	
Stock-in-Trade			
- Jeans	19,371,783	15,076,511	
Work-in-Progress			
- Knit wear	232,233,090	203,906,562	
Raw Materials			
In Transit :			
- Yarn/Than	8,576,609	16,077,662	
Others :			
- Yarn/Than	520,599,820	366,319,517	
- Elastic, Accessories & Other Material	106,865,596	48,860,000	

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 18 TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	23,466,530	17,754,200
Others	1,422,135,019	1,237,697,706
Total	1,445,601,549	1,255,451,906

NOTE 19 CASH AND BANK BALANCES			
Cash and Cash equivalents			
Cash in hand	1,533,591	1,546,082	
Cheques in hand	–	948,074	
Bank balances			
In current accounts	44,859,773	36,352,653	
Demand deposits (less than 3 months maturity)	9,071,644	–	
Total - A	55,465,008	38,846,809	
Other bank balances			
Long term deposits with maturity more than 3 months but less than 12 months (*)	1,048,631	11,644,017	
Unpaid dividend account	844,320	754,310	
Total - B	1,892,951	12,398,327	
Total - A + B	57,357,959	51,245,136	

(*) Held as lien by bank against bank guarantees

NOTE 20 SHORT TERM LOANS AND ADVANCES			
Unsecured considered good, unless otherwise stated :			
Loans and advances to related parties (Subsidiaries)			
Considered good	20,804,039	7,704,765	
Other loans and advances :			
Advances recoverable in cash or kind	75,525,396	69,732,321	
Prepaid Expenses	8,660,575	887,500	
Loans to Employees	1,845,081	1,268,173	
Others	10,242,603	12,156,543	
Total	117,077,694	91,749,302	

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 21 OTHER CURRENT ASSETS		
Interest Subsidy Receivable	41,456,511	28,680,407
Export Incentives Receivable	6,952,690	4,701,910
Sales Tax Incentive Receivable	26,657,427	22,587,013
Total	75,066,628	55,969,330

NOTE 22 REVENUE			
Revenue from Operations			
Sale of products :			
Finished goods	8,016,560,521	6,930,583,696	
Traded goods	347,700,074	8,364,260,595	7,278,581,045
Sale of Services		156,742,414	189,319,819
Other Operating Revenue :			
Sale of Electricity		9,616,195	7,976,782
Sales Tax Incentive		12,446,609	13,574,366
Export Incentive		15,153,106	13,478,129
Revenue from Operations (Gross)		8,558,218,919	7,502,930,141
Less : Excise Duty		393,995,102	514,970,828
Revenue from Operations (Net)		8,164,223,817	6,987,959,313

Note : Excise Duty on sales amounting to ₹ 393,995,102 (March 31, 2012 : ₹ 514,970,828) has been reduced from sales in Statement of profit & loss and excise duty on increase/decrease in stock amounting to ₹ 70,223,292 (March 31, 2012: ₹ 70,223,292) has been considered as income/expense in note 30 of financial statements.

Details of product sold :			
Finished Goods Sold :			
Knitwear - Cotton		7,337,238,627	6,227,435,901
- Thermals		658,107,838	636,540,317
Than		18,126,842	62,655,980
Yarn		3,087,214	3,951,498
Traded Goods :			
Knitwear - Cotton		331,895,944	343,142,240
Jeans		15,804,130	4,855,109
Electricity		9,616,195	7,976,782
Details of Services rendered :			
Dyeing, Bleaching & Knitting		156,742,414	189,319,819

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 23 OTHER INCOME		
Interest Income		
on Bank Deposits	1,054,920	488,495
on Receivables	4,749,657	3,382,211
on Others	567,450	6,372,027
Miscellaneous Income		32,572
Total	9,756,912	3,903,278
		2,864,693
		6,767,971

NOTE 24 COST OF MATERIALS CONSUMED			
Raw material consumed			
Opening inventory	431,257,179	796,009,683	
Less : Cenvat Credit Utilised on opening Stock	–	4,570,187	
Add : Purchases	3,929,576,341	2,983,638,922	
Less : Inventory at the end of the year	636,042,025	431,257,179	
Cost of raw materials consumed during the year-A	3,724,791,495	3,343,821,239	
Packing material consumed			
Opening inventory	20,591,950	27,896,034	
Less : Cenvat Credit Utilised on opening Stock	–	160,162	
Add : Purchases	659,508,845	423,718,685	
Less : Inventory at the end of the year	47,512,909	20,591,950	
Cost of packing materials consumed during the year-B	632,587,886	430,862,607	
Total Cost of Material Consmed - A + B	4,357,379,381	3,774,683,846	
Details of Raw Materials Consumed			
Yarn/Than	3,139,386,562	2,715,640,337	
Elastic, Accessories & Other Material	585,404,933	628,180,902	
Total	3,724,791,495	3,343,821,239	

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 25 PURCHASES OF STOCK-IN-TRADE		
Knit Wear	292,599,792	302,755,293
Jeans	17,764,144	18,988,765
Total	310,363,936	321,744,058

NOTE 26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
(Increase)/decrease in stocks			
Stock at the end of the year :			
Finished Goods	1,782,308,277	1,395,813,940	
Stock-in-Trade	19,371,783	15,076,511	
Work-in progress	232,233,090	203,906,562	
Total A	2,033,913,150	1,614,797,013	
Stock at the beginning of the year :			
Finished Goods	1,395,813,940	836,471,859	
Stock-in-Trade	15,076,511	—	
Work-in progress	203,906,562	447,806,581	
Total B	1,614,797,013	1,284,278,440	
Stock Loss due to Fire :			
Finished Goods	29,585,783	—	
Total C	29,585,783	—	
(Increase)/Decrease in Stocks (B-C-A)	(448,701,920)	(330,518,573)	

NOTE 27 EMPLOYEE BENEFITS EXPENSES			
Salaries, Wages and Bonus	85,427,266	63,064,739	
Contribution to Provident and Other Funds	1,488,910	1,409,325	
Director's Remuneration	15,641,029	15,466,807	
Gratuity [Refer note below]	1,217,636	2,241,954	
Staff Welfare Expenses	837,062	623,169	
Total	104,611,903	82,805,994	
Note :			
Employee Benefit (Defined Benefit Plan)			
Net employee benefit expense recognized in the employee cost			
Current Service Cost	893,735	728,251	
Interest cost on benefit obligation	632,773	424,474	
Expected return on plan Assets	(825,976)	(515,633)	
Net actuarial(Gain)/Loss	517,104	1,604,862	
Net Benefit Expenses	1,217,636	2,241,954	

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 27 EMPLOYEE BENEFITS EXPENSES (Contd.)		
Plan asset/Liability		
Present Value of defined benefit obligation	(9,853,957)	(7,909,665)
Fair value of Plan assets	11,607,772	9,053,068
Plan asset/(Liability)	1,753,815	1,143,403
Changes in the present value of the defined benefit obligation are as follows :		
Opening defined benefit obligation	7,909,665	5,305,927
Current Service Cost	893,735	728,251
Interest Cost	632,773	424,474
Benefits Paid	(99,320)	(153,849)
Actuarial(gains)/Losses on Obligation	517,104	1,604,862
Closing defined benefit obligation	9,853,957	7,909,665
Changes in the fair value of plan assets are as follows :		
Opening fair value of plan assets	9,053,068	5,017,516
Expected return	825,976	515,633
Contribution by employer	1,828,048	3,673,768
Benefits Paid	(99,320)	(153,849)
Closing fair value of plan assets	11,607,772	9,053,068
The Principal Actuarial Assumptions used		
Discount Rate	8%	8%
Expected Salary Increases	4%	4%
Withdrawal Date depending on age	1-3%	1-3%
Mortality Rate	LIC (1994-96) ultimate	LIC (1994-96) ultimate

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.

NOTE 28 FINANCE COST			
Interest on long term borrowings	18,965,060	20,269,747	
Interest on Short term borrowings	142,641,471	149,923,721	
Interest on shortfall of advance tax	4,350,466	1,277,820	
Interest Paid to others	16,594,526	11,960,371	
Net loss on foreign currency transactions and translation	17,671,278	21,448,827	
Bank Charges	8,637,964	6,549,946	
Total	208,860,765	211,430,432	

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 29 DEPRECIATION & AMORTISATION EXPENSE		
Depreciation on Tangible assets	57,866,401	50,934,057
Amortisation on Intangible assets	8,427,109	9,681,283
Total	66,293,510	60,615,340
NOTE 30 OTHER EXPENSES		
Consumption of stores and spares	727,876	749,886
Sub-contracting /Jobbing expenses	1,424,026,381	1,101,840,414
Excise duty	(70,223,292)	70,223,292
Power & Fuel	100,071,718	74,388,575
Factory Maintenance	52,770,286	40,179,891
Electricity Charges	3,678,781	3,333,973
Freight Inwards	52,902,162	52,135,559
Freight outwards and Forwarding expenses	59,719,364	46,074,794
Rent	10,068,175	8,366,604
Rates and taxes	17,176,760	5,652,452
Insurance	3,769,306	1,930,322
Repairs and Maintenance :		
- Plant and Machinery	7,864,044	6,612,102
- Others	9,657,555	12,069,861
Office Maintenance	7,409,392	4,940,928
Advertising	600,757,737	490,310,950
Marketing Expenses	53,901,784	42,655,487
Dealer's Incentive & Sales Promotion	101,935,585	115,074,284
Business Convention	11,680,958	6,840,315
Brokerage and discounts	94,751,008	82,267,097
Travelling and Conveyance	13,815,838	10,442,387
Vehicles Maintenance Costs	3,966,410	3,868,687
Communication costs	10,205,261	10,876,671
Printing and Stationery	2,594,010	2,390,484
Legal and Professional fees	12,950,976	15,786,330
Subscription & Membership	524,023	862,890
Directors' Sitting fees	400,000	400,000
Payment to auditor (Refer note below)	474,532	797,501
Quality Development expenses	5,859,545	8,105,957
Exchange Differences (Net)	14,059,405	37,297,412
Bad Debts/advance written off	4,540,023	2,260,624
Loss on sale of fixed assets (net)	2,746,874	314,144
Miscellaneous expenses	15,778,610	13,061,107
Total	2,630,561,087	2,272,110,980

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 30 OTHER EXPENSES (Contd.)		
Note :		
Payment to Auditor :		
(a) As auditor :		
Audit fees	363,090	360,000
Tax audit fees	30,309	30,000
(b) In other capacity :		
Other services including certification fees	81,133	407,501
Total	474,532	797,501

NOTE 31

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.

	March 31, 2013	March 31, 2012
NOTE 32 CONTINGENT LIABILITIES		
Bank Guarantee	62,487,257	9,075,000
Income Tax matters (under appeal)	1,567,760	—
Sales Tax matters (under appeal)	37,786,265	32,285,172
Total	101,841,282	41,360,172

- (a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

	March 31, 2013	March 31, 2012
NOTE 33 CAPITAL AND OTHER COMMITMENTS		
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed	17,922,642	—

NOTE 34 PROPOSED DIVIDEND		
On Equity Shares of ₹ 1/- each		
Amount of dividend proposed	159,049,120	119,286,840
Dividend per Equity Share	2.00	1.50

NOTE 35 CIF VALUE OF IMPORTS		
Stores, Spare Parts & Packing Material	164,778	—
Capital Goods	75,569,861	13,218,969

NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 36 EXPENDITURE IN FOREIGN CURRENCY		
Payment of loan	358,384,743	343,670,969
Travelling Expenses	4,973,569	3,734,836
Finance Charges	23,210,284	11,551,173
Advertisement	159,360	2,922,212
Professional Fees	87,011	286,016
Commission	—	148,170

NOTE 37 EARNINGS IN FOREIGN CURRENCY			
Revenue from Exports on FOB Basis	212,511,055	187,993,513	

NOTE 38 EARNINGS PER SHARE			
i) Profit after Tax for Equity Shareholders (₹)	617,577,246	415,216,703	
ii) Number of Equity Shares	79,524,560	79,524,560	
iii) Basic & Diluted Earnings Per Share (i/ii) (₹)	7.77	5.22	

NOTE 39 SEGMENT INFORMATION			
------------------------------------	--	--	--

i) Primary Segment (Business Segments) :

Particulars	Sales	Services	Electricity Charges	Elimination	Total
Revenue	7,997,865,208 (6,790,662,712)	156,742,414 (189,319,819)	9,616,195 (7,976,782)		8,164,223,817 (6,987,959,313)
Inter Segment services		245,891,495 (148,870,233)		245,891,495 (148,870,233)	
Segment (PBIT)	1,065,774,102 (766,008,259)	52,785,313 (42,977,167)	5,327,634 (4,300,213)		1,123,887,049 (813,285,639)
Interest	189,895,705 (191,160,685)	18,965,060 (20,269,747)	— (—)		208,860,765 (211,430,432)
Profit before Tax					915,026,284 (601,855,207)
Provision for Taxation					277,000,000 (177,000,000)
Provision for Deferred Tax					20,449,038 (14,349,709)
Income Tax for earlier year					— (4,711,205)
Profit after Tax					617,577,246 (415,216,703)
Other Information					
Assets					6,026,172,925 (4,874,557,475)
Liabilities					3,686,211,247 (2,966,093,525)
Depreciation & Amortisation					66,293,510 (60,615,340)

NOTES TO THE FINANCIAL STATEMENTS

ii) Secondary Geographical Segment - Revenue

(Amount in ₹)

Particulars	Domestic	Export	Total
Revenue	7,951,712,762	212,511,055	8,164,223,817
	(6,799,965,800)	(187,993,513)	(6,987,959,313)

Note : Figures in bracket shows figures of the previous year.

NOTE 40 RELATED PARTY DISCLOSURE

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

Key Management Personnel	Mr. P. R. Agarwala Mr. G. P. Agarwala Mr. K. B. Agarwal Mr. Ramesh Agarwal Mr. Mukesh Agarwal	Chairman Vice Chairman Managing Director Executive Director Executive Director
Relatives of Key Management Personnel	Mr. Baijnath Agarwal Mr. Manish Agarwal Mr. Ravi Agarwal Mr. Vikash Agarwal Mr. Rajnish Agarwal Mrs. Puspa Devi Agarwal Mr. Suresh Agarwal	
Subsidiaries	Euro Fashion Inners International Pvt. Ltd. Imoogi Fashions Pvt. Ltd.	
Other Associates	Binod Hosiery Salasar Project and Estates Pvt. Ltd. Sidhant Flats & Apartments Pvt. Ltd. Salasar Infrastructure Ltd. Rupa Spinners 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.	

NOTES TO THE FINANCIAL STATEMENTS

RELATED PARTY DISCLOSURE (Contd.)

(ii) Related party transactions

(Amount in ₹)

Particulars	Party	Nature of relationship	2012-13	2011-12
Rent	Mr. P. R. Agarwala	Key Management Personnel	222,000	222,000
	Mr. G. P. Agarwala		114,000	114,000
	Mr. K. B. Agarwal		48,000	48,000
	Mr. Mukesh Agarwal		108,000	108,000
	Shri Baijnath Agarwal	Relatives of Key Management Personnel	60,000	60,000
	Mr. Manish Agarwal		18,000	18,000
	Mr. Rajnish Agarwal		18,000	18,000
	Mrs. Puspa Devi Agarwal		18,000	18,000
	Binod Hosiery	Other Associate Companies	12,000	12,000
	Salasar Projects and Estates Pvt. Ltd.		42,000	42,000
	Sidhant Flats & Apartments Pvt Ltd.		42,000	42,000
	Salasar Infrastructure Ltd.		108,000	108,000
	Rupa Spinners Ltd.		108,000	108,000
	Salasar Developers & Garments Pvt Ltd.		108,000	108,000
	Bajrangbali Projects Ltd.		108,000	108,000
	Sidhant Textiles Pvt Ltd.		114,000	114,000
	Ganesh Enclave Ltd.		108,000	108,000
	Ravi Global Pvt Ltd.		114,000	114,000
	Kadambari Impex & Agency Pvt Ltd.		114,000	114,000
Salary & Perquisites	Mr. P. R. Agarwala	Key Management Personnel	4,015,989	3,964,654
	Mr. G. P. Agarwala		3,419,664	3,364,773
	Mr. K. B. Agarwal		3,405,376	3,337,380
	Mr. Ramesh Agarwal		1,800,000	1,800,000
	Mr. Mukesh Agarwal		1,800,000	1,800,000
	Mr. Manish Agarwala	Relatives of Key Management Personnel	1,800,000	1,800,000
	Mr. Ravi Agarwala		1,800,000	1,800,000
	Mr. Vikash Agarwala		1,800,000	1,800,000
	Mr. Rajnish Agarwala		1,800,000	1,800,000
	Mr. Suresh Agarwala		480,000	480,000
Commission	Mr. P. R. Agarwala	Key Management Personnel	1,200,000	1,200,000
Sales	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	3,085,509	—
Purchases	Euro Fashion Inners International Pvt. Ltd.	Subsidiary Company	292,599,792	302,755,293

NOTES TO THE FINANCIAL STATEMENTS

RELATED PARTY DISCLOSURE (Contd.)

(iii) Balances at end of the year

(Amount in ₹)

Particulars	Party	Nature of relationship	2012-13	2011-12
Other Liabilities	Mr. P. R. Agarwala	Key Management Personnel	9,419,936	7,743,269
	Mr. G. P. Agarwala		7,220,283	6,225,788
	Mr. K. B. Agarwal		4,495,871	3,972,408
	Mr. Ramesh Agarwal		818,779	1,361,890
	Mr. Mukesh Agarwal		2,252,143	3,407,027
	Shri Baijnath Agarwal	Relatives of Key Management Personnel	240,000	180,000
	Mrs. Puspa Devi Agarwal		138,000	120,000
	Mr. Suresh Agarwal		134,531	663,262
	Mr. Manish Agarwal		4,535,961	4,916,158
	Mr. Rajnish Agarwal		3,430,902	2,773,501
	Mr. Ravi Agarwal		3,058,809	2,447,813
	Mr. Vikash Agarwal		1,296,268	1,406,697
	Binod Hosiery	Other Associate Companies	108,000	96,000
	Salasar Projects and Estates Pvt. Ltd.		163,775	121,775
	Sidhant Flats & Apartments Pvt Ltd.		189,775	147,775
	Salasar Infrastructure Ltd.		218,000	290,000
	Rupa Spinners Ltd.		78,408	230,000
	Salasar Developers & Garments Pvt Ltd.		(52,000)	95,000
	Bajrangbali Projects Ltd.		113,000	185,000
	Sidhant Textiles Pvt Ltd.		819,000	705,000
	Ganesh Enclave Ltd.		153,000	225,000
	Ravi Global Pvt Ltd.		864,000	750,000
	Kadambari Impex & Agency Pvt Ltd.		779,000	665,000
	Imoogi Fashions Pvt. Ltd.		15,069,036	9,793,412
Short-Term Loans & advances	Euro Fashion Inners International Pvt. Ltd.	Subsidiary Company	5,735,003	(2,088,647)
	Bajrangbali Projects Ltd.	Other Associate Companies	300,000	300,000
Long Term Loans & Advances - Security Deposits	Ganesh Enclave Ltd.		300,000	300,000
	Rupa Spinners Ltd.		300,000	300,000
	Salasar Developers & Garments Pvt Ltd.		300,000	300,000
	Salasar Infrastructure Ltd.		300,000	300,000
	Salasar Projects and Estates Pvt. Ltd.		2,600,000	2,600,000
	Sidhant Flats & Apartments Pvt Ltd.		2,640,000	2,640,000

NOTES TO THE FINANCIAL STATEMENTS

Note 41 PREVIOUS YEAR FIGURES

Figures of previous year have been regrouped/re-arranged wherever considered necessary to confirm to current year's groupings and classifications.

As per our Report of even date

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

Firm Registration No. 301088E

Chartered Accountants

T. Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : The 30th day of May, 2013

For and on behalf of Board

Ramesh Agarwal

Director

P. R. Agarwala

Chairman

Priya Punjabi Agarwal

Company Secretary

Mukesh Agarwal

Director

INDEPENDENT AUDITORS' OPINION

To the Board of Directors of Rupa & Company Limited

We have audited the accompanying consolidated financial statements of Rupa & Company Limited and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the consolidated Balance Sheet of the state of affairs of the Company as at March 31, 2013;
- b. in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- c. in the case of the consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

Other Matter

We did not audit the financial statements of the two subsidiaries, whose financial statements reflect total assets of ₹ 2,878.47 lakhs as at March 31, 2013, total revenue of ₹ 4,215.77 lakhs and the net cash inflows amounting to ₹ 10.93 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For L. B. JHA & CO
Firm Registration No. 301088E
Chartered Accountants

Tirtha Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : 30th May 2013

CONSOLIDATED BALANCE SHEET

as at 31st March, 2013

(Amount in ₹)

	Note	March 31, 2013	March 31, 2012
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	4	79,629,060	79,629,060
Reserves & Surplus	5	2,356,069,484	1,894,354,841
Total Shareholders' Funds (i)		2,435,698,544	1,973,983,901
Non-Current Liabilities			
Long Term Borrowings	6	152,222,222	160,000,000
Deferred Tax Liabilities	7	149,693,246	128,706,506
Other Long Term Liabilities	8	181,600,958	144,806,038
Total Non-Current liabilities (ii)		483,516,426	433,512,544
Current Liabilities			
Short Term Borrowings	9	1,923,019,175	1,523,434,484
Trade Payables	10	490,393,341	411,017,135
Other Current Liabilities	11	733,408,614	565,136,041
Short Term Provisions	12	186,079,518	138,638,148
Total Current Liabilities (iii)		3,332,900,648	2,638,225,808
Total Equity & Liabilities (i)+(ii)+(iii)		6,252,115,618	5,045,722,253
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	13	1,417,747,361	1,149,412,418
Intangible Assets	14	8,515,170	12,667,122
Capital Work- in- Progress		11,539,840	39,851,260
Intangible Assets under Development		—	1,437,802,371
Non-Current Investments	15		—
Long Term Loans & Advances	16	118,000	100,000
Other Non Current Assets	17	169,638,795	151,169,540
Total Non Current Assets (iv)		5,456,284	13,428
1,613,015,450			1,353,213,768
Current Assets			
Inventories	18	2,938,483,796	2,222,709,525
Trade Receivables	19	1,463,811,719	1,268,988,420
Cash & Bank Balances	20	59,872,997	52,667,258
Short Term Loans & Advances	21	101,865,028	92,173,952
Other Current Assets	22	75,066,628	55,969,330
Total Current Assets (v)		4,639,100,168	3,692,508,485
Total Assets (iv)+(v)		6,252,115,618	5,045,722,253

The notes are an integral part of these financial statements

As per our Report of even date

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

Firm Registration No. 301088E

Chartered Accountants

T. Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : The 30th day of May, 2013

For and on behalf of Board

Ramesh Agarwal
Director

P. R. Agarwala
Chairman

Priya Punjabi Agarwal
Company Secretary

Mukesh Agarwal
Director



CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the year ended 31st March, 2013

(Amount in ₹)

	Note	March 31, 2013	March 31, 2012
REVENUE			
Revenue From Operations (Gross)	23	8,705,464,816	7,657,840,776
Less : Excise Duty		415,551,706	547,817,874
Revenue From Operations (Net)		8,289,913,110	7,110,022,902
Other Income	24	9,959,389	7,164,559
Total Revenue		8,299,872,499	7,117,187,461
EXPENSES			
Cost of materials consumed	25	4,617,659,395	3,958,776,994
Purchases of Stock-in-trade	26	17,764,144	18,988,765
Changes in inventories of Finished Goods, Work -in-progress and stock-in-trade	27	(501,439,383)	(254,293,421)
Employee Benefits Expense	28	113,436,369	88,804,001
Finance Cost	29	210,140,286	217,278,162
Depreciation & Amortisation expense	30	67,029,775	61,331,170
Other expenses	31	2,784,839,623	2,394,276,737
Total Expenses		7,309,430,209	6,485,162,408
Profit before exceptional and extraordinary items and tax		990,442,290	632,025,053
Exceptional Items (Loss of Stock Due To Fire)		(29,585,783)	—
Profit before extraordinary items and tax		960,856,507	632,025,053
Extraordinary Items		—	—
Profit before tax		960,856,507	632,025,053
Tax Expense			
- Current Tax		291,594,084	186,262,102
- Deferred Tax		20,986,740	14,884,244
- Provision/(Write back) relating to earlier years		481,522	(4,681,688)
Profit/(Loss) for the period from continuing operations		647,794,161	435,560,395
Profit/(Loss) for the period		647,794,161	435,560,395
Earnings per Equity Share - Basic and Diluted	39	8.15	5.48
(Nominal value per equity share ₹ 1)			

The notes are an integral part of these financial statements

As per our Report of even date

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

Firm Registration No. 301088E

Chartered Accountants

T. Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : The 30th day of May, 2013

For and on behalf of Board

Ramesh Agarwal

Director

P. R. Agarwala

Chairman

Priya Punjabi Agarwal

Company Secretary

Mukesh Agarwal

Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2013

(Amount in ₹)

	March 31, 2013	March 31, 2012
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES		
Profit Before Tax & Extra-ordinary Items	960,856,507	632,025,053
Adjustment :		
(a) Depreciation and Amortisation	67,029,775	61,331,170
(b) Interest Expense	183,677,016	189,133,456
(c) Preliminary expenses Written off	6,714	6,714
(d) Loss on Sale of Fixed Assets	2,746,874	314,144
(e) Interest Income	(6,562,115)	246,898,264
Operating Profit before Working Capital Changes	1,207,754,771	878,514,671
Changes in Working Capital :		
(a) (Increase)/Decrease in Trade and other Receivables	(250,233,922)	(319,179,499)
(b) (Increase)/Decrease in Inventories	(715,774,271)	133,582,007
(c) Increase/(Decrease) in Trade and other Payables	260,956,864	(72,864,717)
Cash Generated from Operations	502,703,442	620,052,462
Less : (a) Direct Taxes Paid	(265,895,161)	(166,476,161)
Add : (a) Interest received from Operating Activities	4,939,745	3,742,237
Net Cash Inflow/(Outflow) from Operating Activities	241,748,026	457,318,538
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES		
Inflow : (a) Sale of Fixed Assets	1,767,920	540,142
(b) Interest received	1,622,370	3,390,290
Outflow : Purchase of Fixed Assets		
	(307,424,326)	(138,138,097)
Net Cash Inflow/(Outflow) from Investing Activities	(304,034,036)	(137,044,326)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2013

(Amount in ₹)

	March 31, 2013	March 31, 2012
C. CASH FLOW ARISING FORM FINANCING ACTIVITIES		
(a) Dividend and Dividend Tax paid	(138,638,148)	(92,425,432)
(b) Interest Paid	(183,677,016)	(180,135,250)
(c) Increase/(Decrease) in Long Term Borrowings	(7,777,778)	(80,000,000)
(d) Increase/(Decrease) in ShortTerm Borrowings	399,584,691	10,609,733
Net Cash Inflow/(Outflow) from Financing Activities	69,491,749	(341,950,949)
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	7,205,739	(21,676,737)
Cash & Cash Equivalents at the beginning of the year	52,667,258	74,343,995
Cash & Cash Equivalents at the end of the year	59,872,997	52,667,258

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 Notes to Accounts form an integral part of the Cash Flow Statement.
- 3) Cash & Cash Equivalents represents :

(Amount in ₹)

	As at 31.3.2013	As at 31.3.2012
Cash in Hand	1,668,349	1,639,559
Cheques in Hand	—	948,074
Balance with Banks	58,204,648	50,079,625
Total	59,872,997	52,667,258

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

As per our Report of even date

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

Firm Registration No. 301088E

Chartered Accountants

T. Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : The 30th day of May, 2013

For and on behalf of Board

Ramesh Agarwal

Director

P. R. Agarwala

Chairman

Priya Punjabi Agarwal

Company Secretary

Mukesh Agarwal

Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 PRINCIPLES OF CONSOLIDATION

- a. These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.
- b. 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 Companies Act, 1956.
 - 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 subsidiary 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 is drawn up to the same reporting date as that of the company i.e, 31st March, 2013.
- c. Other Significant Accounting Policies and Notes are set out in their respective financial statements under "Statement on Significant Accounting Policies and Notes on Accounts" of the Company and its Subsidiaries.

- 2 The Consolidated Financial Statement comprise the financial statements of Rupa & Company Limited and its Subsidiaries as on 31st March, 2013, 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 Fashions Pvt. Ltd.	100%	India

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

3.2 Use of Estimates

The Preparation of Financial Statement 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.3 Tangible Asset

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of profit & Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of profit & Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets at the rates prescribed under Schedule XIV of the Companies Act, 1956.

3.4 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of profit & Loss. The amortization rates used are :

Assets	Rates
Copyrights & Trade marks	10%
Computer software	20%

3.5 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of profit & Loss in the period in which they are incurred.

3.6 Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

3.7 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

3.8 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Foreign Currency Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of profit & Loss.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of profit & Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment/highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of profit & Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on Accounting for Derivatives' issued in March, 2008.

3.10 Revenue Recognition

Sale of goods : Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer and goods are unconditionally handed over to the transporters for delivery as per the terms of the contract and are recognised net of discounts (including cash discounts and other schemes, as per trade practices followed by the industry), rebates, sales taxes and excise duties.

Sale of Services : In contracts involving the rendering of services, revenue is recognised using the proportionate completion method.

3.11 Other Income

Interest : Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend : Dividend income is recognised when the right to receive dividend is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.12 Exports Incentives

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

3.13 Employee Benefits

- (i) **Provident Fund** : Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Company's Contributions to Provident Fund are charged to Statement of Profit & Loss as and when they become payable.
- (ii) **Gratuity** : The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of profit & Loss in the year in which they arise. Gratuity Liability is a Fund maintained with the Life Insurance Corporation of India (LICI) under the Group Gratuity Scheme.

3.14 Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only 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 realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassess unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

3.15 Provisions and Contingent Liabilities

Provisions : Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

3.16 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 Statement of profit & loss on confirmation of reasonable assurance of the receipt.

3.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

The Company has identified business segment as its primary segment. The Company has also identified as its reportable geographical segment, the sales to Indian market and export sales.

3.18 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

3.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.20 Prior Period Adjustments/Extraordinary Items

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 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".

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 profit & loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
NOTE 4 SHARE CAPITAL		
Authorised :		
200,000,000 Equity Shares of ₹ 1/- each	200,000,000	200,000,000
Issued :		
79,733,560 Equity Shares of ₹ 1/- each	79,733,560	79,733,560
Subscribed and paid up :		
79,524,560 Equity Shares of ₹ 1/- each	79,524,560	79,524,560
209,000 Forfeited Shares of ₹ 1/- each ₹ 0.50 per share paid up	104,500	79,629,060
Total	79,629,060	79,629,060
 (4a) Reconciliation of number of shares	March 31, 2013	March 31, 2012
Balance as at the beginning of the year	79,524,560	79,524,560
Balance as at the end of the year	79,524,560	79,524,560
 (4b) Rights, preferences and restrictions attached to shares		
Equity Shares : The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
 (4c) Shares held by holding company, its ultimate holding company or any subsidiary of the holding company/ultimate holding company and subsidiary of holding company	Nil	Nil
 (4d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company		
	March 31, 2013	March 31, 2012
	No of Shares	%
Promoter & Promoter Group :		
Ghanshyam Prasad Agarwala	7,240,910	9.11
Kunj Bihari Agarwal	7,278,000	9.15
Prahlad Rai Agarwala	9,021,090	11.34
Purvanchal Leasing Ltd.	5,807,670	7.30
Rajnish Enterprises Ltd.	15,821,190	19.89
Public :		
Karuna Impex Enterprises Limited	8,650,000	10.88
 (4e) Equity Shares allotted as fully paid up on conversion of Deep Discount Debentures in F.Y. 2008-09	March 31, 2013	March 31, 2012
	19,483,560	19,483,560

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 5 RESERVES & SURPLUS		
Capital Subsidy :		
Balance as at the beginning of the year	6,075,040	6,075,040
Balance as at the end of the year	6,075,040	6,075,040
General Reserve :		
Balance as at the beginning of the year	197,174,041	172,174,041
Add : Transferred from Surplus in Statement of Profit & Loss	30,000,000	25,000,000
Balance as at the end of the year	227,174,041	197,174,041
Securities Premium Account :		
Balance as at the beginning of the year	688,030,890	688,030,890
Balance as at the end of the year	688,030,890	688,030,890
Surplus in Statement of Profit & Loss :		
Balance as at the beginning of the year	1,003,074,870	731,152,623
Profit for the year	647,794,161	1,650,869,031
Less : Appropriations		
Proposed dividend on Equity shares for the year	159,049,120	119,286,840
Dividend distribution tax on proposed dividend	27,030,398	19,351,308
Transfer to General Reserve	30,000,000	216,079,518
Balance as at the end of the year	1,434,789,513	
Total Reserves & Surplus	2,356,069,484	1,894,354,841

NOTE 6 LONG TERM BORROWINGS			
Secured :			
Term Loans			
From Banks :			
- Indian Rupee loans	152,222,222	160,000,000	
Total Secured Loans	152,222,222	160,000,000	
Total Long Term Borrowings	152,222,222		160,000,000

Note :

- (a) Nature of Security and terms of repayment for secured borrowings

Nature of Security	Terms of Repayment
Two Term Loans from IndusInd Bank aggregating to ₹ 2,544.44 lakhs (March 31, 2012 - ₹ 2400 lakhs) (including Current maturities of ₹ 1022.22 lakhs; March 31, 2012 ₹ 800 lakhs) secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed Assets of Domjur unit and personal Guarantees of 3 Directors.	(i) 1st Term Loan (of run down balance ₹ 1600 lakhs as on 31.3.2013) is fully repayable within 13.03.2015 by quarterly instalments of ₹ 200 lakhs and bearing Interest @12.50% per annum. (ii) 2nd Term Loan of run down balance of ₹ 944.44 lakhs repayable within 14.06.2017 after a moratorium of 6 months by 18 equal quarterly instalments of ₹ 55.55 lakhs each.

- (b) There are no defaults in payment of interest and principals against the above loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 7 DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities		
On Account of difference between net book value of depreciable capital assets as per books vis-a-vis written down value as per tax laws	149,693,246	128,706,506
Total	149,693,246	128,706,506
NOTE 8 OTHER LONG TERM LIABILITIES		
Others		
Security Deposits from Customers	181,600,958	144,806,038
Total	181,600,958	144,806,038
NOTE 9 SHORT TERM BORROWINGS		
Secured :		
From Banks		
Working Capital Loans :		
- Indian Rupee Loans	1,294,844,336	1,181,417,980
- Foreign Currency Loans	628,174,839	342,016,504
Total Secured Loans	1,923,019,175	1,523,434,484
Total Short term borrowings	1,923,019,175	1,523,434,484

Note :

Nature of Security and terms of repayment for secured borrowings :

- Working capital loan from banks are secured by hypothecation of inventories, books debt and other current assets and further secured by second charge of movable & immovable fixed assets of Domjur unit
- Foreign Currency Loans are repayable within one year from the drawdown date.
- The company has swapped its principal repayment of an INR Loan at equivalent USD on the maturity date @ ₹ 55.70 at an interest rate of 4% and a monthly settlement of actual USD rate with the swap rate.
- None of the loans are overdue either in respect of payment of interest or principal.

NOTE 10 TRADE PAYABLES			
Trade payables (including acceptances)	490,393,341	411,017,135	
Total	490,393,341	411,017,135	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		(Amount in ₹)	
		March 31, 2013	March 31, 2012
NOTE 11 OTHER CURRENT LIABILITIES			
Current Maturities of Long Term Borrowings (Note 6)		102,222,222	80,000,000
Unpaid dividends : (Refer note below)		844,320	754,310
Advances from customers		16,435,653	17,486,156
Provision of Income tax Net of Advance ₹ 393,124,382 (March 31, 2012 - ₹ 159,616,321)		50,132,616	26,645,781
Statutory dues including Provident Fund, ESI, Service Tax and Tax deducted at Source etc		64,869,218	107,480,656
Temporary Overdraft due to Reconciliation		3,022,148	2,286,246
Other Liabilities		495,882,437	330,482,892
Total		733,408,614	565,136,041

Note : As per information available, there are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

NOTE 12 SHORT TERM PROVISIONS			
Provision for Proposed Equity Dividend		159,049,120	119,286,840
Provision for tax on proposed Equity dividend		27,030,398	19,351,308
Total		186,079,518	138,638,148

	Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Wind Turbine Generator	Total
NOTE 13 TANGIBLE ASSETS								
Gross Block :								
As at April 1, 2011	70,952,563	342,682,322	658,364,123	41,020,447	29,932,605	30,807,799	57,878,556	1,231,638,415
Additions	692,196	82,469,059	41,139,743	4,231,465	3,947,292	4,862,742	-	137,342,497
Disposals	-	-	-	-	5,086,344	13,530	-	5,099,874
As at March 31, 2012	71,644,759	425,151,381	699,503,866	45,251,912	28,793,553	35,657,011	57,878,556	1,363,881,038
Additions	19,887,594	161,543,189	117,065,635	11,083,111	13,890,266	7,940,794	-	331,410,589
Disposals	-	-	3,712,344	177,664	5,572,656	183,638	-	9,646,302
As at March 31, 2013	91,532,353	586,694,570	812,857,157	56,157,359	37,111,163	43,414,167	57,878,556	1,685,645,325
Depreciation :								
As at April 1, 2011	-	29,868,307	75,991,570	18,866,376	10,633,922	16,465,834	15,288,312	167,114,321
Additions	-	8,825,511	31,745,709	2,700,536	2,793,603	2,478,540	3,055,988	51,599,887
Disposals	-	-	-	-	4,232,058	13,530	-	4,245,588
As at March 31, 2012	-	38,693,818	107,737,279	21,566,912	9,195,467	18,930,844	18,344,300	214,468,620
Additions	-	10,991,106	35,081,188	3,426,984	3,243,057	2,754,344	3,055,987	58,552,666
Disposals	-	-	2,085,681	39,204	2,987,230	11,207	-	5,123,322
As at March 31, 2013	-	49,684,924	140,732,786	24,954,692	9,451,294	21,673,981	21,400,287	267,897,964
Net Block :								
At March 31, 2013	91,532,353	537,009,646	672,124,371	31,202,667	27,659,869	21,740,186	36,478,269	1,417,747,361
At March 31, 2012	71,644,759	386,457,563	591,766,587	23,685,000	19,598,086	16,726,167	39,534,256	1,149,412,418

Note : All assets are own assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in ₹)		
	Copyrights and Trademarks	Computer Software	Total
NOTE 14 INTANGIBLE ASSETS			
Gross Block :			
At April 1, 2011	65,500,000	23,245,418	88,745,418
Purchase	—	1,179,317	1,179,317
Internal Development	—	—	—
At March 31, 2012	65,500,000	24,424,735	89,924,735
Purchase	—	4,325,157	4,325,157
Internal Development	—	—	—
At March 31, 2013	65,500,000	28,749,892	94,249,892
Amortisation :			
At April 1, 2011	50,201,507	17,324,823	67,526,330
Charge for the year	6,550,000	3,181,283	9,731,283
At March 31, 2012	56,751,507	20,506,106	77,257,613
Charge for the year	6,550,000	1,927,109	8,477,109
At March 31, 2013	63,301,507	22,433,215	85,734,722
Net Block :			
At March 31, 2013	2,198,493	6,316,677	8,515,170
At March 31, 2012	8,748,493	3,918,629	12,667,122

Note : All assets are own assets.

	March 31, 2013	March 31, 2012
NOTE 15 NON-CURRENT INVESTMENTS		
Trade Investments (valued at cost unless stated otherwise)		
1,800 (31.3.2012 - NIL) Equity Shares of ₹ 10 each in West Bengal Hosiery Park Infrastructure Limited	18,000	—
Total Trade Investments	18,000	—
Non-Trade Investments (valued at cost unless stated otherwise)		
In Mutual Funds (quoted)		
10,000 (31.3.2012 -10,000) Mutual Fund Units of ₹ 10 each in Morgan Stanley Growth Fund	100,000	100,000
Total Non Trade Investments	100,000	100,000
Total Non Current Investments	118,000	100,000
Aggregate amount of quoted investments	100,000	100,000
Market Value of quoted investments	631,780	562,860
Aggregate amount of unquoted investments	18,000	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 16 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good : (unless otherwise stated)		
Capital Advances (Refer note below)	157,784,383	142,386,793
Security Deposits	11,854,412	8,782,747
Total	169,638,795	151,169,540

Note : Includes an amount of ₹ 286.89 lakhs advanced for procurement of equipment and machinery for a spinning mill, which plan has since been abandoned and the amount is recoverable on diversion of the order by the vendor to a third party.

NOTE 17 OTHER NON CURRENT ASSETS			
Others :			
Long term deposits with banks with maturity period more than 12 months [Refer note below]	5,449,570		–
Unamortised Expenses			
Miscellaneous Expenditure (To the extent not Written off)	6,714		13,428
Total	5,456,284		13,428

Note : Held as lien by bank against bank guarantees

NOTE 18 INVENTORIES			
Raw Materials	685,138,412		469,400,974
Work In Progress	257,541,558		228,562,178
Finished Goods	1,924,775,414		1,486,196,466
Stock-in-Trade	19,371,783		15,076,511
Packing Material	51,656,629		23,473,396
Total	2,938,483,796		2,222,709,525
Details of Inventory			
Finished Goods			
In Transit :			
- Knitwear	2,250,662		9,829,487
Others :			
- Knitwear	1,922,524,752		1,476,366,979
Stock-in-Trade			
- Jeans	19,371,783		15,076,511
Work-in-Progress			
- Knit wear	257,541,558		228,562,178
Raw Materials			
In Transit :			
- Yarn/Than	8,576,609		16,077,662
Others :			
- Yarn/Than	561,906,547		395,534,534
Elastic, Accessories & Other Material	114,655,256		57,788,778

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
NOTE 19 TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	23,703,980	19,615,880
Others	1,440,107,739	1,249,372,540
Total	1,463,811,719	1,268,988,420

NOTE 20 CASH AND BANK BALANCES			
Cash and Cash equivalents			
Cash in hand	1,668,349	1,639,559	
Cheques in hand	—	948,074	
Bank Balances			
In current accounts	47,240,053	37,681,298	
Demand deposits (less than 3 months maturity)	9,071,644	—	
Total - A	57,980,046	40,268,931	
Other Bank Balances :			
Long term deposits with maturity more than 3 months but less than 12 months (*)	1,048,631	11,644,017	
Unpaid dividend account	844,320	754,310	
Total - B	1,892,951	12,398,327	
Total - A + B	59,872,997	52,667,258	

(*) Held as lien by bank against bank guarantees

NOTE 21 SHORT TERM LOANS AND ADVANCES			
Unsecured considered good, unless otherwise stated :			
Advances recoverable in cash or kind	80,966,269	77,707,353	
Prepaid Expenses	8,660,575	887,500	
Loans to Employees	1,995,581	1,380,673	
Others	10,242,603	12,198,426	
Total	101,865,028	92,173,952	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 22 OTHER CURRENT ASSETS		
Interest Subsidy Receivable	41,456,511	28,680,407
Export Incentives Receivable	6,952,690	4,701,910
Sales Tax Incentive Receivable	26,657,427	22,587,013
Total	75,066,628	55,969,330

NOTE 23 REVENUE

Revenue from Operations

Sale of products :

Finished goods	8,495,702,362	7,428,636,571	
Traded goods	15,804,130	8,511,506,492	4,855,109
Sale of Services		156,742,414	
		9,616,195	7,976,782
Sale of Electricity		12,446,609	13,574,366
Sales Tax Incentive		15,153,106	13,478,129
Export Incentive		8,705,464,816	7,657,840,776
Revenue from Operations (Gross)		415,551,706	547,817,874
Less : Excise Duty			
Revenue from Operations (Net)	8,289,913,110		7,110,022,902

Note : Excise Duty on sales amounting to ₹ 415,551,706 (March 31, 2012 : ₹ 547,817,874) has been reduced from sales in Statement of profit & loss and excise duty on increase/decrease in stock amounting to ₹ 74,285,304 (March 31, 2012 : ₹ 74,285,304) has been considered as income/expense in note 31 of financial statements.

Details of product sold :

Finished Goods Sold :

Knitwear - Cotton	7,793,887,373	6,689,722,420
- Thermals	658,107,838	636,540,317

Than

Yarn	43,693,586	98,422,336
	13,565	3,951,498

Traded Goods :

Jeans	15,804,130	4,855,109
Electricity	9,616,195	7,976,782

Details of Services rendered :

Dyeing, Bleaching & Knitting	156,742,414	189,319,819
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
NOTE 24 OTHER INCOME		
Interest Income		
on Bank Deposits	1,054,920	488,495
on Receivables	4,939,745	3,742,237
on Others	567,450	65,134
Miscellaneous Income	6,562,115	4,295,866
Total	9,959,389	2,868,693
	7,164,559	
NOTE 25 COST OF MATERIALS CONSUMED		
Raw material consumed		
Opening inventory	469,400,974	842,305,874
Less : Cenvat Credit Utilised on Opening Stock	—	4,806,244
Add : Purchases	4,167,347,309	3,129,346,667
Less : Inventory at the end of the year	685,138,412	469,400,974
Cost of raw materials consumed during the year - A	3,951,609,871	3,497,445,323
Packing material consumed		
Opening inventory	23,473,396	38,443,924
Less : Cenvat Credit Utilised on Opening Stock	—	1,056,332
Add : Purchases	694,232,757	447,417,475
Less : Inventory at the end of the year	51,656,629	23,473,396
Cost of packing materials consumed during the year - B	666,049,524	461,331,671
Total Cost of Material Consumed - A + B	4,617,659,395	3,958,776,994
Details of Raw Materials Consumed		
Yarn/Than	3,339,618,834	2,851,694,841
Elastic, Accessories & Other Material	611,991,037	645,750,482
Total	3,951,609,871	3,497,445,323
NOTE 26 PURCHASES OF STOCK-IN-TRADE		
Jeans	17,764,144	18,988,765
Total	17,764,144	18,988,765

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
(Increase)/decrease in stocks		
Stock at the end of the year :		
Finished Goods	1,924,775,414	1,486,196,466
Stock-in-Trade	19,371,783	15,076,511
Work-in progress	257,541,558	228,562,178
Total A	2,201,688,755	1,729,835,155
Stock at the beginning of the year :		
Finished Goods	1,486,196,466	967,408,059
Stock-in-Trade	15,076,511	—
Work-in progress	228,562,178	508,133,675
Total B	1,729,835,155	1,475,541,734
Stock Loss due to Fire :		
Finished Goods	29,585,783	—
Total C	29,585,783	—
(Increase)/Decrease in Stocks (B-C-A)	(501,439,383)	(254,293,421)

NOTE 28 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	93,622,360	68,656,917
Contribution to Provident and Other Funds	1,653,382	1,533,857
Director's Remuneration	15,641,029	15,466,807
Gratuity [Refer note below]	1,217,636	2,241,954
Staff Welfare Expenses	1,301,962	904,466
Total	113,436,369	88,804,001
Note :		
Employee Benefit (Defined Benefit Plan)		
Net employee benefit expense recognized in the employee cost		
Current Service Cost	893,735	728,251
Interest cost on benefit obligation	632,773	424,474
Expected return on plan Assets	(825,976)	(515,633)
Net actuarial(Gain)/Loss	517,104	1,604,862
Net Benefit Expenses	1,217,636	2,241,954

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 28 EMPLOYEE BENEFITS EXPENSES (Contd.)		
Plan asset/Liability		
Present Value of defined benefit obligation	(9,853,957)	(7,909,665)
Fair value of Plan Assets	11,607,772	9,053,068
Plan asset/(Liability)	1,753,815	1,143,403
Changes in the present value of the defined benefit obligation are as follows :		
Opening defined benefit obligation	7,909,665	5,305,927
Current Service Cost	893,735	728,251
Interest Cost	632,773	424,474
Benefits Paid	(99,320)	(153,849)
Actuarial(gains)/Losses on Obligation	517,104	1,604,862
Closing defined benefit obligation	9,853,957	7,909,665
Changes in the fair value of Plan Assets are as follows :		
Opening fair value of Plan Assets	9,053,068	5,017,516
Expected return	825,976	515,633
Contribution by employer	1,828,048	3,673,768
Benefits Paid	(99,320)	(153,849)
Closing fair value of Plan Assets	11,607,772	9,053,068
The Principal Actuarial Assumptions used		
Discount Rate	8%	8%
Expected Salary Increases	4%	4%
Withdrawal Date depending on age	1-3%	1-3%
Mortality Rate	LIC (1994-96) ultimate	LIC (1994-96) ultimate

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.

NOTE 29 FINANCE COST			
Interest on Long term borrowings	18,965,060	20,269,747	
Interest on Short term borrowings	143,148,993	154,626,437	
Interest on shortfall of advance tax	4,789,208	2,048,641	
Interest Paid to others	16,773,755	12,188,631	
Net loss on foreign currency transactions and translation	17,671,278	21,448,827	
Bank Charges	8,791,992	6,695,879	
Total	210,140,286	217,278,162	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2013	March 31, 2012
NOTE 30 DEPRECIATION & AMORTISATION EXPENSE		
Depreciation on Tangible Assets	58,552,666	51,599,887
Amortisation on Intangible Assets	8,477,109	9,731,283
Total	67,029,775	61,331,170
NOTE 31 OTHER EXPENSES		
Consumption of Stores and Spares	727,876	749,886
Sub-contracting/Jobbing Expenses	1,512,189,815	1,157,970,994
Excise Duty	(74,285,304)	74,285,304
Power & Fuel	100,071,718	74,388,575
Factory Maintenance	52,770,286	40,179,891
Electricity Charges	4,033,343	3,491,834
Freight Inwards	54,664,578	52,817,704
Freight Outwards and Forwarding Expenses	60,561,631	47,161,539
Rent	10,068,175	8,366,604
Rates and Taxes	17,534,527	5,729,137
Insurance	3,923,642	2,062,844
Repairs and Maintenance :		
- Plant and Machinery	7,864,044	6,612,102
- Others	10,185,455	12,632,628
Office Maintenance	7,710,293	5,217,267
Advertising	636,211,537	516,186,039
Marketing Expenses	63,287,914	51,223,132
Dealer's Incentive & Sales Promotion	117,286,724	138,022,370
Business Convention	11,795,774	6,840,315
Brokerage and Discounts	96,153,731	82,267,097
Travelling and Conveyance	13,823,722	10,443,596
Vehicles Maintenance Costs	4,189,431	4,045,941
Communication Costs	10,236,110	10,913,515
Printing and Stationery	3,021,808	2,443,097
Legal and Professional Fees	13,461,590	16,018,942
Subscription & Membership	524,023	862,890
Directors' Sitting Fees	400,000	400,000
Payment to Auditor (refer note below)	519,340	832,501
Quality Development Expenses	7,075,965	8,542,624
Exchange Differences (Net)	14,059,405	37,297,412
Bad Debts/Advance Written Off	5,955,416	2,596,003
Preliminary Expenses Write Off	6,714	6,713
Loss on Sale of Fixed Assets (net)	2,746,874	314,144
Miscellaneous Expenses	16,063,466	13,354,097
Total	2,784,839,623	2,394,276,737

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
NOTE 31 OTHER EXPENSES (Contd.)		
Note :		
Payment to Auditor :		
(a) As auditor :		
Audit Fees	391,723	387,500
Tax Audit Fees	35,360	35,000
(b) In other capacity :		
Other services including certification fees	92,257	410,001
Total	519,340	832,501

NOTE 32

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.

NOTE 33 CONTINGENT LIABILITIES			
Bank Guarantee		62,487,257	9,075,000
Income Tax matters (under appeal)		2,125,910	558,150
Sales Tax matters (under appeal)		37,786,265	32,285,172
ESI (F.Y. 2007-08) (under appeal)		39,967	—
Total		102,439,399	41,918,322

- (a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

NOTE 34 CAPITAL AND OTHER COMMITMENTS			
(a) Capital Commitments			
Estimated value of contracts in capital account remaining to be executed		17,922,642	—

(b) The company has made payment for the cost of land at Hosiery Park, Jagdishpur, Liluah and at Jyoti Basu Nagar for which value of land has been paid and the registration cost (amount not ascertainable) is due for payment at the time of execution of Land deed.

NOTE 35 PROPOSED DIVIDEND			
On Equity Shares of ₹ 1/- each			
Amount of dividend proposed		159,049,120	119,286,840
Dividend per Equity Share		2.00	1.50

NOTE 36 CIF VALUE OF IMPORTS			
Stores, Spare Parts & Packing Material		164,778	—
Capital Goods		75,569,861	13,218,969

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		(Amount in ₹)	
		March 31, 2013	March 31, 2012
NOTE 37	EXPENDITURE IN FOREIGN CURRENCY		
Payment of Loan		358,384,743	343,670,969
Travelling Expenses		4,973,569	3,734,836
Finance Charges		23,210,284	11,551,173
Advertisement		159,360	2,922,212
Professional Fees		87,011	333,548
Commission		—	148,170
NOTE 38	EARNINGS IN FOREIGN CURRENCY		
Revenue from Exports on FOB Basis		212,511,055	187,993,513
NOTE 39	EARNINGS PER SHARE		
i) Profit after Tax for Equity Shareholders (₹)		647,794,161	435,560,395
ii) Number of Equity Shares		79,524,560	79,524,560
iii) Basic & Diluted Earnings Per Share (i/ii) (₹)		8.15	5.48
NOTE 40	SEGMENT INFORMATION		
i) Primary Segment (Business Segments) :			
Particulars	Sales	Services	Electricity Charges
Revenue	8,123,554,501 (6,912,726,301)	156,742,414 (189,319,819)	9,616,195 (7,976,782)
Inter Segment services		245,891,495 (148,870,233)	245,891,495 (148,870,233)
Segment (PBIT)	1,112,883,846 (802,025,835)	52,785,313 (42,977,167)	5,327,634 (4,300,213)
Interest	191,175,226 (197,008,415)	18,965,060 (20,269,747)	— (—)
Profit Before Tax			960,856,507 (632,025,053)
Provision for Taxation			291,594,084 (186,262,102)
Provision for Deferred Tax			20,986,740 (14,884,244)
Income Tax for earlier year			481,522 (4,681,688)
Profit After Tax			647,794,161 (435,560,395)
Other Information			
Assets			6,252,115,618 (5,045,722,253)
Liabilities			3,816,417,074 (3,071,738,352)
Depreciation & Amortisation			67,029,775 (61,331,170)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ii) Secondary Geographical Segment - Revenue

(Amount in ₹)

Particulars	Domestic	Export	Total
Revenue	8,077,402,055 (6,922,029,389)	212,511,055 (187,993,513)	8,289,913,110 (7,110,022,902)

Note : Figures in bracket shows figures of the previous year.

NOTE 41 RELATED PARTY DISCLOSURE

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

Key Management Personnel	Mr. P. R. Agarwala Mr. G. P. Agarwala Mr. K. B. Agarwal Mr. Ramesh Agarwal Mr. Mukesh Agarwal	Chairman Vice Chairman Managing Director Executive Director Executive Director
Relatives of Key Management Personnel	Mr. Baijnath Agarwal Mr. Manish Agarwal Mr. Ravi Agarwal Mr. Vikash Agarwal Mr. Rajnish Agarwal Mrs. Puspa Devi Agarwal Mr. Suresh Agarwal	
Other Associates	Binod Hosiery Salasar Project and Estates Pvt. Ltd. Sidhant Flats & Apartments Pvt. Ltd. Salasar Infrastructure Ltd. Rupa Spinners 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.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

RELATED PARTY DISCLOSURE (Contd.)

(ii) Related party transactions

(Amount in ₹)

Particulars	Party	Nature of relationship	2012-13	2011-12
Rent	Mr. P. R. Agarwala	Key Management Personnel	222,000	222,000
	Mr. G. P. Agarwala		114,000	114,000
	Mr. K. B. Agarwal		48,000	48,000
	Mr. Mukesh Agarwal		108,000	108,000
	Shri Baijnath Agarwal	Relatives of Key Management Personnel	60,000	60,000
	Mr. Manish Agarwal		18,000	18,000
	Mr. Rajnish Agarwal		18,000	18,000
	Mrs. Puspa Devi Agarwal		18,000	18,000
	Binod Hosiery	Other Associate Companies	12,000	12,000
	Salasar Projects and Estates Pvt. Ltd.		42,000	42,000
	Sidhant Flats & Apartments Pvt Ltd.		42,000	42,000
	Salasar Infrastructure Ltd.		108,000	108,000
	Rupa Spinners Ltd.		108,000	108,000
	Salasar Developers & Garments Pvt Ltd.		108,000	108,000
	Bajrangbali Projects Ltd.		108,000	108,000
	Sidhant Textiles Pvt Ltd.		114,000	114,000
	Ganesh Enclave Ltd.		108,000	108,000
	Ravi Global Pvt Ltd.		114,000	114,000
	Kadambari Impex & Agency Pvt Ltd.		114,000	114,000
Salary & Perquisites	Mr. P. R. Agarwala	Key Management Personnel	4,015,989	3,964,654
	Mr. G. P. Agarwala		3,419,664	3,364,773
	Mr. K. B. Agarwal		3,405,376	3,337,380
	Mr. Ramesh Agarwal		1,800,000	1,800,000
	Mr. Mukesh Agarwal		1,800,000	1,800,000
	Mr. Manish Agarwala	Relatives of Key Management Personnel	1,800,000	1,800,000
	Mr. Ravi Agarwala		1,800,000	1,800,000
	Mr. Vikash Agarwala		1,800,000	1,800,000
	Mr. Rajnish Agarwala		1,800,000	1,800,000
	Mr. Suresh Agarwala		480,000	480,000
Commission	Mr. P. R. Agarwala	Key Management Personnel	1,200,000	1,200,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

RELATED PARTY DISCLOSURE (Contd.)

(iii) Balances at end of the year

(Amount in ₹)

Particulars	Party	Nature of relationship	2012-13	2011-12
Other Liabilities	Mr. P. R. Agarwala	Key Management Personnel	9,419,936	7,743,269
	Mr. G. P. Agarwala		7,220,283	6,225,788
	Mr. K. B. Agarwal		4,495,871	3,972,408
	Mr. Ramesh Agarwal		818,779	1,361,890
	Mr. Mukesh Agarwal		2,252,143	3,407,027
	Shri Baijnath Agarwal	Relatives of Key Management Personnel	240,000	180,000
	Mrs. Puspa Devi Agarwal		138,000	120,000
	Mr. Suresh Agarwal		134,531	663,262
	Mr. Manish Agarwal		4,535,961	4,916,158
	Mr. Rajnish Agarwal		3,430,902	2,773,501
	Mr. Ravi Agarwal	Other Associate Companies	3,058,809	2,447,813
	Mr. Vikash Agarwal		1,296,268	1,406,697
	Binod Hosiery		108,000	96,000
	Salasar Projects and Estates Pvt. Ltd.		163,775	121,775
	Sidhant Flats & Apartments Pvt Ltd.		189,775	147,775
	Salasar Infrastructure Ltd.		218,000	290,000
	Rupa Spinners Ltd.		78,408	230,000
	Salasar Developers & Garments Pvt Ltd.		(52,000)	95,000
	Bajrangbali Projects Ltd.		113,000	185,000
	Sidhant Textiles Pvt Ltd.		819,000	705,000
	Ganesh Enclave Ltd.	Other Associate Companies	153,000	225,000
	Ravi Global Pvt Ltd.		864,000	750,000
	Kadambari Impex & Agency Pvt Ltd.		779,000	665,000
	Bajrangbali Projects Ltd.		300,000	300,000
	Ganesh Enclave Ltd.		300,000	300,000
	Rupa Spinners Ltd.		300,000	300,000
	Salasar Developers & Garments Pvt Ltd.		300,000	300,000
	Salasar Infrastructure Ltd.		300,000	300,000
	Salasar Projects and Estates Pvt. Ltd.		2,600,000	2,600,000
	Sidhant Flats & Apartments Pvt Ltd.		2,640,000	2,640,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 42 PREVIOUS YEAR FIGURES

Figures of previous year have been regrouped/re-arranged wherever considered necessary to confirm to current year's groupings and classifications.

As per our Report of even date

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

Firm Registration No. 301088E

Chartered Accountants

T. Mandal

Partner

Membership No. 050070

Place : Kolkata

Date : The 30th day of May, 2013

For and on behalf of Board

Ramesh Agarwal

Director

P. R. Agarwala

Chairman

Priya Punjabi Agarwal

Company Secretary

Mukesh Agarwal

Director

STATEMENT REGARDING SUBSIDIARY COMPANIES

Statement containing Financial Information of Subsidiary Companies

(in terms of General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs)

(Amount in ₹)

Particulars	Euro Fashion Inners International Pvt. Ltd.	Immogi Fashions Pvt. Ltd.
Capital	41,000,000	100,000
Reserves & Surplus	94,494,338	1,242,528
Total Assets	269,185,224	18,661,508
Total Liabilities (including Shareholders' Funds)	269,185,224	18,661,508
Investments	3,000	–
Turnover/Total Revenue	412,249,924	9,327,147
Profit before Taxation	44,053,626	1,776,597
Provision for Taxation	15,019,224	594,084
Profit after Taxation	29,034,402	1,182,513
Proposed Dividend	–	–

NOTES



Rupa & Company Ltd.

1, Ho Chi Minh Sarani, Metro Tower, 8th Floor, Kolkata - 700 071
www.rupa.co.in

**RUPA & COMPANY LIMITED**

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

ATTENDANCE SLIP

I certify, that I am the registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting at Merchants' Chamber of Commerce, Somani Conference Hall, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Saturday, 28th September, 2013 at 11 a.m.

Name of the Attending Member (in Block Letters) _____

Member's Folio Number _____

Name of Proxy (in Block letters to be filled in if the Proxy attends instead of the member) _____

No. of Shares held _____ Member's/Proxy's Signature _____

* To be signed at the time of handing over this slip.

**RUPA & COMPANY LIMITED**

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

PROXY FORM

I/We _____ of _____

being a member/members of Rupa & Company Limited, hereby appoint _____

of _____ or failing him _____

of _____ as my/our proxy to attend and vote for me/us on my/our

behalf at the Annual General Meeting at Merchants' Chamber of Commerce, Somani Conference Hall, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Saturday, 28th September, 2013 at 11 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013

Signature _____

Affix ₹ 1/-
Revenue
Stamp

Note : The Proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.

Form A

Covering letter of the Annual Audit Report for the financial year ended March 31, 2013

<i>Name of the Company</i>	:	Rupa & Company Limited
<i>Annual financial statements for the year ended</i>	:	31 st March 2013
<i>Type of Audit observation</i>	:	Unqualified/ Matter of Emphasis
<i>Frequency of observation</i>	:	Not Applicable



T. B. Agarwal

Tirtha Mandal
Partner- L.B Jha & Co.
Membership Number-050070

Kunj Bihari Agarwal
Managing Director

Vinod Kumar Kothari
Chairman-Audit Committee

Place: Kolkata
Date: 02.09.2013

Place: Kolkata
Date: 02.09.2013

Place: Kolkata
Date: 02.09.2013

For Rupa & Company Limited
Priya Agarwal
Priya Punjabi Agarwal
Company Secretary