

The background of the entire page is a vibrant, abstract painting. It features a complex arrangement of overlapping rectangular and diagonal brushstrokes in a wide range of colors including red, orange, yellow, green, blue, and purple. The texture is visible, suggesting the use of thick paint or a similar medium. The overall composition is dynamic and energetic.

# **FASHIONING INDIA SINCE 1968**

**Rupa & Company Limited**



**ANNUAL REPORT  
2013-2014**



# 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  
 Mr. Satya Brata Ganguly

## COMPANY SECRETARY

Mrs. Priya Punjabi Agarwal (till June 12, 2014)  
 Mr. Sudip Chatterjee (from June 12, 2014 onwards)

## AUDITORS

M/s. S. R. Batliboi & Co. LLP  
 Chartered Accountants  
 22, Camac Street, 3rd Floor, Block -C  
 Kolkata - 700 016

## BANKERS

Indusind Bank Ltd.  
 State Bank of India Ltd.  
 CitiBank N.A.  
 Standard Chartered Bank  
 HDFC Bank Ltd.  
 Development Credit Bank Ltd.  
 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  
 CIN : L17299WB1985PLC038517

## REGISTRAR & SHARE TRANSFER AGENT

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

# Navigating the story of fashion

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Rupa & Co. Ltd, through its consumer focused approach, caters to the fashion needs of all ages of the society through innovation and R&D. Today, we are not just a mere manufacturer of innerwear and knitwear products. We started our journey as quality centric innerwear manufacturer through eco-friendly processes. Through our tireless efforts and R&D, we graduated and integrated various products division across our fashion-lines from men and women innerwear to kid's innerwear, from kid's designer casualwears to fashionable jeans and chinos for both men and women, from women's leggings to male fashion innerwear and comfortwear specialized for every walks of life. These all reflects the economical and fashionable integration of our business.

Despite business challenges and economic volatilities, we pursue our mission towards providing our motherland with fashion deliverables for every segment. We always aim to strengthen our foundation and reinforce our ambition towards achieving the highest summit in the fashionwear and innerwear industry. That ambition is reflected through opening of two Exclusive Brand Outlets presently catering to the people of West Bengal. We are in the process of rolling this out on pan India basis.

You are also invited to join and learn the experience of our pursuit towards

FASHIONING  
INDIA

SINCE 1968!!



 **SERIES**  
INTERNATIONAL COLLECTION

**Own the world.**

Macroman M-Series  
International Collection.

**LIVE LIKE A MACROMAN**

Macroman M-Series International Collection. The finest quality premium inners crafted with world class technology and materials, to give maximum comfort to the maximum man. Macroman.

**MACROMAN**



**SERIES**

**P R E M I U M   W E A R**

| INNER WEAR | SPORTS WEAR | LEISURE WEAR



# The fashionable element of **RUPA<sup>®</sup>**

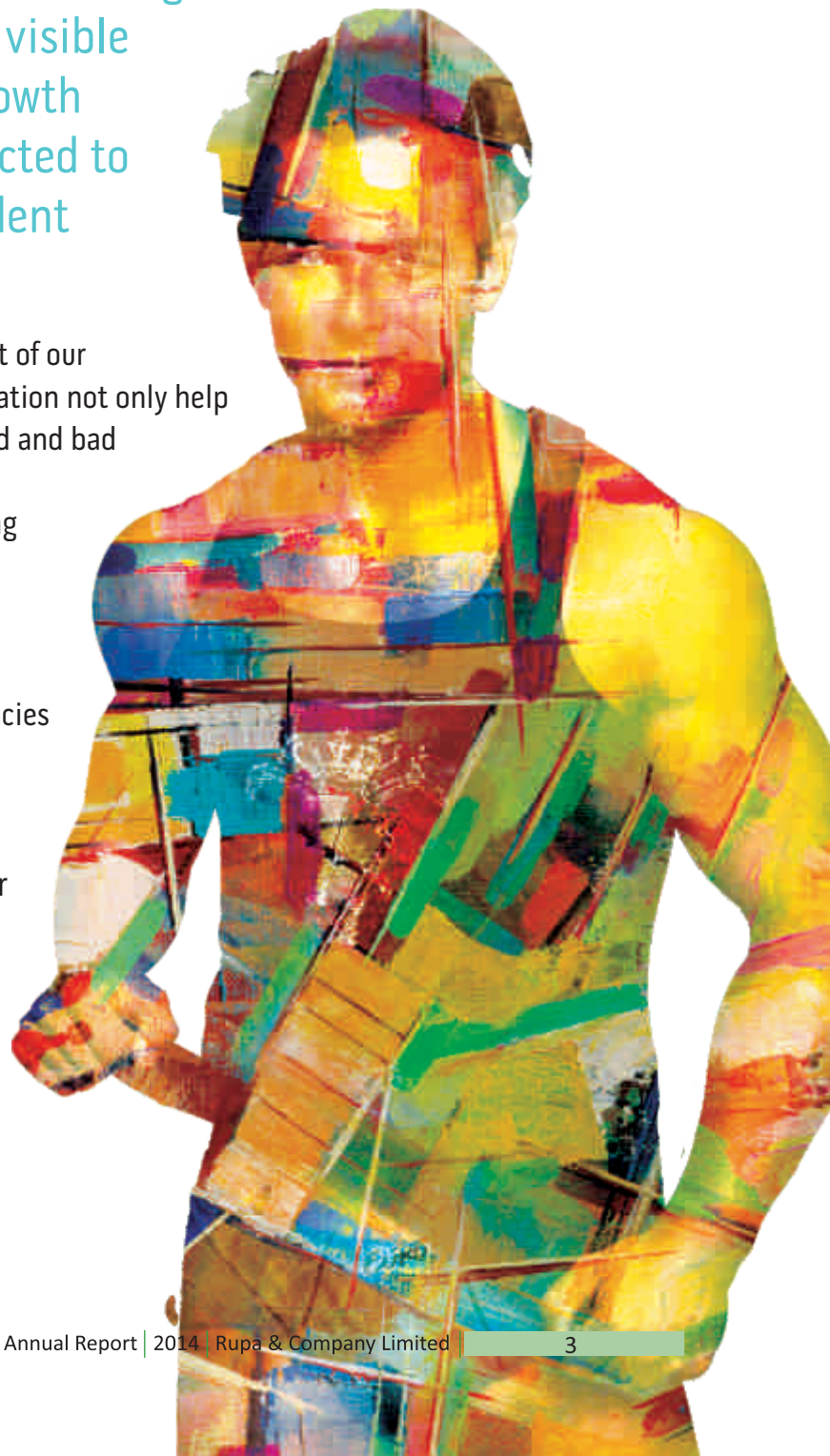
At Rupa our vision is highly focused on varied consumer aspirations, creativity of our employees and our growth driven nature which is the inherent and intangible part of our business goal. This visible force has always driven our growth trajectory till date and is expected to take us forward through confident strides.

We are always committed to deliver at the best of our capabilities. These self commitment and aspiration not only help us to leverage our competencies in all the good and bad times but also help us to put our mindset to proactively invest in our core activities, keeping the peers, miles behind us.

Interestingly, our stakeholders also share our vision to encourage meritocracy & upscale the organization. In 2013-14, we improved efficiencies across the entire value chain and now are suitably poised to play a pivotal role based on experience, expertise and maintain our leadership position through the bouquet of our powerful brands which has been

fashioning the  
country

**SINCE 1968.**



# The fashion statement at **RUPA®**

Rupa, India's largest knitwear company is engaged in 5 main product categories – Innerwear, Casualwear, Kidswear, Winterwear and Footwear.

These products serve the growing needs and demands coming out of the Indian knitwear & fashionwear industry.

Over the years, the Company has significantly been investing to increase operational efficiency and strengthen its competitive edge by scaling up the value chain, brand building, product distribution, human resource, IT and corporate responsibility.

**As a result of this growth initiative, the Company not only has increased its product portfolio, but has also expanded its distribution network & market share.**

## Few words on **RUPA**<sup>®</sup>

Rupa & Company Limited is a Kolkata based innerwear and fashionwear Company. The Company was started during the year 1979 as Binod Hosiery and was later renamed to Rupa & Company Pvt. Ltd. Lately during the year 1995 it was converted into a public limited company. Today the Company is managed by Mr. P. R. Agarwala, Mr. G. P. Agarwala and Mr. K. B. Agarwal and has become a generic name in the entire innerwear and fashionwear space for its comfort and price factor.

### **RUPA**<sup>®</sup> facts

- One of the leaders in innerwear & fashionwear industry.
- Manufacturing facilities situated at Bangalore, Tirpur, Domjur and Ghaziabad.
- Sales offices situated at Patna, Varanasi, Mumbai, Jaipur, Indore, Delhi, Ghaziabad, Kanpur, Bangalore, Tirpur, Hyderabad and Kolkata.
- Engaged in the manufacturing, branding and marketing of men's and women's innerwear and casualwear for all ages and all sections of societies like economy, mid-premium, premium and super-premium.
- Shares listed at NSE, BSE, CSE and JSE.
- Record 250% dividend for the year 2013-14.
- Regulatory, quality and compliance standards.
- An ISO 9001:2008 certified Company.
- Brand endorsed by leading celebrities like Hrithik Roshan, Ronit Roy, Karan Grover and Rajpal Yadav.
- One of the largest distribution networks across India where the products of the Company are sold through more than 1,18,000 retail outlets.

## vision

We at Rupa & Company Limited believe in the overall development of the innerwear and fashionwear industry across India through our innovative designs, superior product quality, ability to create a sustainable business model, initiatives to nurture the in-house talent and zeal towards the healthy creation of stakeholders value. Our mission and values depict the diverse interpretations of that one belief.

## Values



### **Excellence :**

Strive relentlessly and constantly improve ourselves in our offerings.



### **Integrity :**

Conduct our business fairly with total honesty and transparency.



### **Innovation :**

Faster innovation across and process and product cycles to create a sustainable value proportion for our customers.



### **Agile :**

Flexibility, prompt responsive and adaptability to the changing market dynamics.

Achievement . Accomplishment .  
Appreciation .  
Another year of a successful journey



*Dear Friends*

We are highly delighted to present to you our Annual Report for FY 2013-14, a year in which we sustained our growth driven vision and emerged as winners across multiple parameters. In this report, we have outlined the various facets of our leadership and our vision to sustain it, going forward.

### **The big question and message**

It is a challenge to produce growth oriented results in a slowdown economy, but to deliver consistent double-digit growth and outperform the industry in an economy with 5% GDP growth, takes special effort. Financial Year 2013-14, assumes more focus in a changing domestic political scenario amidst a deflator world economy. We believe the focus on reforms augur well for the Indian economy in the long term. We can say that the overall outlook is one of surrounding cautious but rooted with optimism.

**The brand “Rupa”  
is well positioned  
in the market led by  
a massive growth in  
sales figures.**

The brand “Rupa” is well positioned in the market led by a massive growth in sales figures. Overall revenue stood at ₹ 91,160.60 Lacs in 2013-14 against ₹ 82,998.72 Lacs in 2012-13. Profit after Tax stood at ₹ 6,607.07 Lacs in 2013-14 against ₹ 6,477.94 Lacs in 2012-13. On the backdrop of this performance we are pleased to announce a record 250% dividend.

At Rupa we believe that this overall success has been possible due to our strong brand



positioning domestically. We are confident of taking this growth story ahead.

The farther we go across geographies, the more we are charged with power, conviction, vision, creativity and stakeholder's value creation.

This optimism and acceleration did not take place on an overnight basis. It entailed wide ranging economic reforms, rising disposable income and changing consumer tastes & preferences to keep abreast with a dynamic world.

### Fashionable face of the innerwear & knitwear industry

Amongst the core apparel categories, innerwear appears to be a potential growth category across all segments. Currently, the Indian innerwear market is worth ₹ 56.28 billion and is estimated to grow at 18.61% to reach ₹ 27,900 crore by 2017. The Indian Apparel industry has emerged from the economic slowdown and is regaining forward momentum. The value of the domestic apparel market is expected to grow at a CAGR of 8.7%, reflecting higher domestic demand and consumption. Shifting demographics, shrinking households, a greater number of educated consumers, the growing number of working women, changing fashion trends, rising disposable incomes, awareness levels, new retail formats, technological innovations, and changing consumer behaviour are the trends powering the growth of the domestic market. Online retailing is also offering a cusp of growth to the overall innerwear & knitwear industry. An online retail store allows a brand to explain the product in as much detail as required with no limit on copy or column space.

Moreover, the removal of 5% duty on spandex yarn in the current 2014 budget is a big boosting decision by the newer government and this will aid long-term cost benefits to the companies like ours in the innerwear industry.

### Rupa's initiative

- Strong performance of brands like Air, Frontline, Euro, Macroman and Jon with aggressive branding strategies. During the year, we invested ₹ 8,867.19 Lacs towards Advertising and Sales promotion expenses.

**As a result of increased demand, aggressive branding spends and wider geographic coverage, we expect to accelerate our topline and strengthen our margins.**

## Online retailing is also offering a cusp of growth to the overall innerwear & knitwear industry.

- Innovative marketing campaigns translated into attractive revenue growth. For every rupee invested in our branding activities, we generated ₹ 9.05 in revenue. This shows that our brand returned more potential numbers, a reality that should stand us in good stead across the foreseeable future.
- Expansion of distribution network on year-to-year basis within India and abroad with the vision of creating a long-term channel of distribution to sustain growth and to accelerate momentum of the growth and to reduce the inventory lead-time. The result was clearly visible, wherein our exports have been rising significantly within a short span of time and its long-term prospects looks very attractive.

*However, managing margins was a big challenge because of raw material and commodity prices. We could meet this challenge efficiently through judicious price increases, cost savings, long-term vendor agreements and whenever necessary through spot purchase of yarn.*

### Looking ahead

E-commerce is regarded as the next agent of change. It is regarded as hypermarket of growth based on volume. The growth of e-commerce would be able to give more choice to the consumer with a mere click. Our company foresees this as an excellent opportunity. With regards to same, we have initiated a dedicated website informing the customer about latest collections, offers, pricing and shopping at the go-of-a-hand.


At Rupa, we would continue to raise the bar to meet the level of consumer satisfaction. As a result of increased demand, aggressive branding spends and wider geographic coverage, we expect to accelerate our topline and strengthen our margins. In widening our revenue spread and climbing up the value-chain, we expect to enhance value for our associated stakeholders in a more emphatic way over the foreseeable future.

Thanking you

P. R. Agarwala, *Chairman*  
G. P. Agarwala, *Vice Chairman*  
K. B. Agarwal, *Managing Director*

# Fashioning India

through sustainable  
business practices



At Rupa & Company Limited, our true wealth is not what is reflected in the size of the bottomline but in the respect what we evoke amongst the stakeholders and communities associated with us. This respect is derived from the broad responsibility of our actions, which makes our business truly sustainable for the benefits of all those associated with us. The various initiatives to do so comprise the following: growing the Rupa brand; expand the product portfolio; improve efficiency & effectiveness; attract develop & retain a talented workforce and align the operational model with the best environment standards.

For each of these priorities, we have developed corresponding focus areas and aligned those against stakeholder expectations. We are also working to embed sustainability into our business processes through various initiatives.

Our team consists of various set of peoples – from experienced to young and energetic ones. Our goals are ambitious. We ensure that all our employees complete training in ethics. We also communicate our vision, mission and value statement to our newer and existing employees, to create homogeneity in employee aspirations & organisational goals. Having a multi-locational presence, we have taken proactive measures to employ, nurture and train local talent, thereby contributing to the regional economy.





Whenever we think about the society, we always try to educate the younger minds to bring the economical value system conducive to all the stakeholders and nurturing the goodness of health for healthy living.

Our commitment towards social responsibilities is unequivocal and unwavering. As a responsible corporate citizen, we have always tried to contribute towards the society through a slew of environmental, educational and health initiatives. The products are manufactured through

eco-friendly processes, conserving the Mother Nature through recycling and reuse of water, usage of natural fibers in manufacturing process of yarns. The Rupa group also manages the Heritage School, Heritage Institute of Technology and Sri Sri Academy at Kolkata. The company has also established and is successfully running Sobhasaria Engineering College at Sikar in Rajasthan. The company is also associated with Sankara Nethralaya (Kolkata) and various other hospitals.



# Fashioning India

through unequivocal  
focus on  
quality

At Rupa & Company Limited, we recognise that growth does not come from how well we can grow our assets, but how well we can grow our relationships.

We work with various associated stakeholders on a long-term perspective. Our above average industry-performance has come from the extension of this value-beyond a one-off transaction into a sustainable relationship across the long-term.



This relationship is equally built on the pillars of our decades of meeting varied customer expectations with a unwavering focus on quality. Our objective is to be recognised as quality enablers. We are committed to deliver products that are benchmarked with quality and at an optimum cost. Our quality implementation efforts are all pervasive, beginning with a stated goal – customer satisfaction and continual quality improvements in all spheres of activity by involvement of every associate.

Every quality personnel at our company are qualified and well trained. The guidelines and protocols laid down by our management ensure that every batch of the products delivered by us is of right quality. Over the years these initiatives have made us won several laurels and accolades.



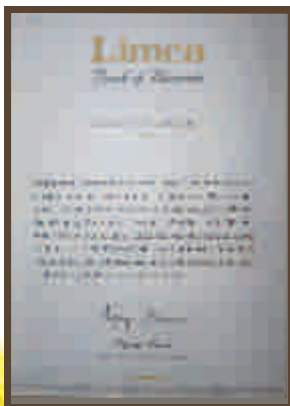
### Accreditations

ISO 9001:2008 certifications



### Accolades

- Largest innerwear & casualwear manufacturing company in India by “Limca Book of Records” for 11th consecutive year during 2013-14.
- Worldwide Achievers Business Leadership Award during 2013-14.
- Branch Excellence in Innerwear at Time Research Business Leadership Awards, 2013.
- Largest producer in the Knitting Sector Fabrics at Textile Conclave 2013 – Brand India.
- 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.



# Fashioning India through our marquee brands



At Rupa & Company Limited, we believe that various headwinds, the concept of aspirations, consumption patterns, price factor and marquee brand name – all plays a great role in mind of the consumer.

**A brand is the idea or image that consumers connect with.** Unique design, sign, symbol, words are employed in creating an image that identifies and differentiate a product. Brands help harried consumers in crowded and complex marketplace, by standing for certain benefits and value. Celebrity branding is a global phenomenon and it assumes paramount importance in countries like ours. Since celebrities enjoys public acceptance and are perceived to do no wrong. That's why celebrity endorsement is not only an effective tool for sales promotion but also riding on their visibility, in terms of product recall and sales surge can be effectively achieved.



At Rupa & Company Limited, the varied consumption pattern of consumers and the way we had been able to associate ourselves with them, had been entirely credited to the excellent branding strategies by our brand management team. Over the time, these strategies had been able to create a level of credibility, quality, and satisfaction at our consumer's mind. All brands have been carefully crafted keeping in mind, the desires and attitudes of specific consumer and market segments. Our products today stand tall and elated in terms of comfort and pricing for every section of people. Celebrity endorsement for premium products have helped Rupa to gain a significant market share. Our long-time association with Ronit Roy, Karan Grover and Rajpal Yadav has made the product acceptability amongst the consumers. We have also been co-sponsoring Rajasthan Royals at Indian Premier League (IPL) to enhance our brand visibility.

E-commerce has slowly and steadily started moving ahead in a right format and is now a most preferred mode to reach to consumer directly in B2C format. At Rupa & Company Limited, not only have we started selling our products through various web portals, but have also been able to gain a significant amount of revenue through it by offering consumers a full range of products at the move of a click. We have also started promoting our products through various social networking websites like Facebook and Twitter.

Our dream-desire is to reach every hook and corner of the country through our distribution network of 1,18,000 retail outlets and make our products a preferred a "fashion merchandise" for every section of society.

**10**

Successful brands and more than 100 registered trademarks

**3**

New brands added to the products kitty

**4,000**

SKU's under the umbrella brand of RUPA

**690**

Locations where products of the company are sold

**1,000**

Dealers under various brands and sub-brands of RUPA

**1,629 lac pcs.**

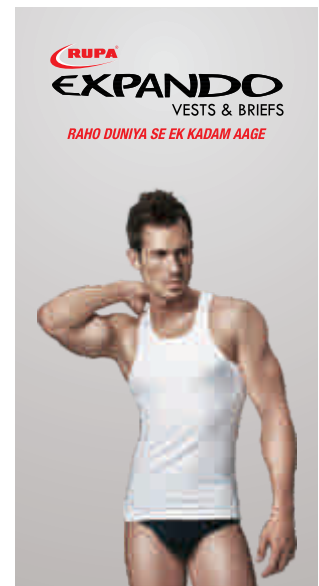
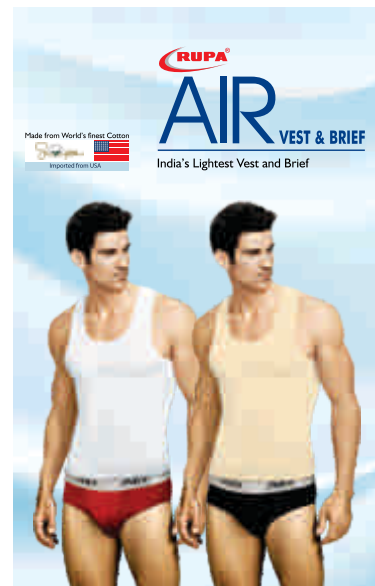
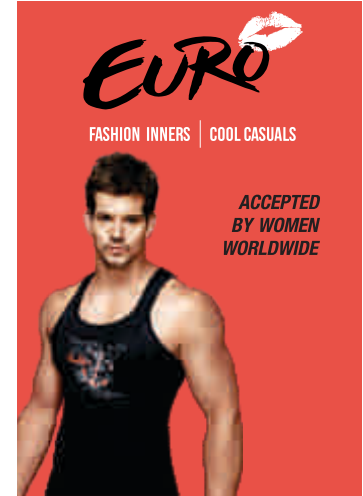
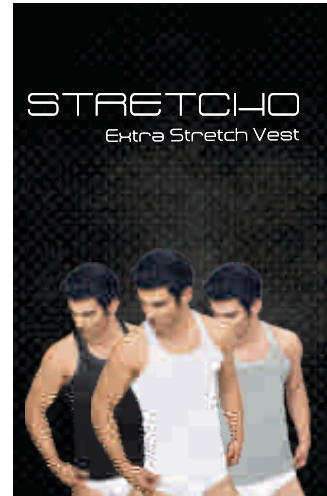
Products sold during the year 2013-14

**Frontline & JON**


Contributing to major sales of the company

**10**

Country Footprint







**m SERIES**  
INTERNATIONAL COLLECTION

**Own the world.**  
Macroman M-Series  
International Collection.

**LIVE LIKE A MACROMAN**

Macroman M-Series International Collection. The finest quality premium inners crafted with world class technology and materials, to give maximum comfort to the maximum man, Macroman.

**MACROMAN** 

www.macroman.co.in

PREMIUM WEAR | INNER WEAR | SPORTS WEAR | LIFESTYLE WEAR




**RUPA**

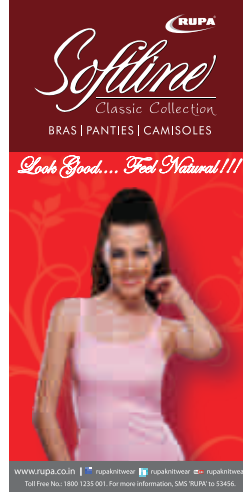
*Frontline*

**YEH ARAM KA MAMLA HAI !**



Introducing Macrowoman.  
**NOW TAKE ON THE WORLD.**

**MACROWOMAN** 



**RUPA**

*Softline*  
Classic Collection  
BRAS | PANTIES | CAMISOLES

*Look Good... Feel Natural!!!*

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Toll Free No: 1800 1235 001. For more information, SMS RUPA to 53456.



**RUPA**

*Softline*  
Classic Collection

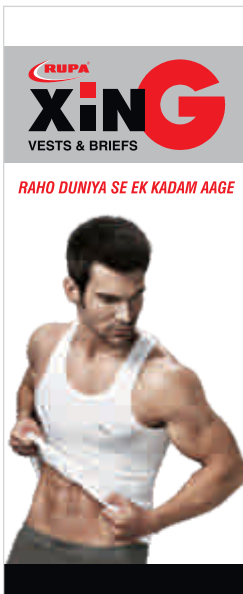
*Look Good... Feel Natural!!!*



**RUPA**

**KIDLINE**  
KIDLINE ROCKSTARS BE PRAISED !

VESTS  
T-SHIRTS  
SHORTS  
SLIPERS  
UNDERWEAR



**RUPA**

**XING**  
VESTS & BRIEFS

**RAHO DUNIYA SE EK KADAM AAGE**



www.rupa.co.in

**RUPA**

**HUNK**  
GYM VEST

**ZAMANE KO DIKHANA HAI**

GYM VEST 9011 GYM VEST 8011



ULTRA WARM. NON-ITCHY.  
FASHIONABLE.

**RUPA**

**TORRIDO**  
Premium Thermals

## Directors' Report

Dear Members,

Your Directors have great pleasure in presenting their Twenty Ninth (29th) Annual Report together with the Audited Statement of Accounts of the Company and Auditors' Report for the year ended March 31, 2014 thereon.

### FINANCIAL RESULTS

The highlights of the financial results for the year 2013-14 are as follows :

PARTICULARS	Year Ended 31.03.2014	Year Ended 31.03.2013
Revenue from Operations & Other Income	9,011,279,753	8,173,980,729
Total Expenditure	7,697,015,883	6,983,800,170
<b>Profit before Finance cost, Depreciation &amp; Tax</b>	<b>1,314,263,870</b>	<b>1,190,180,559</b>
Less : Finance cost	245,181,361	208,860,765
<b>Profit after Finance cost but before Depreciation and Taxation</b>	<b>1,069,082,509</b>	<b>981,319,794</b>
Less : Depreciation	111,750,233	66,293,510
<b>Profit before extraordinary items &amp; Tax</b>	<b>957,332,276</b>	<b>915,026,284</b>
Less : Provision for Tax	324,200,000	277,000,000
Provision for Deferred Tax	12,571,030	20,449,038
Provision/(Write back) relating to earlier years	-	-
<b>Profit after Tax</b>	<b>620,561,246</b>	<b>617,577,246</b>
Add : Surplus brought forward	1,339,052,647	937,554,919
<b>Surplus Available</b>	<b>1,959,613,893</b>	<b>1,555,132,165</b>
<b>Appropriation :</b>		
Transfer to General Reserve	1,00,000,000	30,000,000
Proposed Dividend	198,811,400	159,049,120
Tax on Proposed Dividend	33,787,997	27,030,398
<b>Balance carried to Balance Sheet</b>	<b>1,627,014,496</b>	<b>1,339,052,647</b>

### OPERATIONS

The Company has achieved a growth of 10.24 % in Sales and Income from Operations during the year under review. The Revenue from Operations including other income during the year under review is ` 9,011,279,753 as against in the previous year ` 8,173,980,729. Your Company has also achieved a growth of 10.43 % in Profit before Finance cost, Depreciation and Tax during the period under review. The Profit before Finance cost, Depreciation and Tax during the year under review is ` 1,314,263,870 as compared to in the previous year ` 1,190,180,559. The Profit after Tax for the year under review is ` 620,561,246 as against in the previous year ` 617,577,246.

### CORPORATE SOCIAL RESPONSIBILITY

At Rupa, business is more than just generating profits; it is also about creating value to all stakeholders. Therefore, inclusion of the community in business growth is not an investment, but all about generating economic value. The Company continues to support the activities in the areas of Education (through its association with Heritage Institute of Technology Kolkata, Heritage School Kolkata, Sri Sri Academy Kolkata and Sobhasaria Engineering College in Rajasthan), Health Programs through our association with Sankara Nethralaya, Kolkata.

## Directors' Report

### SUBSIDIARY

Your Company has Wholly Owned Subsidiaries –

M/s Euro Fashion Inners International Private Ltd. which is engaged in selling hosiery products under the brand name “EURO”, which are premium products designed for the fashion conscious 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 ages of 0-12 years under the brand name “Imoogi”.

In accordance with the general circular vide No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs (MCA), Government of India, the Balance Sheet, Statement of Profit and 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. S. R. Batliboi & Co. LLP, 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 2013-2014 and with a view to meet the expectation of shareholders and retaining resources to meet your Company's business objectives, your Directors are pleased to recommend a dividend of ₹ 2.50 per share (250%) for the Financial Year 2013-2014 (previous year 200%).

### TRANSFER TO RESERVE

The Company proposes to transfer ₹ 10 (Ten) crores to the General Reserve out of the amount available for appropriation.

### DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder during the year ended March 2014.

### 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

The Company Board comprised of ten directors as on March 31, 2014. The Chairman is an Executive Chairman, and half of the Board consisted of Independent Directors.

In order to ensure compliance with the provisions of Section 152 of the Companies Act, 2013 Board of Directors at their meeting held on 30th May, 2014 has changed terms of appointment of Mr. K. B. Agarwal, Managing Director from non-rotational director to a rotational director.

Pursuant to section 152 of the Companies Act, 2013, Mr. Sushil Patwari and Mr. D. C. Jain, Directors retire at the ensuing Annual General Meeting and being eligible offered themselves for re-appointment. Board recommends for their re-appointments.



## Directors' Report

Your Company has received declarations from the Independent Directors that Mr. Vinod Kumar Kothari, Mr. Dipak Kumar Banerjee, Mr. Raj Narayan Bhardwaj and Mr. Satya Brata Ganguly confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Accordingly, your Board recommends that Mr. Vinod Kumar Kothari, Mr. Dipak Kumar Banerjee, Mr. Raj Narain Bhardwaj and Mr. Satya Brata Ganguly existing independent directors, who were liable to retire by rotation, be re-appointed for a consecutive period of upto five(5) years, not liable to retire by rotation for approval of members at the coming AGM.

None of the directors of your Company is disqualified under the provisions of Section 164(2)(a) & (b) of the Companies Act, 2013.

### REPORT ON CORPORATE GOVERNANCE

Your company not only adheres to the prescribed corporate governance practices as per Clause 49 of the Listing Agreement with the Stock Exchanges in India (Listing Agreement), but is also committed to sound corporate governance principles and practices. It constantly strives to adopt emerging best practices being followed in the corporate world. It is its endeavour to achieve higher standards and provide oversight and guidance to the management in strategy implementation, risk management and fulfilment of stated goals and objectives.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders' interests are taken into account, before making any business decision.

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) Auditors' Certificate regarding compliance of conditions of Corporate Governance.
- iii) 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.
- iv) CEO & CFO Certification.

### AUDITORS

As recommended by the Audit-Committee, Board of Directors recommends that M/s S. R. Batliboi & Co. LLP (Firm Registration number 301003E), Chartered Accountants be re-appointed as Auditors of the Company for a consecutive term of four (4) years to hold office from the conclusion of the ensuing Annual General Meeting till holding of the Annual General Meeting of the company for 2018, subject to the ratification by the shareholders in every annual general meeting of the Company.

As required under the provisions of the Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. S. R. Batliboi & Co LLP; that their appointment, if made would be in conformity with the limits specified in the Section.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the Annual Accounts for the year ended March 31, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (b) in the preparation of the Annual Accounts for the year ended March 31, 2014, the applicable accounting standards have been followed and that there are no material departures, if any;
- (c) we 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 2013 – 2014, and of the profit of the Company for that period;

## Directors' Report

- (d) We 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;
- (e) The Annual Accounts have been prepared on a going concern basis.

### PARTICULARS OF EMPLOYEES

Remuneration of Chairman and Managing Director is given under Corporate Governance Report. Except Chairman and Managing Director, none of the employees of the Company was in receipt of remuneration which requires disclosures under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

### 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 wish to place on record their appreciation of the wholehearted and continued support extended by the employees, which had always been a source of strength for the Company.

For and on behalf of the Board of Directors

Place : Kolkata  
Dated : May 30, 2014

**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)

PARTICULARS	2013-14	2012-13
<b>A. Power &amp; Fuel Consumption</b>		
1. Electricity :		
a. Purchased :		
- Units (kwh)	6,712,895	7,244.800
- Total Amount - Rs.	55,450,016	57,086,445
- Rate/Unit - Rs.	8.26	7.88
b. Own Generation		
- Through Diesel Generator		
- Units (kwh)	309750	558,469
- Units per litre of Diesel oil - Rs.	6.56	6.56
- Cost / Unit - Rs.	8.39	7.56
2. Coal	–	NIL
3. Furnance Oil	–	NIL
4. Others		
- Rice Husk	9,483	11,399
- Quantity (MT)	37,366,074	35,652,273
- Total Cost - Rs.	3,940	3,122.67
- Rate/Unit - Rs./ MT		
<b>B. Consumption Per Unit of Production</b>		
- Dyeing & Bleaching Production (in Kg.)	4581138	5128.657
- Electricity (kwh)	1.53	1.52
- Coal	–	NIL
- Furnance Oil	–	NIL
- Rice Husk (MT)	.002	0.002



## 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.

#### Energy Conservation and Technology Absorption

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

Foreign Exchange Earnings & Outgo	(in ` )
Foreign Exchange Earning	188,663,248
Foreign Exchange Outgo	19,157,101

### 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 Ltd.	Bombay Stock Exchange Limited
Exchange Plaza, Plot no. C/1, G Block,	Phiroze Jeejeebhoy Towers,
Bandra-Kurla Complex	Dalal Street,
Bandra (E)	Mumbai- 400 001
Mumbai - 400 051	<b>Scrip Code : 533552</b>
<b>NSE Symbol : RUPA</b>	
Calcutta Stock Exchange Association Limited	Jaipur Stock Exchange Limited
7, Lyons Range	Stock Exchange Building
Kolkata - 700 001	Jawaharlal Nehru Marg
<b>Scrip Code : 028161</b>	Malviya Nagar, Jaipur – 302017
	<b>Scrip Code : 811</b>

## Management Discussion and Analysis

### OVERVIEW OF INDIAN ECONOMY

The economy of India is the 8th-largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP). India is one of the fastest Developing Economic Superpower with potential to become the world's 3rd largest economy by 2020.

The GDP growth in Indian Economy during 2013-14 is estimated at 4.9 per cent as compared to the growth rate of 4.5 per cent in 2012-13, according to advanced estimates released by the Central Statistics Office (CSO).

The economic backdrop continued to be an important factor impacting the performance of Companies across sectors including knitted fabrics and woven textile.

Indian textiles industry is a well-established with showing strong features and a bright future. In fact, the country is the second biggest textiles manufacturer worldwide, right after China. Similar force is demonstrated in the cotton production and consumption trend where India ranks just after China and USA. Employing around 35 million people, textiles industry stands as a major foreign currency revenue generator and further proves it in its 14% share of industrial production and the 16% of export revenues it generated.

### HIGHER COMPETITION WITH NEIGHBOURING COUNTRY

China reacted to quota removals by invading the US market with its textiles production. The US had no other choice than to re-introduce trade barriers to calm down the situation encouraging traders to diversify purchasing options and thus giving India an unexpected push on the global market.

The situation is not completely in the pocket for India, however, it should remain on its guards as its neighbors start to embark on similar global adventure with an enthusiasm and motivation packed attitude. Pakistan and Bangladesh are growing at fast pace, shortening the gap with India in an impressive manner.

### DEMOGRAPHIC DIVIDEND AND AUGMENTED DOMESTIC CONSUMPTION

India's population of over 1.2 billion is the second largest population in the world after China and continues to grow at over 1.3% per annum adding a number each year equivalent to the total population of some of the developed countries. In both China and India, the population has grown significantly over the past decade.

But India's population growth (16%) vs. China's (5%) makes it likely that India will replace China as the world's most populous country in the next 15 years. India is on the brink of a demographic revolution with the proportion of the working age population between 15-59 years likely to increase from approximately 58% in 2001 to more than 64% in 2021, adding approximately 63.5 million new entrants to the working age group by 2016, bulk of whom will be in the relatively younger age group of 20-35 years.

Of this, India's urban population is estimated to be in region of 300 million people. The pace of urbanization in India is expected to increase significantly going forward, with an estimated compound annual growth rate of 2.1%, double that of China's in the period upto 2050. Urban population represents the highest potential from an organized retail perspective and is concentrated largely in the top 180 cities, with the remaining population in about 5,000 urban centers. Urban consumption has been repeatedly cited as the primary growth driver across sectors, and in many respects the following underlying trends seem to confirm this hypothesis:

1. A more evolved consumption basket vis-à-vis the non-urban audience, with higher proportion of spends towards housing, travel, apparel and medical needs.
2. Higher and growing proportion of people in middle and upper income classes.
3. Superior and improving performance of the urban population in terms of 'quality of life' measures including infant mortality, birth rate and death rate.

### TRADE PATTERN ANALYSIS

In dollar terms the total value of textile products exported from India touched USD 33 billion in FY'13, a decline of 3 per cent compared to previous fiscal.

## Management Discussion and Analysis

Lower demand from key markets of the US and EU, which were reeling under recessionary condition was the major reason for the dip in exports during Financial Year 13-14.

However, growth in textile exports have picked up since April this year compared to same period last fiscal year. During April-September 2013, textile exports from India reached USD 16 billion, which is 8 per cent higher than the exports during the same period last year.

To reduce the dependence on these markets the government has incorporated several measures in the Focus Market Scheme. As per the new measures, textile exporters would be able to avail duty credit scrip on export to 26 additional countries apart from existing destinations.

However, the report further said with domestic economic growth expected to remain subdued during first half of 2014, improvement in domestic consumption of textile products is still some distance away. For the most part of 2013 the textile sector was besieged by twin impacts of slowing domestic consumption and slowdown in export demand.

### OVERVIEW OF FINANCIAL PERFORMANCE

The same has discussed in the Directors Report.

### INNERWEAR MARKET OUTLOOK

Indian innerwear market is a fragmented market with top 10 players contributing majority of the total Indian innerwear industry. The market has experienced a good growth. Over the coming years, the sales of the innerwear are projected to rise at a CAGR of 18.61% to INR 27,900 crores by 2017 with an increase in number of shopping malls, MBO and other retail outlets which offers a better buying space to the consumers.

The Indian innerwear market has been unleashed like never before, it has undergone a transformational phase over the past few years, there has been much innovation in the making of innerwear and technology has also influenced this. The market is growing at 24%.

The size of the Indian innerwear market is ` 56.28bn and can be segmented as follows:

- a) ECONOMY (` 35.06bn growing at 17%)
- b) MIDDLE (` 12bn growing at 22%)
- c) PREMIUM (` 8.32bn growing at 32%)
- d) SUPER PREMIUM (` 900mn growing at 56%)

### WOMEN INNERWEAR

According to a research report by CARE, in volume terms; the women innerwear segment holds a 52% share of the total innerwear market in India. In value terms, women innerwear segment enjoys 66% share of the total innerwear market, thereby enjoying a higher Average Selling Price (ASP) compared to the men's innerwear market. Overall, the lingerie industry in India is expected to grow at a CAGR of 18.3% over the period 2009-2014. It is currently estimated at INR79bn and is expected to be worth INR183bn in 2014-15.

Indian women have become choosy and give importance to innerwear, as discernible from the increased spend on it. This changed attitude is also because of changing dress codes and the transformations in social mores.

### MEN INNERWEAR

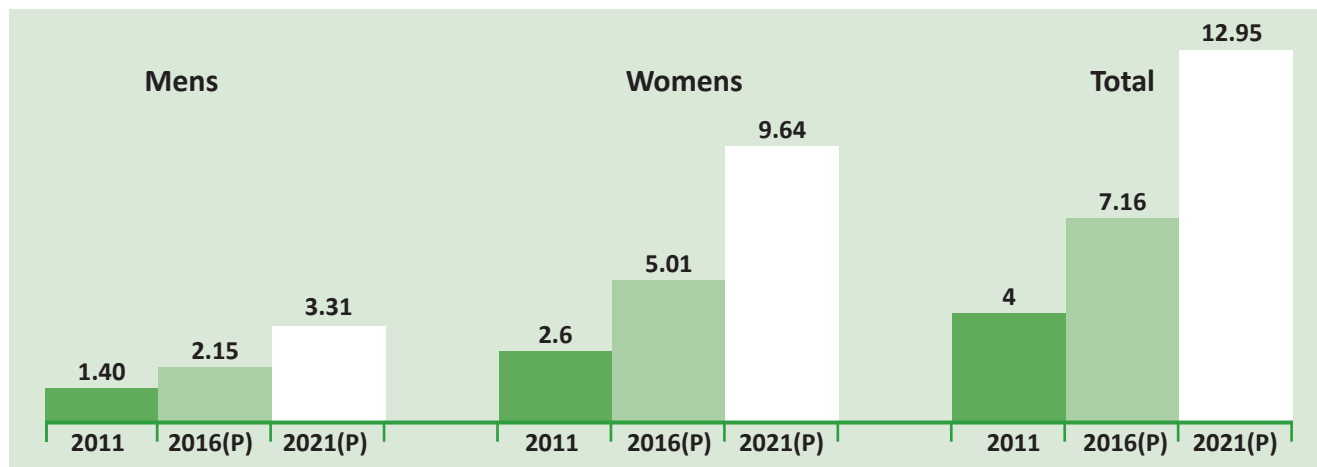
The men's innerwear market, in India, is increasing its base size at a promising rate. With the middle and premium men's innerwear segment market size around ` 2500 crores and the growth rate of around 35-37 per cent, the brands, national and international, are poised to make their presence strong and inevitable.

Growing number of young working segment, changing fashion trends, the increased awareness about better fits, quality, brands, colours, styling, increasing per capita disposable income, rising level of information and media exposure, and entry of large number of foreign brands have given the industry a new dimension.



## Management Discussion and Analysis

### INNERWEAR MARKET (USD Billion)



(Source - Technopak)

### APPAREL INDUSTRY OVERVIEW

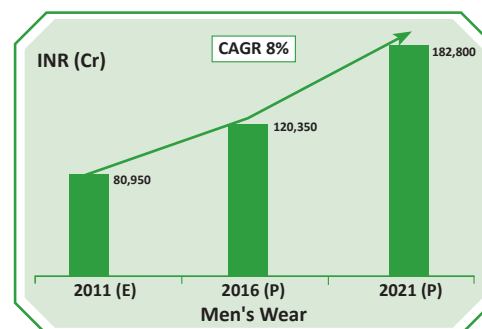
The Indian apparel industry is estimated to be worth ` 3,270 billion in 2011-12 and is expected to grow at a compounded annual growth rate of 8.7 per cent till 2016. The growth would primarily be driven by the surge in demand for readymade apparels in semi urban areas, rising income levels and youth population and increasing preference for branded apparel.

The Indian apparel market has been witnessed a shift towards the organized segment. The share of organized segment in overall market has increased from 13% in 2005 to 16% in 2010 and the same is expected to grow up to 40% in 2020 (E). The organized apparel market is growing at a CAGR of 21.3% during 2010 to 2020(E).

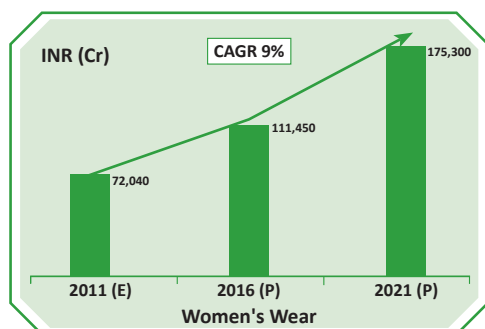
### MARKET STRUCTURE

#### Men's wear :

Men's wear market in India fastest growing apparel segment. The entire apparel industry (2011-12 estimates), including domestic and exports, is pegged at ` 3,270 billion and is expected to grow by 11% to ` 10,320 billion by 2020. Currently menswear is the major segment of the market (` 720 billion) and is growing at a compounded annual growth rate (CAGR) of 8%.



(Source : Technopak)



(Source : Technopak)

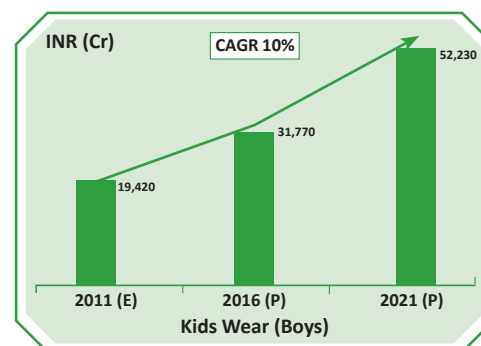
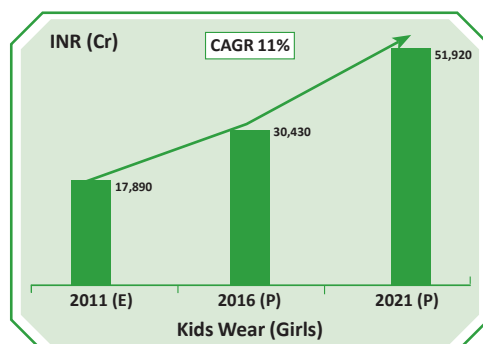
#### Women's wear :

Women's formal wear and ethnic wear markets are still ruled by unorganized players. With more women expected to enter corporate world, both these segments are good opportunities because of the market size. Historically, the men's apparel market in India has been significantly larger than the women's apparel market. With only 20 percent of India's urban women in the workforce, women's wardrobes have traditionally been limited to home wear and items for special occasions. Now, women are more willing to dress differently when they venture beyond the home—to shop, for example, or visit a school or office. The women wear market is growing at CAGR of 9%.

## Management Discussion and Analysis

### Kids wear :

Kids wear is a major category with few established players. It still holds a large opportunity which is clearly untapped. The Indian kids wear retail market is expected to touch ₹ 580 billion by 2014. At present, the size of kids wear market in India is estimated at about ₹ 380 billion.



### BRAND BASKETS

Your Company is well positioned to tap this opportunities with its basket of brands ranging from economy to super premium comprising of Rupa, Frontline, Jon, Air, Macroman, Macroman M'Series, Euro, Bumchums, Thermocot, Femmora and Imoogi. The total SKU (stock keeping units) stands to 6000 across different brand verticals.

The presence of your Company both in apparel and innerwear segment also helps to harmonize its growth comprising of contribution both from Urban and Rural market.

The response of Femmora, Imoogi and Euro are encouraging and the Company is rapidly gaining its market share in this segment. The Company is already market leader in the innerwear segment and slew of products launched in the premium and super premium segment also helped to move up in value chain. The Company has unparalleled reach and distribution network.

Your Company has also exported its products to Asia and Africa and in the process to add more region in this list.

### STRENGTHS

Your Company's cost efficient manufacturing model lead to higher returns. The focused approach on growth and margin improvement to create further value for the shareholders of the Company. Your Company's premium products and value addition has helped in consistent growth and improving EBIDTA and PAT margin. In house created and owned brands with more than 100 registered trademarks across segment with no royalty payments strengthen the gross margin of the Company. Your Company is the first innerwear manufacturer to become a licensee of SUPIMA (premier American Prima Cotton growers) in India.

Focus on design and product development:

- Continuous investments in product design and innovation.
- Control on entire procurement and handling of raw materials
- Owns logistics and supply chain set up for strong control of inventory.

The Company has State of Art dyeing, bleaching and knitting facility across West Bengal, Tamil Nadu and Delhi.

Your Company has outsourced stitching and 50% of its knitting requirements. This lead to cost efficiency in manufacturing process.

### OPPORTUNITIES AND THREATS

Indian consumer spend on innerwear products is significantly lower than other Asian peers. This trend is visible across both men's and women's segments with gaps of over 90% against countries like Thailand and China. This suggests that there is significant room for growth driven by rising per capita spending on such products.

### ONLINE APPAREL RETAIL

Online retail is the next growing phenomenon in the Indian retail growth story. Changing lifestyles, increasing time constraint and the convenience to buy things online has paved the way for Indian consumers to have a consumer friendly & hassle –

## Management Discussion and Analysis

free online shopping experience.

The current market for non – store retailing in India is estimated at USD 3.2 billion and is growing at a rate of over 23%. To tap this growth your Company has already tied up with Flipkart.com, Myntra.com, Snapdeal.com, Jabong.com, Amazon.com and Firstcry.com.

### THREATS

The Indian inner wear and apparel industry depend on the spending habit of consumer and any percentage of increase in inflation will decrease the spending desire of the consumers. The adequate rainfall and prudent monetary policy are the keys to the growth of these industries.

However, the long-term prospects are bright with controllable inflation moderate forecasted GDP growth.

### RISK AND CONCERN

Cotton yarn and fabric account for 70% of the total raw material costs. An inability of your Company to pass on the impact of the increase in raw material prices will have an adverse impact on the Company's profitability. Also too many price hikes will also take a toll on the volume growth of your company.

The textile industry as a whole is highly labour intensive industry and lack of availability of skilled labour may hinder its expansion plan.

The improving Indian demographics have given credence to the Indian consumption story. Any blip in economic growth for an elongated period will impact the discretionary spends thereby negatively impacting the earning potential of your Company.

Changing customers' preference leading to rapid shift from one brand to other. On the back of these factors, establishing a permanent connect and gaining brand loyalty becomes difficult for Companies. This leads losing business by your Company to its competitors.

The segment where your company belongs to is a very capital intensive and any changes in the interest rates will affect the profitability of your Company. The proper leveraging of financial management helps your Company to mitigate this risk.

### INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has a defined system of internal controls for financial reporting of transactions and compliance with relevant laws and regulations commensurate with its size and nature of business. The Company also has a well-defined process for ongoing management reporting and periodic review of businesses.

There is an active internal audit function and is carried out partly by internal resources and the balance activity is outsourced to an Internal Audit firm. As part of the effort to evaluate the effectiveness of the internal control systems, the internal audit department reviews the control measures on a periodic basis and recommends improvements, wherever appropriate.

The internal audit department is manned by qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures. Based on their recommendations, the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

### HUMAN RESOURCES

The Human Resources (HR) function is instrumental in creating and developing human capital in alignment with the Company's vision. Talent management with particular focus on grooming, learning and development and employee engagement has been the key focus areas in the Company's objective. The human resources strategy enabled the Company to attract, integrate, develop and retain the best talent required for driving business growth.

### ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company is conscious of its strong corporate reputation and the positive role it can play by focusing on EHS. The Company recognizes the importance of EHS issues in its operations and continuously measures the risk pertaining to EHS.

The Company values the safety of its employees and constantly raises the bar in ensuring a safe work place.



## Management Discussion and Analysis

### SEGMENT-WISE PERFORMANCE

The Company broadly has three (3) primary segments viz., Sales, Services and Power Generation and two (2) geographical segments- Domestic and Exports. The revenue generated in each segments have been narrated in the Schedules to the Accounts.

### FUTURE OUTLOOK

Your Company has attained a significant growth across all its brand verticals and to overcome the various economical challenges, the Company time to time revisits its marketing strategy. Your Company always responsive towards the changing fashion needs by introducing newer line of products across all segments.

### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations 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 economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

## 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 endeavours 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 Board comprised of ten directors as on March 31, 2014. The Chairman is an Executive Director, and half of the Board comprised of Independent Directors. The Composition of the Board of Directors as on March 31, 2014 and the number of other Directorships and Board Committee Memberships/Chairmanships including changes since the last report were as follows:

Name of Director	Category	Number of Other Directorships and Committee Position held		
		Other Directorships	Committee Memberships	Committee
Mr. Prahlad Rai Agarwala (Chairman)	Executive & Non Independent	1	—	—
Mr. Ghanshyam Prasad Agarwala (Vice-Chairman)	Executive & Non Independent	1	—	—
Mr. Kunj Bihari Agarwala (Managing Director)	Executive & Non Independent	1	—	—
Mr. Mukesh Agarwal	Executive & Non Independent	4	—	—
Mr. Ramesh Agarwal	Executive & Non Independent	11	2	—
Mr. Dipak Kumar Banerjee	Non-Executive & Independent	9	9	5
Mr. Raj Narain Bhardwaj	Non-Executive & Independent	11	10	2
Mr. Dharam Chand Jain	Non-Executive & Independent	—	—	—
Mr. Sushil Patwari	Non-Executive & Independent	5	2	—
Mr. Vinod Kumar Kothari	Non-Executive & Independent	2	1	—

\* Directorships in Private Companies have not been included.

+ Only covers membership / Chairmanship of Audit Committee and Shareholder / Investor Grievance Committee.

## Report on Corporate Governance

None of the Directors was 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.

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

During the financial year ended March 31, 2014, four Board Meetings were held on May 30, 2013, July 27, 2013, November 14, 2013 and February 12, 2014 respectively. The attendance of each Director at the Board Meetings and also at the last Annual General Meeting (AGM) is given below:

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

### d) Directors Seeking Appointment / Reappointment at Ensuing AGM

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



## Report on Corporate Governance

Name of Director	Mr. Sushil Patwari	Mr. Dharam Chand Jain
Date of Birth	July 20, 1954	August 28, 1946
Qualification	B.Com	B.Com
Date of appointment	November 17, 2003	March 31, 2003
Expertise in specific functional areas	Industrialist, Finance and Legal	Industrialist.
No. of Shares held	Nil	Nil
Chairman/member of the committee of the Board of Directors of the Company	Audit Committee - Member Remuneration Committee - Member Shareholders/Investors Grievance Committee - Member	Nil
List of other Public Ltd Companies in which directorship held	1) Reliance Processors Ltd 2) Nagreeka Exports Ltd 3) Nagreeka Capital & Infrastructure Ltd 4) Nagreeka Foils Ltd 5) Jaidka Motor Company Ltd	None
Chairman / Member of the Committees of the Board of Directors of other Companies in which he is a Director	<b>Audit Committee</b>	<b>Audit Committee</b>
	None	None
	<b>Remuneration Committee</b>	<b>Remuneration Committee</b>
	None	None
	<b>Shareholders/Investors Grievance Committee</b>	<b>Shareholders/Investors Grievance Committee</b>
	Nagreeka Exports Ltd	None
	Nagreeka Capital & Infrastructure Ltd	
	Jaidka Motor Company Ltd	
	Reliance Processors Ltd	

Mr. Vinod Kumar Kothari, Mr. Dipak Kumar Banerjee, Mr. Raj Narain Bhardwaj and Mr. Satya Brata Ganguly also reappointed for a period of consecutive terms of five (5) years up to 29th May, 2019 in compliance of Clause 49 of the Listing Agreement and Section 149 (6) of the Companies Act, 2013.

## Report on Corporate Governance

Name of Director	Mr. Vinod Kumar Kothari	Mr. Raj Narain Bhardwaj	Mr. Dipak Banerjee
Date of Birth	September 01, 1961	May 08, 1945	February 19, 1946
Qualification	B.Com (Hons), FCA, FCS	B.A (Hons), M.A. (Economics)	B.Com(Hons), Chartered Accountant
Date of appointment	July 26, 2004	May 28, 2012	May 30, 2013
No. of Shares held	Nil	Nil	Nil
Chairman/member of the committee of the Board of Directors of the Company	Audit Committee - Chairman Remuneration Committee - Member	Audit Committee - Member	Remuneration Committee - Member
Expertise in specific functional areas	Securitization & Structured Finance, Credit Derivatives, Leasing & Asset Financing. He is also an expert in specialised areas of corporate law. He is a renowned author and was one of the specialist editors of Company law magnum opus, A Ramaiya's Guide to Company Law, 2011 edition and wrote the highlights and reference for Lexis Nexis publication titled The Companies Act 2013.	Securities Market, Law, Finance and Economics	Strategic Planning, Organisation Structure, Financial Control
List of other Public Ltd Companies in which directorship held	1) Greenply Industries Ltd.	1) Jaiprakash Power Ventures Ltd.	1) DIC India Ltd
	2) All Bank Finance Limited	2) Jaiprakash Associates Ltd.	2) Tata Metaliks Ltd
	3) Gontermann Peipers (I) Ltd.	3) Milestone Capital Advisors Ltd.	3) Tata Metaliks Di Pipes Ltd
		4) Microsec Financial Services Ltd.	4) Tata Sponge Iron Ltd
		5) Reliance Infratel Ltd.	5) Tinplate Co. of India Ltd
		6) Jaypee Infratech Ltd.	6) Tayo Rolls Limited
		7) Dhunseri Petrochem & Tea Ltd.	7) Mjunction Services Ltd
		8) Amtek Auto Ltd.	8) TM International Logistics Limited
		9) SBI Life Insurance Company Ltd.	9) International Shipping and Logistics Ltd, Dubai
		10) Reliance Communications Ltd.	10) Shristi Infra Development Corporation Ltd.
		11) Lanco Teesta Hydro Power Ltd.	

## Report on Corporate Governance

Name of Director	Mr. Vinod Kumar Kothari	Mr. Raj Narain Bhardwaj	Mr. Dipak Banerjee
Chairman / Member of the Committees of the Board of Directors of other Companies in which he is a Director	<b>Audit Committee</b>	<b>Audit Committee</b>	<b>Audit Committee</b>
		<i>Chairmanship</i>	<i>Chairmanship</i>
		1) Jaiprakash Associates Ltd.	1) DIC India Ltd.
		2) Invent Assets Securitization and Reconstruction (P) Ltd	2) Mjunction Services Ltd
		3) Religare Invesco Trustee Company Pvt Ltd.	3) TM International Logistics Limited
			4) Tata Metaliks Di Pipes Ltd.
			5) Shristi Infra Development Corporation Ltd
	<i>Membership</i>	<i>Membership</i>	<i>Membership</i>
	1) Greenply Industries Ltd.	1) Milestone Capital Advisors Ltd.	1) Tata Metaliks Ltd
	2) Gontermann Peipers (I) Ltd.	2) Reliance Infratel Ltd.	2) Tata Sponge Iron Ltd
		3) Microsec Financial Services Ltd.	3) Tinsplate Co. of India Ltd
		4) Jaiprakash Power Ventures Ltd.	4) Tayo Rolls Limited
		5) Lanco Teesta Hydro Power Ltd.	
		6) SBI Life Insurance Company Ltd.	
		7) Reliance Communications Ltd.	
	<b>Remuneration Committee</b>	<b>Remuneration Committee</b>	<b>Remuneration Committee</b>
	1) Greenply Industries Ltd.	1) Reliance Infratel Ltd.	1) Tata Sponge Iron Ltd
	2) Gontermann Peipers (I) Ltd.	2) Reliance Communications Ltd.	2) TM International Logistics Ltd



# Report on Corporate Governance

Name of Director	Mr. Vinod Kumar Kothari	Mr. Raj Narain Bhardwaj	Mr. Dipak Banerjee
	Shareholders/ Investors Grievance Committee	Shareholders/ Investors Grievance Committee	Shareholders/ Investors Grievance Committee
	Nil	1) Microsec Financial Services Ltd. (Chairman)	1) Shristi Infra Development Corporation Ltd.
		2) Reliance Communications Ltd (Member)	

Name of Director	Mr. Satya Brata Ganguly
Date of Birth	October 23, 1942
Qualification	Graduate of Chemical Engineering & Fellow of Plastic and Rubber Institute (London), Fellow of Institute of Chemical Engineers and also the Fellow of the Institute of Chemicals
Date of appointment	August 13, 2014
No. of Shares held	Nil
Chairman/member of the committee of the Board of Directors of the Company	Nil
List of other Public Ltd Companies in which directorship held	1) Emami Ltd 2) Paharpur Cooling Towers Ltd 3) Magma Fincorp Ltd. 4) Magma ITL Finance Ltd 5) Rupa & Co Ltd 6) Su-Kam Power Systems Ltd
Chairman / Member of the Committees of the Board of Directors of other Companies in which he is a Director	<b>Audit Committee</b> Chairmanship: 1) Emami Ltd. 2) Paharpur Cooling Towers Ltd. Membership: 1) West Bengal Industrial Development Corporation. 2) Magma Fincorp Ltd. 3) Peerless Trust Management Ltd. 4) Su-Kam Power Systems Ltd. <b>Nomination Committee &amp; Remuneration Committee</b> Chairmanship: 1) Su-Kam Power Systems Ltd. 2) Century Plyboards (I) Ltd. Membership: 1) Emami Ltd. 2) Paharpur Cooling Towers Ltd. <b>Shareholders/ Investors' Grievance Committee</b> Chairmanship: 1) Magma Fincorp Ltd. Membership : 1) Emami Ltd

## Report on Corporate Governance

Name of Director	Mr. Satya Brata Ganguly
Chairman / Member of the Committees of the Board of Directors of other Companies in which he is a Director	<b>Management Committee</b> Membership: 1) Magma Fincorp Ltd <b>Fair Practice Committee</b> Membership: 1) Magma Fincorp Ltd <b>Selection Committee</b> Membership: 1) Paharpur Cooling Towers Ltd. <b>Corporate Governance Committee</b> Chairmanship: 1) Emami Ltd.

In order to ensure compliance with the provisions of Section 152 of the Companies Act, 2013 board of directors at their meeting held on 30th May, 2014 has changed, terms of appointment of Mr. K. B. Agarwal, Managing Director from non-rotational director to a rotational director.

### 3. AUDIT COMMITTEE

#### *Composition of the Committee*

The composition of the Audit Committee is as follows:

Name of Member	Position	Category
Mr. Vinod Kumar Kothari	Chairman	Non-Executive & Independent
Mr. Sushil Patwari	Member	Non-Executive & Independent
Mr. Raj Narain Bhardwaj	Member	Non-Executive & Independent
Mr. Mukesh Agarwal	Member	Executive & Non-Independent
Mr. Ramesh Agarwal	Member	Executive & Non-Independent

The composition of the Committee meets with the requirements of Section 177 of the Companies Act, 2013 and amended Clause 49 of the Listing agreement. Members of the Audit Committee possess the requisite financial and accounting exposure/ expertise.

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

#### **Terms of Reference for the Audit Committee :**

- 1.1. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 1.2. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 1.3. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 1.4. Examination of the financial statement and the auditors' report thereon and reviewing the same 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 (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and 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;
  - g. Qualifications in the draft audit report.

## Report on Corporate Governance

- 1.5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 1.6. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 1.7. Approval or any subsequent modification of transactions of the company with related parties;
- 1.8. Scrutiny of inter-corporate loans and investments;
- 1.9. Valuation of undertakings or assets of the company, wherever it is necessary;
- 1.10. Evaluation of internal financial controls and risk management systems;
- 1.11. Monitoring the end use of funds raised through public offers and related matters;
- 1.12. 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 utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- 1.13. Reviewing, with the management, performance of statutory and internal auditors;
- 1.14. Discussion with internal auditors of any significant findings and follow up there on;
- 1.15. 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;
- 1.16. Discussion with 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;
- 1.17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 1.18. To review the functioning of the Whistle Blower mechanism;
- 1.19. 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 and background, etc. of the candidate;
- 1.20. Reviewing of following information :
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses.

### Meeting Attendance :

During the financial year ended March 31, 2014, four Audit Committee Meetings were held on May 30, 2013, July 27, 2013, November 14, 2013 and February 12, 2014. The Audit Committee also met prior to the finalization of accounts for the year ended March 31, 2014.



## Report on Corporate Governance

The attendance at the Audit Committee Meetings is as under :

Name of Member	Meetings held during the year and Attendance			
	May 30, 2013	July 27, 2013	November 14, 2013	February 12, 2014
Mr. Vinod Kumar Kothari	Present	Present	Present	Present
Mr. Sushil Patwari	Present	Present	Present	Present
Mr. Raj Narain Bhardwaj	Present	Absent	Absent	Absent
Mr. Mukesh Agarwal	Present	Present	Present	Present
Mr. Ramesh Agarwal	Present	Present	Present	Present

Mr. Vinod Kumar Kothari, Chairman of the Audit Committee attended the last Annual General Meeting held on September 28, 2013 and replied to the queries related to Accounts to the satisfaction of the shareholders.

### 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.

## 4. NOMINATION AND REMUNERATION COMMITTEE :

### Terms of Reference :

- 1.1. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- 1.2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and ensure that;
- 1.3. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- 1.4. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 1.5. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. Provided that such policy shall be disclosed in the Board's report.
- 1.6. Formulation of criteria for evaluation of Independent Directors and the Board;
- 1.7. Devising a policy on Board diversity.

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

### Composition of the Committee

The composition of the Committee meets the provision of Section 178 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

### Attendance of Directors in Meetings

No meeting of the committee was held during the year.

# Report on Corporate Governance

## 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.

Details of Remuneration of Directors for the financial year ended March 31, 2014 are given below :

#### Non-Executive Directors

Name of Directors	Sitting Fees ( ` )	Number of shares held
Mr. Raj Narain Bhardwaj	40000	Nil
Mr. Dharam Chand Jain	60000	40000
Mr. Sushil Patwari	120000	Nil
Mr. Vinod Kumar Kothari	120000	Nil
Mr. Dipak Kumar Banerjee	40,000	
<b>Total</b>	<b>400000</b>	<b>40000</b>

#### Whole-Time Directors

Name of Directors	Salary & Allowances ( ` )	Commission ( ` )	Perquisites ( ` )	Total ( ` )
Mr. Prahlad Rai Agarwala (Chairman)	3,600,000	1,200,000	434,749	5,234,749
Mr. Ghanshyam Prasad Agarwala (Vice-Chairman)	3,000,000	–	494,152	3,494,152
Mr. Kunj Bihari Agarwala (Managing Director)	3,000,000	–	526,992	3,526,992
Mr. Ramesh Agarwal	1,800,000	–	–	–
Mr. Mukesh Agarwal	1,800,000	–	–	–
<b>Total</b>	<b>13,200,000</b>	<b>1,200,000</b>	<b>1,021,144</b>	<b>12,255,893</b>

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

### Terms of Reference

Terms of Reference for the Stakeholders' Relationship Committee:

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

To ensure proper and timely attendance and redressal of grievances of security holders of the Company in relation to:

1.1. Transfer of shares,

## Report on Corporate Governance

- 1.2. Non-receipt of annual reports,
- 1.3. Non-receipt of declared dividend,
- 1.4. All such complaints directly concerning the shareholders / investors as stakeholders of the Company; and
- 1.5. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- 1.6. To review and / or approve applications for transfer, transmission, transposition and mutation of share certificates including issue of duplicate certificates and new certificates on split / sub-division / consolidation / renewal, and to deal with all related matters.
- 1.7. To review and approve requests of dematerialization and rematerialisation of securities of the Company and such other related matters;
- 1.8. Appointment and fixing of remuneration of RTA and Depositories and overseeing their performance;
- 1.9. Review the status of the litigation(s) filed by/against the security holders of the Company;
- 1.10. Review the status of claims received for unclaimed shares;
- 1.11. Allotment of rights / bonus shares / shares against Employee Stock Options;
- 1.12. Recommending measures for overall improvement in the quality of investor services;
- 1.13. Monitoring implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992;
- 1.14. Review the impact of enactments/ amendments issued by the MCA/ SEBI and other regulatory authorities on matters concerning the investors in general;
- 1.15. Such other matters as per the directions of the Board of Directors of the Company and/ or as required under Clause 49 of the Listing Agreements relating to Corporate Governance, as amended, from time to time.
- 1.16. Any other issue within terms of reference.

The Minutes of the Stakeholders' Relationship Committee meeting 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.

### Composition

The composition of the Committee of Directors is as under:

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

The composition of the Committee meets the provision of Section 178 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

### Compliance Officer

Ms. Priya Punjabi Agarwal, Company Secretary was the Compliance Officer till June 12, 2014.

The Board has appointed Mr. Sudip Chatterjee as Company Secretary, designated as Compliance Officer from June 12, 2014 onwards.

## Report on Corporate Governance

### Meeting and Attendance

During the financial year ended March 31, 2014, one meeting held on February 12, 2014

The attendance at the Committee Meeting is as under :

Name of Member	Meeting held during the year and Attendance
	February 12, 2014
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 pertaining to dividend to the satisfaction of the shareholders during the year ended March 31, 2014 were 1 (one). There were no complaints outstanding as on March 31, 2014. The number of share transfers and requests for dematerialization pending as on March 31, 2014 were Nil.

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

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Composition of the Committee

Name of Member	Category
Mr. P. R. Agarwal	Executive & Non- Independent
Mr. K. B. Agarwal	Executive & Non- Independent
Mr. Vinod Kumar Kothari	Non-Executive & Independent

The composition of the Committee complies the provision of Section 135 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

### Terms of Reference

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- To oversee and make quarterly report to the Board about the utilization of the amounts earmarked for CSR activities in terms of the CSR policy;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

## 7. 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 and in particular the investments made by the unlisted subsidiaries of the Company.

## 8. CEO AND CFO CERTIFICATION

The Chairman & Managing Director of the Company gives the annual certification on financial reporting to the Board as well as disclosed the required information to the Statutory Auditors and the Audit Committee in terms of clause 49 of the Listing Agreement. The Chairman and Managing Director also give quarterly certification on the financial results while placing before the Board in terms of Clause 41 of the Listing Agreement. The annual certification given by Chairman and Managing Director is published in this report.



## Report on Corporate Governance

### 9. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
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.
2012-2013	Merchants Chamber of Commerce Somani Conference Hall 15B Hemanta Basu Sarani, Kolkata – 700 001	28.09.2013	11.00 AM

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

(c) Passing of Resolutions by Postal Ballot: Nil

No such resolution was passed in last year's AGM that was required to be put through postal ballot.

### 10. ANNUAL CERTIFICATE FOR CODE OF CONDUCT

#### DECLARATION

As required under Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board Members and Senior Management Personnel of the Company have complied with the Code of Conduct of the Company for financial year ended 31st March 2014.

Kolkata  
30th May, 2014

**K. B. Agarwal**  
Managing Director

### 11. 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.

### 12. 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.**

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Transactions with related parties as per requirements of Accounting Standard AS 18 have been disclosed in every meeting of the Board.

**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.

## Report on Corporate Governance

### 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.

### d) Reconciliation of share capital audit

As stipulated by SEBI, a qualified Practicing 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.

## 13. 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](http://www.rupa.co.in)
- iv. No formal presentations were made to the institutional investors and analysts during the year under review.
- v. Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

## 14. GENERAL SHAREHOLDER INFORMATION

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

## 15. COMPLIANCE CERTIFICATE

### Shareholder Information :

<b>Registered Office :</b>	Metro Tower, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata – 700 071 Telephone no : +91 33 30573100.
<b>Annual General Meeting :</b>	<b>Date and Time :</b> September 11, 2014 at 11.00 A.M. <b>Venue :</b> Gyan Manch 11, Pretoria Street, Kolkata - 700071

### Financial Calendar :

<b>Financial reporting for the quarter ending June 30, 2014</b>	On or before 14.08.2014
<b>Financial reporting for the half year ending September 30, 2014</b>	On or before 14.11.2014
<b>Financial reporting for the quarter ending December 31, 2014</b>	On or before 14.02.2015
<b>Financial reporting for the year ending March 31, 2015</b>	On or before 30.05.2015

**Date of Book Closure :** September 4, 2014 to September 11, 2014 (both days inclusive)

## Report on Corporate Governance

### Dividend :

The dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid at par those members, whose names appear on the Company's Register of Members as holders of equity shares in physical form on September 4, 2014. 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 3, 2014.

### 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 group "B" and index "S&P BSE SMALL CAP" 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 2014-15.

### Stock Code :

CSE - 028161	JSE - 811	BSE - 533552	NSE - RUPA
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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 :

Month & Year	BSE			NSE		
	High	Low	Close	High	Low	Close
April 2013	187.95	155.00	165.00	170.00	162.00	165.00
May 2013	190.00	165.00	174.00	184.95	165.00	173.20
June 2013	189.80	165.00	165.00	190.40	165.00	165.00
July 2013	170.00	165.00	169.00	165.00	165.00	165.00
August 2013	173.00	157.50	165.00	168.95	164.00	165.00
September 2013	174.30	164.00	165.00	170.00	165.00	165.00
October 2013	223.00	165.00	219.70	223.95	165.00	216.00
November 2013	222.40	195.80	214.05	232.50	188.55	224.95
December 2013	222.50	203.60	215.00	224.95	220.00	220.00
January 2014	225.00	198.20	212.35	225.00	200.50	212.20
February 2014	225.00	201.05	220.50	223.65	200.55	222.00
March 2014	250.00	210.00	220.00	249.70	203.60	219.20

### Registrar and Share Transfer Agents :

Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd floor, Kolkata - 700001  
Tel : +91 33 2243 5809  
Fax : +91 33 2248 4787  
E-mail : [mdpldc@yahoo.com](mailto: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

## Report on Corporate Governance

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, 2014 :

Number of Shares	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 - 500	1351	81.6808	70284	0.0884
501 - 1000	72	4.3531	62068	0.0780
1001 - 2000	84	5.0786	156618	0.1969
2001 - 3000	10	0.6046	27632	0.0347
3001 - 4000	22	1.3301	87205	0.1097
4001 - 5000	19	1.1487	93182	0.1172
5001 - 10000	37	2.2370	314589	0.3956
10001 and above	59	3.5671	78712982	98.9795
<b>Total</b>	<b>1654</b>	<b>100.00</b>	<b>79524560</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2014 :

CATEGORY	NO. OF SHARES HELD	% OF SHARE CAPITAL
<b>A. PROMOTER'S HOLDING</b>		
<b>Promoters</b>		
a. Indian Promoters	59586390	74.93
b. Foreign Promoters	Nil	Nil
<b>Sub-total</b>	<b>59586390</b>	<b>74.93</b>
<b>B. NON-PROMOTER'S HOLDING</b>		
1. Institutional Investors		
a. Mutual Funds and UTI	304000	0.38
b. Banks, Financial Institutions, Insurance Companies	Nil	Nil
c. FIIs	Nil	Nil
<b>Sub-total</b>	<b>304000</b>	<b>0.38</b>
2. OTHERS		
a. Bodies Corporate	18414273	23.16
b. Indian Public	1208826	1.52
c. NRIs	1042	0.00
d. Others	10029	0.00
<b>Sub-total</b>	<b>19634170</b>	<b>24.69</b>
<b>GRAND TOTAL</b>	<b>79524560</b>	<b>100</b>

### Dematerialization of shares and liquidity :

As on March 31, 2014, 99.26% of the equity shares of the Company have been dematerialized. 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.



## Report on Corporate Governance

### STATUS OF DEMATERIALIZATION AS ON MARCH 31, 2014 :

PARTICULARS	NO. OF SHARES	% TOTAL CAPITAL	NO. OF ACCOUNTS
National Securities Depository Ltd. (NSDL)	77491263	97.44	918
Central Depository Services (India) Limited	1451609	1.83	498
Total Dematerialised	78917243	99.27	1402
Physical	581688	0.73	238
<b>Grand Total</b>	<b>79524560</b>	<b>100</b>	<b>1654</b>

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 125 of the Companies Act, 2013, 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:

Financial Year	Date of declaration of dividend	Due Date for transfer to IEPF
2004-2005	August 29, 2005	05.10.2012
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
2012-2013	September 28, 2013	04.10.2020

### 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.

## Report on Corporate Governance

### Plant Locations :

a)	Jalan Industrial Complex, Bombay Road (National Highway 6) P.O. - Begri, Vill - Biprannapara Howrah – 711411 (W.B.)	b)	16, Shastri Nagar 3rd Street, Angeripalayam Road Tirupur – 640 602
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### Address for Correspondence :

Registrar & Share Transfer Agents	Registered Office
<b>Maheshwari Datamatics Pvt. Ltd.</b> 6, Mangoe Lane, 2nd Floor, Kolkata - 700001 Tel : +91 33 2243 5809 Fax : +91 33 2248 4787 E-mail : mdpldc@yahoo.com	<b>M/s. Rupa &amp; Company Limited</b> Metro Tower, 8th Floor 1, Ho Chi Minh Sarani Kolkata - 700 071 Tel : (033) 3057 3100 Fax : (033) 2288 1362 E-mail : info@rupa.co.in / cs@rupa.co.in

## Report on Corporate Governance

### Auditors' Certificate

To  
The Members of  
**Rupa & company Limited**

We have examined the compliance of conditions of corporate governance by Rupa & Company Limited, for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **S.R. BATLIBOI & CO. LLP**

*Chartered Accountants*

ICAI Firm registration number : 301003E

**Bhaswar Sarkar**

*Partner*

Place : Kolkata  
Date : 30th May 2014

Membership No. : 055596

# Independent Auditors' Report

To the Members of  
**Rupa & Company Limited**

## Report on the Financial Statements

We have audited the accompanying financial statements of Rupa & Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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 accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. 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.

## Auditor's 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 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 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 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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 Companies Act, 1956 ("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 March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Emphasis of Matter

The Income tax department had conducted search and seizure operation on the Company's various locations from 7th November 2013 to 8th November 2013. As informed, no order, consequent to such operation, has so far been received by the Company and thus its impact, if any, on the Company's financial statements, is presently not ascertainable. Our opinion is not qualified in respect of this matter.

## 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.



## Independent Auditors' Report

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 purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
  - (d) The report on the accounts of the branch offices audited under section 228 by a person other than the company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of section 228 and have been dealt with in preparing our report in the manner considered necessary by us;
  - (e) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
  - (f) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

### Other Matter

We did not audit total assets of ` 1,527,359,834 as at March 31, 2014 total revenues of ` 819,905,438 and net cash outflows amounting to ` 281,050 for the year then ended, included in the accompanying financial statements in respect of branches not visited by us, whose financial statements and other financial information have been audited by other auditors and whose reports has been furnished to us. Our opinion, in so far as it relates to the affairs of such branch is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

**For S. R. BATLIBOI & CO. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E

per **Bhaswar Sarkar**

*Partner*

Membership Number : 055596

Place of Signature : Kolkata

Date : 30th May, 2014

## Annexure to the Auditors' Report

To the Members of  
**Rupa & Company Limited**

[Referred to in our report of even date]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A part of the fixed assets have been physically verified by the management during the year, based on planned programme of verifying all the assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the manufacture of Company's products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though *there has been a slight delay in few cases*. The provisions related to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess

## Annexure to the Auditors' Report

and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to excise duty are not applicable to the Company.

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
The West Bengal Value Added Tax Act, 2003	Demand relating to non-submission of Local forms and other documents/ dispute	3,914,177	2004-05	West Bengal Taxation Tribunal
		24,773,293	2005-06	West Bengal Commercial Taxes Appellate & Revisional Board
		1,115,690	2009-10	Additional Commissioner of Commercial Taxes (Appeals)
The Central Sales Tax Act, 1956	Demand relating to Non submission of C forms and other documents	5,275,206	2005-06	West Bengal Commercial Taxes Appellate & Revisional Board
		5,139,732	2009-10	Additional Commissioner of Commercial Taxes (Appeals)
The Income Tax Act, 1961	Disallowance of certain expenses	1,567,760	Assessment Year 2010-11	Commissioner of Income Tax (Appeals)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per 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 or bank. The Company did not have any outstanding debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

## Annexure to the Auditors' Report

- (xvi) 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.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S. R. BATLIBOI & CO. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E

per **Bhaswar Sarkar**

*Partner*

Place of Signature : Kolkata

Date : 30th May, 2014

Membership Number : 055596



## Balance Sheet

as at 31st March, 2014

(Amount in `)

	Notes	As at March 31, 2014	As at March 31, 2013
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	79,629,060	79,629,060
Reserves & Surplus	4	2,648,294,467	2,260,332,618
		<b>2,727,923,527</b>	<b>2,339,961,678</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	104,444,444	152,222,222
Deferred Tax Liabilities	6	159,218,307	146,647,277
Other Long Term Liabilities	7	218,375,247	178,502,709
		<b>482,037,998</b>	<b>477,372,208</b>
<b>Current Liabilities</b>			
Short Term Borrowings	8	1,703,209,567	1,873,582,710
Trade Payables	9	991,304,181	872,012,999
Other Current Liabilities	10	232,861,780	228,140,429
Short Term Provisions	11	236,729,402	231,118,050
		<b>3,164,104,930</b>	<b>3,204,854,188</b>
		<b>6,374,066,455</b>	<b>6,022,188,074</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	12	1,413,477,715	1,385,542,499
Intangible Assets	13	3,766,456	8,315,307
Capital Work-in-Progress		43,137,490	11,539,840
Non-Current Investments	14	41,215,000	41,215,000
Long Term Loans & Advances	15	145,786,965	157,553,944
Other Non Current Assets	16	3,423,758	5,449,570
		<b>1,650,807,384</b>	<b>1,609,616,160</b>
<b>Current Assets</b>			
Inventories	17	2,869,733,878	2,717,468,084
Trade Receivables	18	1,604,254,465	1,445,601,549
Cash & Bank Balances	19	54,913,486	57,357,959
Short Term Loans & Advances	20	109,564,632	117,077,694
Other Current Assets	21	84,792,610	75,066,628
		<b>4,723,259,071</b>	<b>4,412,571,914</b>
		<b>6,374,066,455</b>	<b>6,022,188,074</b>
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **S. R. BATLIBOI & CO. LLP**

Firm Registration No. 301003E

Chartered Accountants

per **Bhaswar Sarkar**

a Partner

Membership No. 055596

Place : Kolkata

Date: 30th May, 2014

For and on behalf of the Board of Directors

**P. R. Agarwala**

Chairman

**G. P. Agarwala**

Vice-Chairman

**Priya Punjabi Agarwal**

Company Secretary

**K. B. Agarwal**

Managing Director

## Statement of Profit & Loss

for the year ended 31st March, 2014

(Amount in `)

	Notes	2013-14	2012-13
<b>REVENUE</b>			
Revenue From Operations (Gross)	22	8,941,023,527	8,558,218,919
Less: Excise Duty		–	393,995,102
Revenue From Operations (Net)		8,941,023,527	8,164,223,817
Other Income	23	70,256,226	9,756,912
<b>Total Revenue</b>		<b>9,011,279,753</b>	<b>8,173,980,729</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	4,420,296,384	4,558,670,046
Purchases of traded goods	25	335,824,431	310,363,936
(Increase) in inventories of Finished Goods, Work-in-Progress and traded goods	26	(76,117,135)	(597,090,423)
Employee Benefits Expense	27	148,605,628	121,282,215
Finance Cost	28	245,181,361	208,860,765
Depreciation & Amortisation Expense	29	111,750,233	66,293,510
Other Expenses	30	2,868,406,575	2,590,574,396
<b>Total Expenses</b>		<b>8,053,947,477</b>	<b>7,258,954,445</b>
<b>Profit before tax</b>		<b>957,332,276</b>	<b>915,026,284</b>
Tax Expense			
Current Tax		324,200,000	277,000,000
Deferred Tax		12,571,030	20,449,038
<b>Profit for the year</b>		<b>620,561,246</b>	<b>617,577,246</b>
<b>Earnings per Equity Share - Basic and Diluted (Nominal value per equity share ` 1)</b>	38	7.80	7.77
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **S. R. BATLIBOI & CO. LLP**

Firm Registration No. 301003E

Chartered Accountants

per **Bhaswar Sarkar**

a Partner

Membership No. 055596

Place : Kolkata

Date: 30th May, 2014

For and on behalf of the Board of Directors

**P. R. Agarwala**  
Chairman

**G. P. Agarwala**  
Vice-Chairman

**Priya Punjabi Agarwal**  
Company Secretary

**K. B. Agarwal**  
Managing Director

## Cash Flow Statement

for the year ended 31st March, 2014

(Amount in ` )

	March 31, 2014		March 31, 2013	
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>				
Profit Before Tax		957,332,276		915,026,284
Adjustment to reconcile profit before tax to net cash flows				
(a) Depreciation and Amortisation	111,750,233		66,293,510	
(b) Finance Cost	245,181,361		208,860,765	
(c) Loss on Sale of Fixed Assets (net)	165,023		2,746,874	
(d) Bad debts / advances written off	11,517,114		4,540,023	
(e) Unspent Liabilities written back	(38,098,618)		–	
(f) Interest Income	(7,045,255)	323,469,858	(6,372,027)	276,069,145
Operating Profit before Working Capital Changes		1,280,802,134		1,191,095,429
Changes in Working capital				
(a) Increase in Other Long Term Liabilities	39,872,538		35,827,920	
(b) Increase in Trade Payables	119,291,182		65,408,333	
(c) Increase in Other Current Liabilities	27,268,920		133,272,781	
(d) (Increase) / Decrease in Short-term Loans & Advances	7,513,062		(25,328,392)	
(e) Increase in Long-term Loans & Advances	(1,483,581)		(3,071,665)	
(f) Increase in Inventories	(152,265,794)		(650,821,942)	
(g) Increase in Trade Receivables	(170,170,030)		(217,739,886)	
(h) Increase in Other Current Assets	(9,725,982)	(139,699,685)	(24,546,868)	(686,999,719)
Cash Generated from Operations		1,141,102,449		504,095,710
Less : (a) Direct Taxes Paid		(365,108,528)		(252,845,147)
Add : (a) Interest received from Operating Activities		5,298,077		4,749,657
Net Cash from Operating Activities		781,291,998		256,000,220
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES</b>				
(a) Sale of Fixed Assets		–		1,767,920
(b) Interest received		1,747,178		1,622,370
(c) Purchase of Fixed Assets		(156,456,910)		(306,988,017)
(d) Investment in Fixed Deposits (net)		(11,478,702)		5,145,816
Net Cash used in Investing Activities		(166,188,434)		(298,451,911)

## Cash Flow Statement

for the year ended 31st March, 2014

(Amount in `)

	March 31, 2014	March 31, 2013
<b>C. CASH FLOW ARISING FORM FINANCING ACTIVITIES</b>		
(a) Dividend and Dividend Tax paid	(185,978,144)	(138,548,138)
(b) Finance Cost	(242,479,042)	(208,860,765)
(c) Proceed of Long Term Borrowings	70,000,000	100,000,000
(d) Repayment of Long Term Borrowings	(102,222,222)	(107,777,778)
(e) Proceed / (Repayment) of ShortTerm Borrowings (net)	(170,373,143)	402,702,564
<b>Net Cash from Financing Activities</b>	<b>(631,052,551)</b>	<b>47,515,883</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>(15,948,987)</b>	<b>5,064,192</b>
Cash & Cash Equivalents at the beginning of the year #	56,309,328	51,245,136
<b>Cash &amp; Cash Equivalents at the end of the year #</b>	<b>40,360,341</b>	<b>56,309,328</b>

# as disclosed in Note 19 and Includes ` 945,694 (31st March, 2013 : ` 844,320) lying in unclaimed dividend account and ` 1,900,000 (31st March, 2013 : Nil) seized by the income tax department (refer note 31), being the amount available for restricted use.

As per our report of even date

For **S. R. BATLIBOI & CO. LLP**

Firm Registration No. 301003E

Chartered Accountants

per **Bhaswar Sarkar**

a Partner

Membership No. 055596

Place : Kolkata

Date: 30th May, 2014

For and on behalf of the Board of Directors

**P. R. Agarwala**

Chairman

**G. P. Agarwala**

Vice-Chairman

**Priya Punjabi Agarwal**

Company Secretary

**K. B. Agarwal**

Managing Director

## Notes to the Financial Statements

(Amount in `)

### 1. CORPORATE INFORMATION

Rupa & Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 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. The Company is engaged in manufacture of hosiery products in knitted undergarments, casual wears and thermal wears. It also has a Power Generation Unit operated on Windmill process.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The financial statements of the Company 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 respects with the accounting standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4th April, 2014, issued by the Ministry of Corporate Affairs. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 2.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### 2.3 Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

"Depreciation is provided on a pro-rata basis on the straight-line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, or at the rates determined based on the useful lives of the respective assets, as estimated by the management, whichever is higher. The rates determined based on the useful lives coincides with the rates prescribed in Schedule XIV of the Companies Act, 1956.

Leasehold land is amortized on a straight line basis over the period of lease, i.e., 86 years."

#### 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 economic 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



## Notes to the Financial Statements

(Amount in `)

the Statement of Profit & Loss. The useful lives over which intangible assets are amortised are as under:

Assets	Useful Life (in years)
Copyrights & Trade marks	10
Computer Software	5

### 2.5 Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### 2.6 Impairment

The carrying amount of assets (tangible and intangible) is reviewed at each balance sheet date, to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount which is the greater of net selling price and value in use of the respective assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### 2.7 Investments

Investments, which are readily realizable and 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.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### 2.8 Inventories

Raw materials and packing materials are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and packing materials is determined on a first in first out basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Work-in-progress is determined on First in First out basis and cost of finished goods is determined on Retail sales price method.

## Notes to the Financial Statements

(Amount in `)

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods is determined on First in First out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 2.9 Foreign Currency Transactions

#### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

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.

### 2.10 Revenue Recognition

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

**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. Sales are net of discounts, incentives, rebates and sales taxes. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenues.

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

**Interest :** Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**Dividend :** Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

**Export Incentives :** Export incentives are recognised when the right to receive such incentives as per the applicable terms is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate realisation / utilisation of such incentives.

## Notes to the Financial Statements

(Amount in ` )

Insurance and other claims due to uncertainty in realisation are accounted for on acceptance basis.

### 2.11 Employee Benefits

- (i) **Provident Fund** : Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.
- (ii) **Gratuity** : The company operates defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses is recognized in full in the period in which they occur in the statement of profit and loss.

### 2.12 Taxes on Income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### 2.13 Provisions and Contingent Liabilities

**Provisions** : A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**Contingent Liabilities** : A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

## Notes to the Financial Statements

(Amount in `)

### 2.14 Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

### 2.15 Government Grants

Grants and subsidies from the government are recognized when there is reasonable assurance that the company will comply with the conditions attached to them, and the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoter's contribution are credited to Capital reserve and treated as a part of Shareholder's funds.

### 2.16 Segment Reporting

Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard – 17, the Company is predominantly engaged in a single segment of Garments & Hosiery goods and related services during the year. The analysis of geographical segments is based on the areas in which customers of the Company are located.

### 2.17 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### 2.18 Earnings Per Share

Basic earnings per share are 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.

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 are adjusted for the effects of all dilutive potential equity shares.

## Notes to the Financial Statements

(Amount in ` )

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 3 SHARE CAPITAL</b>		
<b>Authorised :</b>		
200,000,000 (31st March, 2013: 200,000,000) Equity Shares of ` 1/- each	200,000,000	200,000,000
<b>Issued :</b>		
79,733,560 (31st March, 2013: 79,733,560) Equity Shares of ` 1/- each	79,733,560	79,733,560
<b>Subscribed and paid up :</b>		
79,524,560 (31st March, 2013: 79,524,560) Equity Shares of ` 1/- each, fully paid-up	79,524,560	79,524,560
209,000 (31st March, 2013: 209,000) Forfeited Shares of ` 1/- each ` 0.50/- per share paid up	104,500	104,500
	<b>79,629,060</b>	<b>79,629,060</b>

a) There is no change in the number of shares in the current year and last year.

b) **Terms / Rights attached in Equity Shares**

The Company has only one class of equity shares having a par value of ` 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2014 the Company has proposed a final dividend of ` 2.50 per share (31st March, 2013 : ` 2 per share).

c) Aggregate number of shares issued for consideration other than cash during the period of five year immediately preceeding the reporting date.

	No. of Shares	
	As at March 31, 2014	As at March 31, 2013
Equity Shares allotted as fully paid up pursuant to contracts for consideration other than cash	—	19,483,560

The shares were issued other than cash in the year 2008-09. Accordingly, the disclosure for the same is not made in 2013-14.

d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	%	No. of Shares	%
<b>Equity Shares of ` 1/- each, fully paid up</b>				
Rajnish Enterprises Ltd.	15,821,190	19.89%	15,821,190	19.89%
Karuna Impex Enterprises Limited	8,650,000	10.88%	8,650,000	10.88%
Prahlad Rai Agarwala	8,041,080	10.11%	8,041,080	10.11%
Kunj Bihari Agarwal	7,278,000	7.54%	7,278,000	7.54%
Ghanshyam Prasad Agarwala	7,240,910	7.54%	7,240,910	7.54%
Purvanchal Leasing Ltd.	5,807,670	7.30%	5,807,670	7.30%

As per records of the Company, including its register of shareholders / members as on 31st March, 2014, the above shareholding represents legal ownership of shares.



## Notes to the Financial Statements

(Amount in `)

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 4 RESERVES &amp; SURPLUS</b>		
<b>Capital Subsidy</b>		
Balance as per the last financial statement	6,075,040	6,075,040
<b>General Reserve</b>		
Balance as per the last financial statement	227,174,041	197,174,041
Add : Transferred from Surplus in Statement of Profit & Loss	100,000,000	30,000,000
Balance as at the end of the year	327,174,041	227,174,041
<b>Securities Premium Account</b>		
Balance as per the last financial statement	688,030,890	688,030,890
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as per the last financial statement	1,339,052,647	937,554,919
Profit for the year	620,561,246	617,577,246
<b>Less : Appropriations</b>		
Proposed final equity dividend (` 2.50 (31st March, 2013 : ` 2) per share)	198,811,400	159,049,120
Tax on proposed equity dividend	33,787,997	27,030,398
Transfer to General Reserve	100,000,000	30,000,000
<b>Total Appropriations</b>	332,599,397	216,079,518
<b>Net Surplus in the Statement of Profit &amp; Loss</b>	1,627,014,496	1,339,052,647
<b>Total Reserves &amp; Surplus</b>	2,648,294,467	2,260,332,618

	Non Current Portion		Current Maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>NOTE 5 LONG TERM BORROWINGS</b>				
<b>Secured :</b>				
Term Loans				
<b>Indian Rupee loans from Banks</b>	104,444,444	152,222,222	117,777,778	102,222,222
	104,444,444	152,222,222	117,777,778	102,222,222
Less : Amount disclosed under the head "Other Current Liabilities" (Note 10)	—	—	(117,777,778)	(102,222,222)
	104,444,444	152,222,222	—	—

Term loan from a bank is secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed assets of Domjur Unit. Further term loan of ` 80,000,000 (31st March, 2013 : ` 160,000,000) is secured by personal guarantee of 3 Directors of the Company and Corporate Guarantee given by Rupa Global Private Limited and term loan of ` 72,222,222 (31st March, 2013 : ` 94,444,444) is secured by personal guarantee of 3 Directors of the Company.

Term loan of ` 80,000,000 (31st March, 2013 : ` 160,000,000) is repayable in quarterly installments of ` 20,000,000 by 13th March, 2015 and carries interest @12.50% per annum. Term Loan of ` 72,222,222 (31st March, 2013 : ` 94,444,444) is repayable in 18 equal quarterly installments of ` 5,555,556 by 14th June, 2017 and carries interest @ 12.40% per annum. Term Loan of ` 70,000,000 (31st March, 2013 : ` NIL) is repayable in 18 equal quarterly installments of ` 3,888,889 starting from 28th June, 2014 and ending on 28th September, 2019 and carries interest @ 12.30% per annum.

## Notes to the Financial Statements

(Amount in `)

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 6 DEFERRED TAX LIABILITIES</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	159,218,307	146,647,277
<b>Deferred Tax Liabilities</b>	<b>159,218,307</b>	<b>146,647,277</b>
<b>NOTE 7 OTHER LONG TERM LIABILITIES</b>		
Security Deposits from Customers	218,375,247	178,502,709
	<b>218,375,247</b>	<b>178,502,709</b>
<b>NOTE 8 SHORT TERM BORROWINGS</b>		
<b>Secured :</b>		
<b>From Banks</b>		
Cash Credit	542,981,446	365,407,871
Working Capital Demand Loans		
Indian Rupee loans	1,040,028,494	880,000,000
Foreign Currency loans	120,199,627	628,174,839
	<b>1,703,209,567</b>	<b>1,873,582,710</b>
Cash Credit including Working Capital Demand Loan from banks are secured by hypothecation of inventories, book debts and other current assets and further secured by second charge of movable and immovable fixed assets of Domjur Unit.		
Working Capital Demand Loans are repayable in 7 days to 360 days and carries interest @4.16% p.a. to 10.85% p.a. (31st March, 2013 : 4.00% p.a. to 11.50% p.a.)		
Cash Credit are repayable on demand and carries interest @ 10.50% p.a. to 12.50% p.a. (31st March, 2013: 11.25 % p.a. to 13.25% p.a.)		
<b>NOTE 9 TRADE PAYABLES</b>		
<b>Trade payables</b>		
Due to Micro and Small Enterprises (Refer Note 35)	51,753,343	43,399,186
Due to Others	939,550,838	828,613,813
	<b>991,304,181</b>	<b>872,012,999</b>
<b>NOTE 10 OTHER CURRENT LIABILITIES</b>		
Capital Creditors	1,252,274	4,060,474
Current Maturities of Long Term Borrowings (Note 5)	117,777,778	102,222,222
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	945,694	844,320
Advances from customers	16,049,746	15,995,560
Interest Accrued but not due on borrowings	4,613,991	1,911,672
Statutory dues payable	67,581,146	63,934,551
Book overdraft in Current Account	1,204,524	1,897,854
Payable to employees	22,548,616	36,887,824
Others	888,011	385,952
	<b>232,861,780</b>	<b>228,140,429</b>

## Notes to the Financial Statements

(Amount in `)

		As at March 31, 2014	As at March 31, 2013
<b>NOTE 11</b>	<b>SHORT TERM PROVISIONS</b>		
	Provision of Income tax (Net of Advance)	4,130,005	45,038,532
	Proposed Equity Dividend	198,811,400	159,049,120
	Tax on proposed Equity dividend	33,787,997	27,030,398
		<b>236,729,402</b>	<b>231,118,050</b>

	Land		Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Lease Hold						
<b>NOTE 12</b>	<b>TANGIBLE ASSETS</b>							
<b>Cost</b>								
As at April 1, 2012	53,932,855	13,023,384	398,026,073	755,586,558	45,158,701	28,046,834	35,309,759	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
<b>As at March 31, 2013</b>	<b>73,820,449</b>	<b>13,023,384</b>	<b>559,569,262</b>	<b>868,503,540</b>	<b>56,064,148</b>	<b>36,364,444</b>	<b>43,066,915</b>	<b>1,650,412,142</b>
Additions	23,064,814	-	25,948,776	72,128,773	3,799,979	5,790,023	4,569,255	135,301,620
Disposals	-	-	-	168,380	-	-	40,075	208,455
<b>As at March 31, 2014</b>	<b>96,885,263</b>	<b>13,023,384</b>	<b>585,518,038</b>	<b>940,463,933</b>	<b>59,864,127</b>	<b>42,154,467</b>	<b>47,596,095</b>	<b>1,785,505,307</b>
<b>Depreciation</b>								
As at April 1, 2012	-	-	37,375,379	125,725,688	21,554,539	8,797,116	18,673,842	212,126,564
Charge for the year	-	-	10,548,963	38,026,181	3,421,084	3,172,119	2,698,054	57,866,401
Disposals	-	-	-	2,085,681	39,204	2,987,230	11,207	5,123,322
<b>As at March 31, 2013</b>	<b>-</b>	<b>-</b>	<b>47,924,342</b>	<b>161,666,188</b>	<b>24,936,419</b>	<b>8,982,005</b>	<b>21,360,689</b>	<b>264,869,643</b>
Charge for the year	-	605,740 *	13,398,350	82,393,530	3,613,359	3,802,870	3,387,533	107,201,382
Disposals	-	-	-	35,774	-	-	7,659	43,433
<b>As at March 31, 2014</b>	<b>-</b>	<b>605,740</b>	<b>61,322,692</b>	<b>244,023,944</b>	<b>28,549,778</b>	<b>12,784,875</b>	<b>24,740,563</b>	<b>372,027,592</b>
<b>Net Block</b>								
<b>At March 31, 2013</b>	<b>73,820,449</b>	<b>13,023,384</b>	<b>511,644,920</b>	<b>706,837,352</b>	<b>31,127,729</b>	<b>27,382,439</b>	<b>21,706,226</b>	<b>1,385,542,499</b>
<b>At March 31, 2014</b>	<b>96,885,263</b>	<b>12,417,644</b>	<b>524,195,346</b>	<b>696,439,989</b>	<b>31,314,349</b>	<b>29,369,592</b>	<b>22,855,532</b>	<b>1,413,477,715</b>

\* includes ` 454,305 for earlier years.

## Notes to the Financial Statements

(Amount in `)

		Copyrights and Trademarks	Computer Software	Total
<b>NOTE 13</b>	<b>INTANGIBLE ASSETS</b>			
<b>Cost</b>				
At April 1, 2012		65,000,000	24,424,735	89,424,735
Additions		–	4,325,157	4,325,157
<b>At March 31, 2013</b>		<b>65,000,000</b>	<b>28,749,892</b>	<b>93,749,892</b>
<b>At March 31, 2014</b>		<b>65,000,000</b>	<b>28,749,892</b>	<b>93,749,892</b>
<b>Amortisation</b>				
At April 1, 2012		56,501,370	20,506,106	77,007,476
Charge for the year		6,500,000	1,927,109	8,427,109
<b>At March 31, 2013</b>		<b>63,001,370</b>	<b>22,433,215</b>	<b>85,434,585</b>
Charge for the year		1,998,630	2,550,221	4,548,851
<b>At March 31, 2014</b>		<b>65,000,000</b>	<b>24,983,436</b>	<b>89,983,436</b>
<b>Net Block</b>				
<b>At March 31, 2013</b>		<b>1,998,630</b>	<b>6,316,677</b>	<b>8,315,307</b>
<b>At March 31, 2014</b>		<b>–</b>	<b>3,766,456</b>	<b>3,766,456</b>

		As at March 31, 2014	As at March 31, 2013
<b>NOTE 14</b>	<b>NON-CURRENT INVESTMENTS (FULLY PAID UP) (AT COST)</b>		
<b>Trade Investments</b>			
<b>Unquoted Equity Shares</b>			
<b>Investment in Subsidiaries</b>			
10,000 (31st March, 2013: 10,000) Equity Shares of ` 10 each in Imoogi Fashions Pvt. Ltd.		100,000	100,000
41,00,000 (31st March, 2013: 41,00,000) Equity Shares of ` 10 each in Euro Fashion Inners International Pvt. Ltd.		41,000,000	41,000,000
<b>Investment in Others</b>			
1,500 (31st March, 2013: 1,500) Equity Shares of ` 10 each in West Bengal Hosiery Park Infrastructure Limited		15,000	15,000
		<b>41,115,000</b>	<b>41,115,000</b>
<b>Non-Trade Investments</b>			
<b>In Mutual Funds (quoted)</b>			
10,000 (31st March, 2013: 10,000) Mutual Fund Units of ` 10 each in Morgan Stanley Growth Fund		100,000	100,000
		<b>100,000</b>	<b>100,000</b>
		<b>41,215,000</b>	<b>41,215,000</b>
Aggregate amount of quoted investments		100,000	100,000
Market Value of quoted investments		734,130	631,780
Aggregate amount of unquoted investments		41,115,000	41,115,000

## Notes to the Financial Statements

(Amount in `)

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 15 LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Capital Advances	132,448,972	145,699,532
Security Deposits	13,337,993	11,854,412
	<b>145,786,965</b>	<b>157,553,944</b>
<b>NOTE 16 OTHER NON CURRENT ASSETS</b>		
<b>Unsecured, considered good</b>		
Non-Current bank balances (Note 19)	3,423,758	5,449,570
	<b>3,423,758</b>	<b>5,449,570</b>
<b>NOTE 17 INVENTORIES</b>		
<b>(At lower of cost and net realisable value)</b>		
Raw Materials & Packing Materials	341,137,493	264,988,834
Work In Progress	1,046,306,492	1,069,174,536
Finished Goods	1,450,480,674	1,363,932,931
Traded Goods	31,809,219	19,371,783
	<b>2,869,733,878</b>	<b>2,717,468,084</b>
<b>Note</b>		
The above includes Stock in transit		
Raw Material	16,930,556	8,576,609
Finished Goods	7,526,118	2,250,662
<b>NOTE 18 TRADE RECEIVABLES</b>		
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	27,674,829	23,466,530
Other receivables	1,576,579,636	1,422,135,019
	<b>1,604,254,465</b>	<b>1,445,601,549</b>



## Notes to the Financial Statements

(Amount in `)

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 19 CASH AND BANK BALANCES</b>		
<b>Cash and Cash equivalents</b>		
Cash on hand (Refer Note 31)	4,737,647	1,533,591
Balances with Banks		
On current accounts	25,815,220	44,859,773
On cash credit account	8,861,780	–
Unpaid dividend account	945,694	844,320
Deposits with original maturity of less than 3 months	–	9,071,644
	<b>40,360,341</b>	<b>56,309,328</b>
Other bank balances (*)		
Deposits with original maturity of more than 3 months but less than 12 months	–	1,048,631
Deposits with original maturity of more than 12 months	17,976,903	5,449,570
	17,976,903	6,498,201
Less : Amount disclosed under "Other Non-Current Assets" (Note 16)	(3,423,758)	(5,449,570)
	<b>14,553,145</b>	<b>1,048,631</b>
	<b>54,913,486</b>	<b>57,357,959</b>

(\*) Held as lien by bank against bank guarantees

<b>NOTE 20 SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured, considered good</b>		
Loans and advances to Subsidiaries (Refer Note 41)	33,004,211	20,804,039
Advances recoverable in cash or kind	74,923,892	85,767,999
<b>Other loans and advances :</b>		
Advance Income Tax (Net of Provision)	–	–
Prepaid Expenses	898,694	8,660,575
Loans to Employees	737,835	1,845,081
<b>Total</b>	<b>109,564,632</b>	<b>117,077,694</b>

<b>NOTE 21 OTHER CURRENT ASSETS</b>		
<b>Unsecured, considered good</b>		
Claims & Refund Receivable	77,792,610	75,066,628
Forward Contract Receivable	7,000,000	–
	<b>84,792,610</b>	<b>75,066,628</b>

## Notes to the Financial Statements

(Amount in `)

	2013-14	2012-13
<b>NOTE 22 REVENUE</b>		
<b>Revenue from Operations</b>		
<b>Sale of Products :</b>		
Finished goods	8,217,601,631	7,988,948,302
Semi finished goods	195,341,666	21,214,056
Traded goods	345,606,154	347,700,074
<b>Sale of Services</b>	137,342,179	156,742,414
<b>Other Operating Revenue :</b>		
Sale of Power	8,970,900	9,616,195
Scrap sale	8,087,467	6,398,163
Sales Tax Subsidy	13,762,482	12,446,609
Export Incentive	14,311,048	15,153,106
<b>Revenue from Operations (Gross)</b>	<b>8,941,023,527</b>	<b>8,558,218,919</b>
Less : Excise Duty	—	393,995,102
<b>Revenue from Operations (Net)</b>	<b>8,941,023,527</b>	<b>8,164,223,817</b>

Note : Excise Duty on sales amounting to Nil (March 31, 2013 : ` 393,995,102) has been reduced from sales in Statement of profit & loss and excise duty on increase/(decrease) in stock amounting to Nil (March 31, 2013 : ` (70,223,292)) has been considered as income/expense in note 30 of financial statements.

Hosiery products has been exempted from excise duty w.e.f. 1st March, 2013 by Government of India.

Sales are net of discount and rebates amounting to ` 609,879,696 (31st March, 2013: ` 514,768,379)

<b>Details of Product Sold :</b>		
<b>Finished Goods Sold</b>		
Hosiery Goods	8,217,601,631	7,988,948,302
<b>Semi Finished Goods Sold</b>		
Processed Yarn	33,403,569	3,087,214
Processed Fabric	161,938,097	18,126,842
	<b>195,341,666</b>	<b>21,214,056</b>
<b>Traded Goods :</b>		
Hosiery Goods	333,665,036	331,895,944
Garments	11,941,118	15,804,130
	<b>345,606,154</b>	<b>347,700,074</b>
<b>Details of Services rendered :</b>		
Dyeing, Bleaching & Knitting	137,342,179	156,742,414
	<b>8,895,891,630</b>	<b>8,514,604,846</b>

## Notes to the Financial Statements

(Amount in ` )

	2013-14	2012-13
<b>NOTE 23 OTHER INCOME</b>		
<b>Interest Income</b>		
on Bank Deposits	1,747,178	1,054,920
on Receivables	5,298,077	4,749,657
on Others	–	567,450
Unspent Liabilities written back	38,098,618	–
Insurance & Other Claims Received	17,316,281	–
Miscellaneous Income	7,796,072	3,384,885
<b>Total</b>	<b>70,256,226</b>	<b>9,756,912</b>
<b>NOTE 24 COST OF MATERIALS CONSUMED</b>		
<b>Opening Inventory</b>	264,988,834	181,671,532
Add : Purchases	4,496,445,043	4,641,987,348
Less : Inventory at the end of the year	341,137,493	264,988,834
<b>Cost of raw materials consumed</b>	<b>4,420,296,384</b>	<b>4,558,670,046</b>
<b>Details of Raw Materials Consumed</b>		
Yarn/Than	3,541,649,645	3,643,553,886
Packing material	575,914,930	632,587,886
Elastic, Accessories & Other Material	302,731,809	282,528,274
<b>Total</b>	<b>4,420,296,384</b>	<b>4,558,670,046</b>
<b>NOTE 25 PURCHASES OF TRADED GOODS</b>		
Hosiery Goods	316,284,307	292,599,792
Garments	19,540,124	17,764,144
<b>Total</b>	<b>335,824,431</b>	<b>310,363,936</b>
<b>NOTE 26 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN- PROGRESS AND STOCK-IN-TRADE</b>		
<b>Stock at the end of the year :</b>		
Finished Goods	1,450,480,674	1,363,932,931
Traded Goods	31,809,219	19,371,783
Work-in-Progress	1,046,306,492	1,069,174,536
	<b>2,528,596,385</b>	<b>2,452,479,250</b>
<b>Stock at the beginning of the year :</b>		
Finished Goods	1,363,932,931	948,817,061
Traded Goods	19,371,783	15,076,511
Work-in-Progress	1,069,174,536	921,081,038
	<b>2,452,479,250</b>	<b>1,884,974,610</b>
<b>Loss of Stock due to Fire :</b>		
Finished Goods	–	29,585,783
	<b>2,528,596,385</b>	<b>1,855,388,827</b>
	<b>(76,117,135)</b>	<b>(597,090,423)</b>

## Notes to the Financial Statements

(Amount in `)

		2013-14	2012-13
<b>NOTE</b>	<b>26 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN- PROGRESS AND STOCK-IN-TRADE</b>		
	<b>Details of Inventory :</b>		
	<b>Finished Goods</b>		
	Hosiery Goods	1,450,480,674	1,363,932,931
	<b>Traded Goods :</b>		
	Garments	31,809,219	19,371,783
	<b>Work-in-Progress :</b>		
	Hosiery Goods	1,046,306,492	1,069,174,536
<b>NOTE</b>	<b>27 EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries, Wages and Bonus	143,873,589	117,738,607
	Contribution to Provident and Other Funds	1,807,228	1,488,910
	Gratuity (Refer note 36)	1,792,318	1,217,636
	Staff Welfare Expenses	1,132,493	837,062
	<b>Total</b>	<b>148,605,628</b>	<b>121,282,215</b>
<b>NOTE</b>	<b>28 FINANCE COST</b>		
	Interest Expense	214,991,202	182,551,523
	Exchange difference to the extent considered as an adjustment to the borrowing cost	21,233,892	17,671,278
	Bank Charges	8,956,267	8,637,964
	<b>Total</b>	<b>245,181,361</b>	<b>208,860,765</b>
<b>NOTE</b>	<b>29 DEPRECIATION &amp; AMORTISATION EXPENSE</b>		
	Depreciation of Tangible assets	107,201,382	57,866,401
	Amortisation of Intangible assets	4,548,851	8,427,109
	<b>Total</b>	<b>111,750,233</b>	<b>66,293,510</b>
<b>NOTE</b>	<b>30 OTHER EXPENSES</b>		
	Consumption of stores and spares	1,299,131	727,876
	Sub-contracting /Job Worker expenses	1,456,323,181	1,476,796,667
	Excise duty	–	(70,223,292)
	Power & Fuel (Including ` 6,629,400 for earlier year)	99,498,362	100,071,718
	Freight outwards and Forwarding expenses	71,259,803	59,719,364
	Rent	12,808,603	10,068,175
	Rates and Taxes	6,232,291	17,176,760
	Insurance	4,263,535	3,769,306

## Notes to the Financial Statements

(Amount in `)

	2013-14	2012-13
<b>NOTE 30 OTHER EXPENSES (Contd.)</b>		
<b>Repairs and Maintenance :</b>		
- Plant and Machinery	9,587,327	7,864,044
- Others (Including ` 4,732,283 for earlier year)	24,446,199	9,657,555
Advertising	692,690,547	600,757,737
Dealer's Incentive & Sales Promotion	108,458,669	101,935,585
Business Convention	28,606,806	11,680,958
Brokerage (Including ` 878,711 for earlier year)	119,846,545	94,751,008
Travelling and Conveyance	55,271,912	51,047,310
Communication costs	14,921,710	10,205,261
Legal and Professional fees	15,389,205	12,950,976
Directors' Sitting fees	400,000	400,000
Payment to auditor (refer note below)	1,997,227	474,532
Net foreign exchange loss	78,071,482	14,059,405
Bad Debts/ advance written off	11,517,114	4,540,023
Loss on sale of fixed assets (net)	165,023	2,746,874
Loss of Stock due to fire	-	29,585,783
Miscellaneous expenses	55,351,903	39,810,771
<b>Total</b>	<b>2,868,406,575</b>	<b>2,590,574,396</b>
<b>Note :</b>		
<b>Payment to Auditor :</b>		
<b>As auditor :</b>		
- For Statutory Audit	850,000	363,090
- For Limited Reviews	625,000	30,309
- For Others	250,000	-
Other services	-	81,133
Out of pocket expenses	52,525	-
Service tax	219,702	-
<b>Total</b>	<b>1,997,227</b>	<b>474,532</b>

### NOTE 31

The Income Tax Department had conducted a search and seizure operation on the Company's various locations from 7th November, 2013 to 8th November, 2013 under section 132 of the Income Tax Act, 1961. No order/demand, consequent to search operation, has so far been received by the Company from the Income Tax Department and thus liability, if any, arising out of such search and seizure is not presently ascertainable. The Income Tax Department has seized ` 1,900,000 during the search and seizure which is disclosed under Cash on Hand in Note 19.



## Notes to the Financial Statements

(Amount in `)

		As at March 31, 2014	As at March 31, 2013
<b>NOTE 32</b>	<b>CAPITAL AND OTHER COMMITMENTS</b>		
	Estimated amount of contracts remaining to be executed and not provided for (net of advances)	16,950,000	950,000
<b>NOTE 33</b>	<b>CONTINGENT LIABILITIES</b>		
	a) Demands / claims by various government authorities and others not acknowledged as debts and contested by the government		
	Income Tax matters	1,567,760	1,567,760
	Sales Tax matters	40,218,098	37,786,265
		<b>41,785,858</b>	<b>39,354,025</b>
	b) Bank Guarantees outstanding	22,697,424	62,487,257
	c) Letter of Credits issued by the Banks	17,147,802	–

\* The management believes that it is possible but not probable that action will succeed and accordingly no provision there against is considered necessary

### **NOTE 34**

During the year, the Company has challenged, before the Honorable High Court of Calcutta, the imposition of entry tax by the State Government of West Bengal on receipt of materials from outside the state on the ground that such imposition of entry tax is ultra vires / unconstitutional. The Company has received a favorable interim order dated June 5, 2013 and the matter is presently sub judice.

<b>NOTE 35</b>	<b>DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006 INCLUDED IN TRADE PAYABLES</b>		
	Principal amount remaining unpaid to any supplier at the end of accounting year	50,779,193	43,399,186
	Interest due on above	974,150	–
	<b>Total</b>	<b>51,753,343</b>	<b>43,399,186</b>
	Amount of interest paid by the Company to the suppliers in terms of section 16 of the MSMED Act, 2006	–	–
	Amount paid to the suppliers beyond the respective due date	–	–
	Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	–	–
	Amount of interest accrued and remaining unpaid at the end of accounting year	974,150	–
	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act	–	–

## Notes to the Financial Statements

(Amount in `)

### NOTE 36 EMPLOYEE BENEFIT (DEFINED BENEFIT PLAN)

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the plan.

	2013-14	2012-13
<b>Statement of Profit and Loss</b>		
<b>Net employee benefit expense recognized in employee costs</b>		
Current service cost	1,581,801	893,735
Interest cost on benefit obligation	1,013,421	632,773
Expected return on plan assets	(1,117,263)	(825,976)
Net actuarial (gain) / loss recognized in the year	314,359	517,104
<b>Net benefit expense</b>	<b>1,792,318</b>	<b>1,217,636</b>
Actual return on plan assets	1,020,224	825,976
	<b>As at</b>	<b>As at</b>
	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>Balance Sheet</b>		
<b>Net Benefit liability / (asset)</b>		
Present value of defined benefit obligation	12,666,499	9,853,957
Fair value of plan assets	13,220,297	11,607,772
<b>Plan asset / (liability)</b>	<b>553,798</b>	<b>1,753,815</b>
<b>Changes in the present value of the defined benefit obligation are as follows :</b>		
Opening defined benefit obligation	9,853,957	7,909,665
Current service cost	1,581,801	893,735
Interest cost	1,013,421	632,773
Benefits paid	-	(99,320)
Actuarial (gains) / losses on obligation	217,320	517,104
<b>Closing defined benefit obligation</b>	<b>12,666,499</b>	<b>9,853,957</b>
<b>Changes in the fair value of plan assets are as follows :</b>		
Opening fair value of plan assets	11,607,772	9,053,068
Expected return	1,117,263	825,976
Contributions by employer	592,301	1,828,048
Benefits paid	-	(99,320)
Actuarial gains / (losses)	(97,039)	-
<b>Closing fair value of plan assets</b>	<b>13,220,297</b>	<b>11,607,772</b>
The Company expects to contribute ` 1,000,000 (` 600,000) to Gratuity Fund in the next year.		
<b>The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :</b>		
Investments with insurer	100%	100%

## Notes to the Financial Statements

(Amount in `)

	As at March 31, 2014	As at March 31, 2013
<b>The principal assumptions are shown below :</b>		
Discount rate	8.25%	8.00%
Expected rate of return on assets	9.00%	9.50%
Withdrawal Rates (Varying between per annum depending upon the duration and age of the employees)	1% - 8%	1% - 3%

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
<b>Amounts for the current and previous four years are as follows :</b>					
Defined benefit obligation	12,666,499	9,853,957	7,909,665	5,305,927	4,385,304
Plan assets	13,220,297	11,607,772	9,053,068	5,017,516	3,539,137
Surplus / (deficit)	553,798	1,753,815	1,143,403	(865,182)	(1,511,011)
Experience (gain) / loss adjustments on plan liabilities	217,320	517,104	1,604,862	475,817	236,080
Experience gain / (loss) adjustments on plan assets	(97,039)	—	—	—	—

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on the date, applicable to the year over which the obligation is to be settled.

	2013-14	2012-13
<b>Defined Contribution Plan :</b> <b>The Company has recognised the following amount as an expense and included under, "Contribution to Provident &amp; Other Funds".</b>		
Contribution to Provident / Pension Funds	1,807,228	1,488,910

### NOTE 37 OPERATING LEASE

Certain office premises, godowns, etc. are held on operating lease. The leases range upto 3 years and are renewable for further year either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

	2013-14	2012-13
Lease payments made for the year	12,808,603	10,068,175

### NOTE 38 EARNINGS PER SHARE

Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	620,561,246	617,577,246
Weighted average number of Equity Shares (in number) (b)	79,524,560	79,524,560
Basic & Diluted Earnings Per Share (a/b)	7.80	7.77
(Nominal Value - ` 1 per share)		

## Notes to the Financial Statements

(Amount in `)

### NOTE 39 SEGMENT REPORTING

The Company has re-assessed its business segments during the year. Accordingly, (a) Sales and (b) Services out of the primary business segment reported in the previous year are regrouped and considered as one single segment. Further, Power Generation segment reported in the previous years not considered as a separate segment as it is an insignificant activity and not a separate line of business of the Company and Income from power generation is presented as "Other Operating Revenue".

In view of the above, there is only one primary business segment i.e. Garments & Hosiery goods and related services and hence no separate segment information is disclosed in this financial.

Secondary information is reported geographically.

#### Geographical segments

The Company primarily operates in India and therefore analysis of geographical segment is demonstrated into Indian and overseas operation as under:

	For the year ended 31st March, 2014			For the year ended 31st March, 2013		
	India	Overseas	Total	India	Overseas	Total
Revenue from Operations (Gross)	8,752,360,279	188,663,248	8,941,023,527	8,345,707,864	212,511,055	8,558,218,919
Carrying amount :						
Segment assets	6,334,629,998	39,436,457	6,374,066,455	5,988,567,288	33,620,786	6,022,188,074
Additions :						
Tangible assets	135,301,620	–	135,301,620	330,974,280	–	330,974,280
Intangible assets	–	–	–	4,325,157	–	4,325,157

### NOTE 40 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	Purpose	
<b>a) Derivative outstanding as at the reporting date</b>		
<b>Forward Contract Option</b> Notional amount USD 2,000,000 (31st March, 2013: USD 3,706,449) ` 120,199,627 (31st March, 2013 : ` 201,591,179)	Hedge of foreign currency loan	
	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>b) Particulars of unhedged foreign currency exposure as on the balance sheet date, are as follows :</b>		
Trade receivable	39,436,457	33,620,786

### NOTE 41 RELATED PARTY DISCLOSURE

#### Names of related parties and related party relationship

<b>Related parties where control exists</b>	
<b>Subsidiary Companies</b>	Euro Fashion Inners International Pvt. Ltd.
	Imoogi Fashions Pvt. Ltd.

## Notes to the Financial Statements

(Amount in ` )

**NOTE 41 RELATED PARTY DISCLOSURE (Contd.)****Names of related parties and related party relationship****Related parties with whom transactions have taken place during the year**

<b>Key Management Personnel</b>	Mr. P. R. Agarwala	<i>Chairman</i>
	Mr. G. P. Agarwala	<i>Vice Chairman</i>
	Mr. K. B. Agarwal	<i>Managing Director</i>
	Mr. Ramesh Agarwal	<i>Executive Director</i>
	Mr. Mukesh Agarwal	<i>Executive Director</i>
<b>Relatives of Key Management Personnel</b>	Late Baijnath Agarwal	<i>Father of Mr. P.R.Agarwala</i>
	Mr. Suresh Agarwal	<i>Son of Mr. P.R.Agarwala</i>
	Mr. Manish Agarwal	<i>Son of Mr. G.P.Agarwala</i>
	Mr. Ravi Agarwal	<i>Son of Mr. K.B.Agarwal</i>
	Mr. Vikash Agarwal	<i>Son of Mr. K.B.Agarwal</i>
	Mr. Rajnish Agarwal	<i>Son of Mr. G.P.Agarwala</i>
	Mrs. Shanti Devi Agarwal	<i>Wife of Mr. P.R.Agarwala</i>
	Mrs. Puspa Devi Agarwal	<i>Wife of Mr. G.P.Agarwala</i>
	Mrs. Lalita Devi Agarwal	<i>Wife of Mr. K.B.Agarwal</i>
	Mrs. Seema Agarwal	<i>Wife of Mr. Ramesh Agarwal</i>
	Mrs. Seema Agarwal	<i>Wife of Mr. Mukesh Agarwal</i>
	Mrs. Sarita Patwari	<i>Daughter of Mr. G. P. Agarwala</i>
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	Binod Hosierey	
	Salasar Projects 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.	
	Rajnish Enterprises Ltd.	
	Purvanchal Leasing Ltd.	
	Siddhant Credit Capital Ltd.	
	K B & Sons - HUF	
	Mukesh Kumar Agarwal - HUF	
	Ghanshyam Prasad Manish Kumar - HUF	
	Pralad Rai Suresh Kumar - HUF	



## Notes to the Financial Statements

(Amount in ` )

### Related Party Transaction

Particulars	Party	Nature of relationship	2013-14	2012-13
<b>Rent</b>	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
	Salasar Infrastructure Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	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
	Others		96,000	96,000
<b>Salary &amp; Perquisites</b>	Mr. P. R. Agarwala	Key Management Personnel	5,125,000	4,015,989
	Mr. G. P. Agarwala		3,300,000	3,419,664
	Mr. K. B. Agarwal		3,250,000	3,405,376
	Mr. Ramesh Agarwal		1,800,000	1,800,000
	Mr. Mukesh Agarwal		1,800,000	1,800,000
	Mr. Manish Agarwal	Relatives of Key Management Personnel	1,800,000	1,800,000
	Mr. Ravi Agarwal		1,800,000	1,800,000
	Mr. Vikash Agarwal		1,800,000	1,800,000
	Mr. Rajnish Agarwal		1,800,000	1,800,000
	Mr. Suresh Agarwal		480,000	480,000
<b>Sales</b>	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	5,334,241	3,085,509
	Euro Fashion Inners International Pvt. Ltd.		90,506,301	—
<b>Purchases</b>	Euro Fashion Inners International Pvt. Ltd.	Subsidiary Company	316,284,307	292,599,792

## Notes to the Financial Statements

(Amount in `)

### Related Party Transaction

Particulars	Party	Nature of relationship	2013-14	2012-13
Dividend Paid	Mr. P. R. Agarwala	Key Management Personnel	16,082,160	12,061,620
	Mr. G. P. Agarwala		14,481,820	10,861,365
	Mr. K. B. Agarwal		14,556,000	10,917,000
	Others		3,577,560	2,683,170
	Mr. Vikash Agarwal	Relatives of Key Management Personnel	3,510,880	2,633,160
	Mr. Ravi Agarwal		3,485,260	2,613,945
	Mr. Rajnish Agarwal		2,486,740	1,865,055
	Mr. Manish Agarwal		2,465,100	1,848,825
	Mr. Suresh Agarwal		2,133,140	1,599,855
	Others		4,760,720	3,570,540
	Rajnish Enterprises Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	31,642,380	23,731,785
	Purvanchal Leasing Ltd.		11,615,340	8,711,505
	Others		5,800,000	4,350,000
Other Liabilities	Mr. P. R. Agarwala	Key Management Personnel	1,536,138	9,419,936
	Mr. G. P. Agarwala		1,751,727	7,220,283
	Mr. K. B. Agarwal		3,544,070	4,495,871
	Mr. Ramesh Agarwal		1,808,384	818,779
	Mr. Mukesh Agarwal		2,358,694	2,252,143
	Mr. Manish Agarwal	Relatives of Key Management Personnel	4,960,225	4,535,961
	Mr. Rajnish Agarwal		3,374,024	3,430,902
	Mr. Ravi Agarwal		3,503,942	3,058,809
	Mr. Vikash Agarwal		2,238,321	1,296,268
	Others		708,793	512,531
	Binod Hosier	Enterprises owned or significantly influenced by key management personnel or their relatives	108,000	108,000
	Sidhant Textiles Pvt. Ltd.		—	819,000
	Ravi Global Pvt. Ltd.		—	864,000
	Kadambari Impex & Agency Pvt. Ltd.		—	779,000
	Others		—	915,958
Trade Payables	Euro Fashion Inners International Pvt. Ltd.	Subsidiary Company	44,291,083	—
	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	33,004,211	15,069,036
	Euro Fashion Inners International Pvt. Ltd.	Subsidiary Company	—	5,735,003

## Notes to the Financial Statements

(Amount in `)

### Related Party Transaction

Particulars	Party	Nature of relationship	2013-14	2012-13
Loans & Advances	Salasar Developers & Garments Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	30,400	52,000
Long Term Loans & Advances - Security Deposits	Salasar Projects and Estates Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	2,600,000	2,600,000
	Sidhant Flats & Apartments Pvt. Ltd.		2,640,000	2,640,000
	Others		1,500,000	1,500,000
Guarantees Given by Directors	Mr. P. R. Agarwala	Key Management Personnel	152,222,222	254,444,444
	Mr. G. P. Agarwala		152,222,222	254,444,444
	Mr. K. B. Agarwal		152,222,222	254,444,444

### Note :

The remuneration to the Key Management Personnel and relatives of the Key Management Personnel does not include provision made for Gratuity as they are determined on an actuarial basis for the Company as a whole.

			2013-14		2012-13	
			Consumption %	Value	Consumption %	Value
<b>NOTE</b>	<b>42</b>	<b>IMPORTED AND INDIGENOUS RAW MATERIAL AND STORES &amp; SPARES CONSUMED</b>				
Raw Materials						
Imported			0%	–	0%	–
Indigenous			100%	4,420,296,384	100%	4,558,670,046
			<b>100%</b>	<b>4,420,296,384</b>	<b>100%</b>	<b>4,558,670,046</b>
Stores and Spares						
Imported			0%	–	0%	–
Indigenous			100%	1,299,131	100%	727,876
			<b>100%</b>	<b>1,299,131</b>	<b>100%</b>	<b>727,876</b>

It is not possible to identify consumption of spare parts separately and hence consumption of stores and spares is shown above

			2013-14	2012-13
<b>NOTE</b>	<b>43</b>	<b>CIF VALUE OF IMPORTS</b>		
Packing Material			–	164,778
Stores & Spares			3,409,552	–
Capital Goods			135,510,926	75,569,861

## Notes to the Financial Statements

(Amount in `)

	2013-14	2012-13
<b>NOTE 44 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)</b>		
Finance Charges	17,661,193	23,210,284
Advertisement	1,495,908	159,360
Travelling Expenses	–	4,973,569
Professional Fees	–	87,011

<b>NOTE 45 EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)</b>		
Exports (FOB value)	188,663,248	212,511,055

<b>NOTE 46</b>		
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The figures for previous year were audited by a firm of Chartered Accountants other than S. R. Batliboi & Co. LLP. Previous year figures including those given in brackets have been regrouped/re-arranged wherever necessary.

As per our report of even date

For **S. R. BATLIBOI & CO. LLP**

Firm Registration No. 301003E

Chartered Accountants

per **Bhaswar Sarkar**

a Partner

Membership No. 055596

Place : Kolkata

Date: 30th May, 2014

For and on behalf of the Board of Directors

**P. R. Agarwala**

Chairman

**G. P. Agarwala**

Vice-Chairman

**Priya Punjabi Agarwal**

Company Secretary

**K. B. Agarwal**

Managing Director

# Independent Auditors' Report

To the Board of Directors of  
**Rupa & Company Limited**

We have audited the accompanying consolidated financial statements of Rupa & Company Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated Balance Sheet as at March 31, 2014, 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 Group in accordance with 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 the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group'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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 consolidated financial statements 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, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## Emphasis of Matter

The Income tax department had conducted search and seizure operation on the Company's various locations from 7th November 2013 to 8th November 2013. As informed, no order, consequent to such operation, has so far been received by the Company and thus its impact, if any, on the Company's consolidated financial statements, is presently not ascertainable. Our opinion is not qualified in respect of this matter.

## Other Matter

We did not audit total assets of ₹ 1,833,323,161 as at March 31, 2014, total revenues of ₹ 1,020,306,227 and net cash outflows amounting to ₹ 21,12,094 for the year then ended, included in the accompanying consolidated financial statements in respect of certain branches and subsidiaries, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such branches and subsidiaries is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For **S.R. BATLIBOI & CO. LLP**

*Chartered Accountants*

ICAI Firm Registration Number : 301003E

per **Bhaswar Sarkar**

Partner

Membership Number : 055596

Place of Signature : Kolkata

Date : May 30, 2014

## Consolidated Balance Sheet

as at 31st March, 2014

(Amount in `)

	Notes	As at March 31, 2014	As at March 31, 2013
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	79,629,060	79,629,060
Reserves & Surplus	4	2,784,177,135	2,356,069,484
		<b>2,863,806,195</b>	<b>2,435,698,544</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	104,444,444	152,222,222
Deferred Tax Liabilities	6	162,586,311	149,693,246
Other Long Term Liabilities	7	222,389,900	181,600,958
		<b>489,420,655</b>	<b>483,516,426</b>
<b>Current Liabilities</b>			
Short Term Borrowings	8	1,759,991,768	1,923,019,175
Trade Payables	9	1,009,363,731	945,011,626
Other Current Liabilities	10	239,833,725	224,672,862
Short Term Provisions	11	243,509,496	236,212,134
		<b>3,252,698,720</b>	<b>3,328,915,797</b>
		<b>6,605,925,570</b>	<b>6,248,130,767</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	12	1,445,008,171	1,417,747,361
Intangible Assets	13	3,916,319	8,515,170
Capital Work-in-Progress		43,137,490	11,539,840
Non-Current Investments	14	118,000	118,000
Long Term Loans & Advances	15	153,886,965	165,653,944
Other Non Current Assets	16	3,423,758	5,449,570
		<b>1,649,490,703</b>	<b>1,609,023,885</b>
<b>Current Assets</b>			
Inventories	17	3,096,885,233	2,938,483,796
Trade Receivables	18	1,632,768,500	1,463,811,719
Cash & Bank Balances	19	59,259,568	59,872,997
Short Term Loans & Advances	20	82,728,956	101,871,742
Other Current Assets	21	84,792,610	75,066,628
		<b>4,956,434,867</b>	<b>4,639,106,882</b>
		<b>6,605,925,570</b>	<b>6,248,130,767</b>
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For **S. R. BATLIBOI & CO. LLP**

Firm Registration No. 301003E

Chartered Accountants

per **Bhaswar Sarkar**

a Partner

Membership No. 055596

Place : Kolkata

Date: 30th May, 2014

**P. R. Agarwala**

Chairman

**G. P. Agarwala**

Vice-Chairman

**Priya Punjabi Agarwal**

Company Secretary

**K. B. Agarwal**

Managing Director



## Consolidated Statement of Profit & Loss

for the year ended 31st March, 2014

(Amount in ` )

	Notes	2013-14	2012-13
<b>REVENUE</b>			
Revenue From Operations (Gross)	22	9,043,692,881	8,705,464,816
Less : Excise Duty		–	415,551,706
Revenue From Operations (Net)		9,043,692,881	8,289,913,110
Other Income	23	72,367,936	9,959,389
<b>Total Revenue</b>		<b>9,116,060,817</b>	<b>8,299,872,499</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	4,634,501,435	4,818,938,200
Purchases of traded goods	25	19,681,739	17,776,004
(Increase) in inventories of Finished Goods, Work-in-Progress and traded goods	26	(94,940,925)	(649,827,886)
Employee Benefits Expense	27	164,625,299	134,594,979
Finance Cost	28	246,961,631	210,140,286
Depreciation & Amortisation expense	29	112,459,399	67,029,775
Other Expenses	30	3,015,647,051	2,740,364,634
<b>Total Expenses</b>		<b>8,098,935,629</b>	<b>7,339,015,992</b>
<b>Profit before tax</b>		<b>1,017,125,188</b>	<b>960,856,507</b>
Tax Expense			
Current Tax		343,525,075	292,075,606
Deferred Tax		12,893,065	20,986,740
<b>Profit for the year</b>		<b>660,707,048</b>	<b>647,794,161</b>
<b>Earnings per Equity Share - Basic and Diluted (Nominal value per equity share ` 1 )</b>	38	8.31	8.15
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For **S. R. BATLIBOI & CO. LLP**

Firm Registration No. 301003E

Chartered Accountants

per **Bhaswar Sarkar**

a Partner

Membership No. 055596

Place : Kolkata

Date: 30th May, 2014

For and on behalf of the Board of Directors

**P. R. Agarwala**  
Chairman

**G. P. Agarwala**  
Vice-Chairman

**Priya Punjabi Agarwal**  
Company Secretary

**K. B. Agarwal**  
Managing Director

## Consolidated Cash Flow Statement

for the year ended 31st March, 2014

(Amount in ` )

	March 31, 2014		March 31, 2013	
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>				
Profit Before Tax		1,017,125,188		960,856,507
Adjustment to reconcile profit before tax to net cash flows				
(a) Depreciation and Amortisation	112,459,399		67,029,775	
(b) Finance Cost	246,961,631		210,140,286	
(c) Loss on Sale of Fixed Assets (net)	172,813		2,746,874	
(d) Bad debts / advances written off	11,517,114		5,955,416	
(e) Unspent Liabilities written back	(38,098,618)		–	
(f) Interest Income	(7,253,162)	325,759,177	(6,562,115)	279,310,236
Operating Profit before Working Capital Changes		1,342,884,365		1,240,166,743
Changes in Working capital				
(a) Increase in Other Long Term Liabilities	40,788,942		36,794,920	
(b) Increase in Trade Payables	64,352,105		79,376,206	
(c) Increase in Other Current Liabilities	37,708,432		122,473,506	
(d) (Increase) / Decrease in Short-term Loans & Advances	19,142,786		(9,691,076)	
(e) Increase in Long-term Loans & Advances	(1,483,581)		(3,071,665)	
(f) Increase in Inventories	(158,401,437)		(715,774,271)	
(g) Increase in Trade Receivables	(180,473,895)		(200,778,715)	
(h) Increase in Other Current Assets	(9,725,982)	(188,092,630)	(19,090,584)	(709,761,679)
Cash Generated from Operations		1,154,791,735		530,405,064
Less : (a) Direct Taxes Paid		(382,747,592)		(268,588,771)
Add : (b) Interest received from Operating Activities		5,505,984		4,939,745
Net Cash from Operating Activities		777,550,127		266,756,038
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES</b>				
(a) Sale of Fixed Assets		10,500		1,776,106
(b) Interest received		1,747,178		1,622,370
(c) Purchase of Fixed Assets		(156,459,960)		(322,821,916)
(d) Investement in Fixed Deposits (net)		(11,478,702)		5,127,816
Net Cash used in Investing Activities		(166,180,984)		(314,295,624)

## Consolidated Cash Flow Statement

for the year ended 31st March, 2014

(Amount in ` )

	March 31, 2014		March 31, 2013	
<b>C. CASH FLOW ARISING FORM FINANCING ACTIVITIES</b>				
(a) Dividend and Dividend Tax paid		(185,978,144)		(138,548,138)
(b) Finance Cost		(244,259,313)		(210,140,286)
(c) Proceed of Long Term Borrowings		70,000,000		100,000,000
(d) Repayment of Long Term Borrowings		(102,222,222)		(107,777,778)
(e) Proceed / (Repayment) of ShortTerm Borrowings (net)		(163,027,407)		421,806,913
<b>Net Cash from Financing Activities</b>		<b>(625,487,086)</b>		<b>65,340,711</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>		<b>(14,117,943)</b>		<b>17,801,125</b>
Cash & Cash Equivalents at the beginning of the year #		58,824,366		41,023,241
<b>Cash &amp; Cash Equivalents at the end of the year #</b>		<b>44,706,423</b>		<b>58,824,366</b>

# as disclosed in Note 19 and Includes ` 945,694 (31st March, 2013 : ` 844,320) lying in unclaimed dividend account and ` 1,900,000 (31st March, 2013 : Nil ) seized by the income tax department (refer note 31), being the amount available for restricted use.

As per our report of even date  
For **S. R. BATLIBOI & CO. LLP**  
Firm Registration No. 301003E  
Chartered Accountants  
per **Bhaswar Sarkar**  
a Partner  
Membership No. 055596  
Place : Kolkata  
Date: 30th May, 2014

For and on behalf of the Board of Directors

**P. R. Agarwala**  
Chairman

**G. P. Agarwala**  
Vice-Chairman

**Priya Punjabi Agarwal**  
Company Secretary

**K. B. Agarwal**  
Managing Director

## Notes to the Consolidated Financial Statements

(Amount in `)

### 1. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements which relate to Rupa & Company Limited (the "Company") and its subsidiaries (together referred to as the "Group") have been prepared on the following basis :

- a) The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealized profit / loss included therein, in accordance with Accounting Standards (AS-21), "Consolidated Financial Statements.
- b) The excess/shortfall of cost to the Company of its investments in the subsidiary companies, over the net assets at the time of acquisition in the subsidiaries as on the date of investment is recognized in the financial statements as goodwill/capital reserve as the case may be.
- c) The subsidiary companies considered in the financial statements are as follows :

Name	% of Voting power as on 31.03.2014	% of Voting power as on 31.03.2013	Country of Incorporation
Euro Fashion Inners International Pvt. Ltd.	100%	100%	India
Imoogi Fashions Pvt. Ltd.	100%	100%	India

- d) The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.
- e) The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. year ended March 31, 2014.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The consolidated financial statements of the Group 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 respects with the accounting standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4th April, 2014, issued by the Ministry of Corporate Affairs. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

#### 2.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### 2.3 Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

## Notes to the Consolidated Financial Statements

(Amount in ` )

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation is provided on a pro-rata basis on the straight-line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, or at the rates determined based on the useful lives of the respective assets, as estimated by the management, whichever is higher. The rates determined based on the useful lives coincides with the rates prescribed in Schedule XIV of the Companies Act, 1956.

Leasehold land is amortized on a straight line basis over the period of lease, i.e., 86 years.

### 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 economic 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 useful lives over which intangible assets are amortised are as under :

Assets	Useful Life (in years)
Copyrights & Trade marks	10
Computer software	5

### 2.5 Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### 2.6 Impairment

The carrying amount of assets (tangible and intangible) is reviewed at each balance sheet date, to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount which is the greater of net selling price and value in use of the respective assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### 2.7 Investments

Investments, which are readily realizable and 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.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

## Notes to the Consolidated Financial Statements

(Amount in `)

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### 2.8 Inventories

Raw materials and packing materials are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and packing materials is determined on a first in first out basis.

Work-in-Progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Work-in-Progress is determined on First in First out basis and cost of finished goods is determined on Retail sales price method.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods is determined on First in First out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 2.9 Foreign Currency Transactions

#### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

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.

### 2.10 Revenue Recognition

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

**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. Sales are net of discounts, incentives, rebates and sales taxes. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenues.

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



## Notes to the Consolidated Financial Statements

(Amount in `)

**Interest** : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

**Dividend** : Dividend income is recognized when the Group’s right to receive dividend is established by the reporting date.

**Export Incentives** : Export incentives are recognised when the right to receive such incentives as per the applicable terms is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate realisation / utilisation of such incentives.

Insurance and other claims due to uncertainty in realisation are accounted for on acceptance basis.

### 2.11 Employee Benefits

- (i) **Provident Fund** : Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.
- (ii) **Gratuity** : The Group operates defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses is recognized in full in the period in which they occur in the statement of profit and loss.

### 2.12 Taxes on Income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### 2.13 Provisions and Contingent Liabilities

**Provisions** : A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

## Notes to the Consolidated Financial Statements

(Amount in `)

**Contingent Liabilities :** A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

### 2.14 Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

### 2.15 Government Grants

Grants and subsidies from the government are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them, and the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoter's contribution are credited to Capital reserve and treated as a part of Shareholder's funds.

### 2.16 Segment Reporting

Based on the synergies, risks and returns associated with business operations and in terms of Accounting Standard – 17, the Group is predominantly engaged in a single segment of Garments & Hosiery goods and related services during the year. The analysis of geographical segments is based on the areas in which customers of the Group are located.

### 2.17 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### 2.18 Earnings Per Share

Basic earnings per share are 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.

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 are adjusted for the effects of all dilutive potential equity shares.

## Notes to the Consolidated Financial Statements

(Amount in `)

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 3 SHARE CAPITAL</b>		
<b>Authorised :</b>		
200,000,000 (31st March, 2013 : 200,000,000) Equity Shares of ` 1/- each	200,000,000	200,000,000
<b>Issued :</b>		
79,733,560 (31st March, 2013 : 79,733,560) Equity Shares of ` 1/- each	79,733,560	79,733,560
<b>Subscribed and paid up :</b>		
79,524,560 (31st March, 2013 : 79,524,560) Equity Shares of ` 1/- each, fully paid-up	79,524,560	79,524,560
209,000 (31st March, 2013 : 209,000) Forfeited Shares of ` 1/- each ` 0.50/- per share paid up	104,500	104,500
	<b>79,629,060</b>	<b>79,629,060</b>

a) There is no change in the number of shares in the current year and last year.

**b) Terms / Rights attached in Equity Shares**

The Company has only one class of equity shares having a par value of ` 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2014 the Company has proposed a final dividend of ` 2.50 per share (31st March, 2013 : ` 2 per share).

c) Aggregate number of shares issued for consideration other than cash during the period of five year immediately preceeding the reporting date.

	No. of Shares	
	As at March 31, 2014	As at March 31, 2013
Equity Shares allotted as fully paid up pursuant to contracts for consideration other than cash	—	19,483,560

The shares were issued other than cash in the year 2008-09. Accordingly, the disclosure for the same is not made in 2013-14.

d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	%	No. of Shares	%
Equity Shares of ` 1/- each, fully paid up				
Rajnish Enterprises Ltd.	15,821,190	19.89%	15,821,190	19.89%
Karuna Impex Enterprises Limited	8,650,000	10.88%	8,650,000	10.88%
Prahlad Rai Agarwala	8,041,080	10.11%	8,041,080	10.11%
Kunj Bihari Agarwal	7,278,000	9.15%	7,278,000	7.54%
Ghanshyam Prasad Agarwala	7,240,910	9.11%	7,240,910	7.54%
Purvanchal Leasing Ltd.	5,807,670	7.30%	5,807,670	7.30%

As per records of the Company, including its register of shareholders / members as on 31st March, 2014, the above shareholding represents legal ownership of shares.

## Notes to the Consolidated Financial Statements

(Amount in `)

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 4 RESERVES &amp; SURPLUS</b>		
<b>Capital Subsidy</b>		
Balance as per the last financial statement	6,075,040	6,075,040
<b>General Reserve</b>		
Balance as per the last financial statement	227,174,041	197,174,041
Add : Transferred from Surplus in Statement of Profit & Loss	100,000,000	30,000,000
Balance as at the end of the year	327,174,041	227,174,041
<b>Securities Premium Account</b>		
Balance as per the last financial statement	688,030,890	688,030,890
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as per the last financial statement	1,434,789,513	1,003,074,870
Profit for the year	660,707,048	647,794,161
<b>Less : Appropriations</b>		
Proposed final equity dividend (` 2.50 (31st March, 2013 : ` 2) per share)	198,811,400	159,049,120
Tax on proposed equity dividend	33,787,997	27,030,398
Transfer to General Reserve	100,000,000	30,000,000
<b>Total Appropriations</b>	332,599,397	216,079,518
Net Surplus in the Statement of Profit & Loss	1,762,897,164	1,434,789,513
<b>Total Reserves &amp; Surplus</b>	2,784,177,135	2,356,069,484

	Non Current Portion		Current Maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>NOTE 5 LONG TERM BORROWINGS</b>				
<b>Secured :</b>				
<b>Term Loans</b>				
<b>Indian Rupee loans from Banks</b>	104,444,444	152,222,222	117,777,778	102,222,222
	104,444,444	152,222,222	117,777,778	102,222,222
Less : Amount disclosed under the head "Other Current Liabilities" (Note 10)	—	—	(117,777,778)	(102,222,222)
	104,444,444	152,222,222	—	—

Term loan from a bank is secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed assets of Domjur Unit. Further term loan of ` 80,000,000 (31st March, 2013 : ` 160,000,000) is secured by personal guarantee of 3 Directors of the Company and Corporate Guarantee given by Rupa Global Private Limited and term loan of ` 72,222,222 (31st March, 2013 : ` 94,444,444) is secured by personal guarantee of 3 Directors of the Company.

Term loan of ` 80,000,000 (31st March, 2013 : ` 160,000,000) is repayable in quarterly instalments of ` 20,000,000 by 13th March, 2015 and carries interest @12.50% per annum. Term Loan of ` 72,222,222 (31st March, 2013 : ` 94,444,444) is repayable in 18 equal quarterly instalments of ` 5,555,556 by 14th June, 2017 and carries interest @ 12.40% per annum. Term Loan of ` 70,000,000 (31st March, 2013 : ` NIL) is repayable in 18 equal quarterly instalments of ` 3,888,889 starting from 28th June, 2014 and ending on 28th September, 2019 and carries interest @ 12.30% per annum.

## Notes to the Consolidated Financial Statements

(Amount in `)

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 6 DEFERRED TAX LIABILITIES</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	162,586,311	149,693,246
<b>Deferred Tax Liabilities</b>	<b>162,586,311</b>	<b>149,693,246</b>
<b>NOTE 7 OTHER LONG TERM LIABILITIES</b>		
Security Deposits from Customers	222,389,900	181,600,958
	<b>222,389,900</b>	<b>181,600,958</b>
<b>NOTE 8 SHORT TERM BORROWINGS</b>		
<b>Secured :</b>		
<b>From Banks</b>		
Cash Credit	599,763,647	414,844,336
Working Capital Demand Loans		
Indian Rupee loans	1,040,028,494	880,000,000
Foreign Currency loans	120,199,627	628,174,839
	<b>1,759,991,768</b>	<b>1,923,019,175</b>
<p>Cash Credit including Working Capital Demand Loan from banks amounting to ` 1,703,209,567 (31st March, 2013 : ` 1,873,582,710) are secured by hypothecation of inventories, book debts and other current assets and further secured by second charge of movable and immovable fixed assets of Domjur Unit of the Company and Cash Credit amounting to ` 56,782,201 (31st March, 2013 : ` 49,436,465) are secured against hypothecation of entire current assets and equitable mortgage of land at Tirpur of the subsidiary company Euro Fashion Inners International Private Limited.</p> <p>Working Capital Demand Loans are repayable in 7 days to 360 days and carries interest @ 4.16% p.a. to 10.85% p.a. (31st March, 2013 : 4.00% p.a. to 11.50% p.a.)</p> <p>Cash Credit are repayable on demand and carries interest @ 10.50% p.a. to 12.50% p.a. (31st March, 2013: 11.25 % p.a. to 13.25% p.a.)</p>		
<b>NOTE 9 TRADE PAYABLES</b>		
<b>Trade payables</b>		
Due to Micro and Small Enterprises (Refer Note 35)	51,753,343	43,399,186
Due to Others	957,610,388	901,612,440
	<b>1,009,363,731</b>	<b>945,011,626</b>
<b>NOTE 10 OTHER CURRENT LIABILITIES</b>		
Capital Creditors	1,252,274	4,060,474
Current Maturities of Long Term Borrowings (Note 5)	117,777,778	102,222,222
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	945,694	844,320
Advances from customers	20,805,749	16,435,653
Interest Accrued but not due on borrowings	4,613,991	1,911,672
Statutory dues payable	68,083,875	64,869,218
Book overdraft in Current Account	2,917,737	3,022,148
Payable to employees	22,548,616	385,952
Others	888,011	30,921,203
	<b>239,833,725</b>	<b>224,672,862</b>

## Notes to the Consolidated Financial Statements

(Amount in `)

		As at March 31, 2014	As at March 31, 2013
<b>NOTE</b>	<b>11</b>	<b>SHORT TERM PROVISIONS</b>	
	Provision of Income tax (Net of Advance)	10,910,099	50,132,616
	Proposed Equity Dividend	198,811,400	159,049,120
	Tax on proposed Equity dividend	33,787,997	27,030,398
		<b>243,509,496</b>	<b>236,212,134</b>

			Land		Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
			Freehold	Lease Hold						
NOTE	12	TANGIBLE ASSETS								
Cost										
As at April 1, 2012			58,621,375	13,023,384	425,151,381	757,382,422	45,251,912	28,793,553	35,657,011	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			78,508,969	13,023,384	586,694,570	870,735,713	56,157,359	37,111,163	43,414,167	1,685,645,325
Additions			23,064,814	–	25,948,776	72,128,773	3,803,029	5,790,023	4,569,255	135,304,670
Disposals			–	–	–	168,380	–	37,678	40,075	246,133
As at March 31, 2014			101,573,783	13,023,384	612,643,346	942,696,106	59,960,388	42,863,508	47,943,347	1,820,703,862
Depreciation										
As at April 1, 2012			–	–	38,693,818	126,081,579	21,566,912	9,195,467	18,930,844	214,468,620
Charge for the year			–	–	10,991,106	38,137,175	3,426,984	3,243,057	2,754,344	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	162,133,073	24,954,692	9,451,294	21,673,981	267,897,964
Charge for the year			–	605,740 *	13,840,493	82,496,594	3,619,437	3,876,791	3,421,493	107,860,548
Disposals				–	–	35,774	–	19,388	7,659	62,821
As at March 31, 2014			–	605,740	63,525,417	244,593,893	28,574,129	13,308,697	25,087,815	375,695,691
Net Block										
At March 31, 2013			78,508,969	13,023,384	537,009,646	708,602,640	31,202,667	27,659,869	21,740,186	1,417,747,361
At March 31, 2014			101,573,783	12,417,644	549,117,929	698,102,213	31,386,259	29,554,811	22,855,532	1,445,008,171

\* includes ` 454,305 for earlier years.



## Notes to the Consolidated Financial Statements

(Amount in ` )

			Copyrights and Trademarks	Computer Software	Total
NOTE	13	INTANGIBLE ASSETS			
Cost					
At April 1, 2012			65,000,000	24,924,735	89,924,735
Additions			–	4,325,157	4,325,157
At March 31, 2013			65,000,000	29,249,892	94,249,892
At March 31, 2014			65,000,000	29,249,892	94,249,892
Amortisation					
At April 1, 2012			56,501,370	20,756,243	77,257,613
Charge for the year			6,500,000	1,977,109	8,477,109
At March 31, 2013			63,001,370	22,733,352	85,734,722
Charge for the year			1,998,630	2,600,221	4,598,851
At March 31, 2014			65,000,000	25,333,573	90,333,573
Net Block					
At March 31, 2013			1,998,630	6,516,540	8,515,170
At March 31, 2014			–	3,916,319	3,916,319

			As at March 31, 2014	As at March 31, 2013
NOTE	14	NON-CURRENT INVESTMENTS (FULLY PAID UP) (AT COST)		
Trade Investments				
Unquoted Equity Shares				
Investment in Others				
1,800 (31st March, 2013 : 1,800) Equity Shares of ` 10 each in West Bengal Hosiery Park Infrastructure Limited			18,000	18,000
			18,000	18,000
Non-Trade Investments				
In Mutual Funds (quoted)				
10,000 (31st March, 2013 : 10,000) Mutual Fund Units of ` 10 each in Morgan Stanley Growth Fund			100,000	100,000
			100,000	100,000
			118,000	118,000
Aggregate amount of quoted investments			100,000	100,000
Market Value of quoted investments			734,130	631,780
Aggregate amount of unquoted investments			18,000	18,000

## Notes to the Consolidated Financial Statements

(Amount in `)

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 15 LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Capital Advances	140,548,972	153,799,532
Security Deposits	13,337,993	11,854,412
	<b>153,886,965</b>	<b>165,653,944</b>
<b>NOTE 16 OTHER NON CURRENT ASSETS</b>		
<b>Unsecured, considered good</b>		
Non-Current bank balances (Note 19)	3,423,758	5,449,570
	<b>3,423,758</b>	<b>5,449,570</b>
<b>NOTE 17 INVENTORIES</b>		
<b>(At lower of cost and net realisable value)</b>		
Raw Materials & Packing Materials	381,689,453	318,228,941
Work-in-Progress	1,090,321,856	1,094,483,004
Finished Goods	1,593,064,705	1,506,400,068
Traded Goods	31,809,219	19,371,783
	<b>3,096,885,233</b>	<b>2,938,483,796</b>
<b>Note</b>		
The above includes Stock in transit		
Raw Material	16,930,556	8,576,609
Finished Goods	7,526,118	2,250,662
<b>NOTE 18 TRADE RECEIVABLES</b>		
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	27,915,891	23,703,980
Other receivables	1,604,852,609	1,440,107,739
	<b>1,632,768,500</b>	<b>1,463,811,719</b>

## Notes to the Consolidated Financial Statements

(Amount in `)

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 19 CASH AND BANK BALANCES</b>		
<b>Cash and Cash equivalents</b>		
Cash on hand (Refer Note 31)	4,797,684	1,593,628
<b>Balances with Banks</b>		
On current accounts	30,101,265	47,314,774
On Cash Credit Account	8,861,780	–
Unpaid dividend account	945,694	844,320
Deposits with original maturity of less than 3 months	–	9,071,644
	<b>44,706,423</b>	<b>58,824,366</b>
<b>Other bank balances (*)</b>		
Deposits with original maturity of more than 3 months but less than 12 months	–	1,048,631
Deposits with original maturity of more than 12 months	17,976,903	5,449,570
	17,976,903	6,498,201
Less : Amount disclosed under "Other Non-Current Assets" (Note 16)	(3,423,758)	(5,449,570)
	<b>14,553,145</b>	<b>1,048,631</b>
	<b>59,259,568</b>	<b>59,872,997</b>

(\*) Held as lien by bank against bank guarantees

<b>NOTE 20 SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured, considered good</b>		
Advances recoverable in cash or kind	80,932,927	91,215,586
<b>Other loans and advances :</b>		
Prepaid Expenses	898,694	8,660,575
Loans to Employees	897,335	1,995,581
<b>Total</b>	<b>82,728,956</b>	<b>101,871,742</b>

<b>NOTE 21 OTHER CURRENT ASSETS</b>		
<b>Unsecured, considered good</b>		
Claims & Refund Receivable	77,792,610	75,066,628
Forward Contract Receivable	7,000,000	–
	<b>84,792,610</b>	<b>75,066,628</b>

## Notes to the Consolidated Financial Statements

(Amount in `)

	2013-14	2012-13
<b>NOTE 22 REVENUE</b>		
<b>Revenue from Operations</b>		
<b>Sale of products :</b>		
Finished goods	8,338,728,872	8,113,712,964
Semi finished goods	164,942,661	43,695,291
Traded goods	357,547,272	347,700,074
<b>Sale of Services</b>	137,342,179	156,742,414
<b>Other Operating Revenue :</b>		
Sale of Power	8,970,900	9,616,195
Scrap Sale	8,087,467	6,398,163
Sales Tax Subsidy	13,762,482	12,446,609
Export Incentive	14,311,048	15,153,106
<b>Revenue from Operations (Gross)</b>	<b>9,043,692,881</b>	<b>8,705,464,816</b>
Less : Excise Duty	—	415,551,706
<b>Revenue from Operations (Net)</b>	<b>9,043,692,881</b>	<b>8,289,913,110</b>

Note : Excise Duty on sales amounting to Nil (March 31, 2013 : ` 415,551,706) has been reduced from sales in Statement of profit & loss and excise duty on increase/(decrease) in stock amounting to Nil (March 31, 2013 : ` (74,285,304)) has been considered as income/expense in note 30 of financial statements.

Hosiery products has been exempted from excise duty w.e.f. 1st March, 2013 by Government of India.

Sales are net of discount and rebates amounting to ` 609,879,696 (31st March, 2013 : ` 514,768,379)

<b>Details of product sold :</b>		
<b>Finished Goods Sold</b>		
Hosiery Goods	8,338,728,872	8,113,712,964
<b>Semi Finished Goods Sold</b>		
Processed Yarn	28,069,328	3,087,214
Processed Fabric	136,873,333	40,608,077
	<b>164,942,661</b>	<b>43,695,291</b>
<b>Traded Goods :</b>		
Hosiery Goods	345,606,154	331,895,944
Garments	11,941,118	15,804,130
	<b>357,547,272</b>	<b>347,700,074</b>
<b>Details of Services rendered :</b>		
Dyeing, Bleaching & Knitting	137,342,179	156,742,414
	<b>8,998,560,984</b>	<b>8,661,850,743</b>

## Notes to the Consolidated Financial Statements

(Amount in ` )

	2013-14	2012-13
<b>NOTE 23 OTHER INCOME</b>		
<b>Interest Income</b>		
on Bank Deposits	1,747,178	1,054,920
on Receivables	5,505,984	4,939,745
on Others	–	567,450
Unspent Liabilities written back	38,098,618	–
Insurance & Other Claims Received	17,316,281	–
Miscellaneous Income	9,699,875	3,397,274
<b>Total</b>	<b>72,367,936</b>	<b>9,959,389</b>
<b>NOTE 24 COST OF MATERIALS CONSUMED</b>		
<b>Opening inventory</b>	318,228,941	222,696,773
Add : Purchases	4,697,961,947	4,914,470,368
Less : Inventory at the end of the year	381,689,453	318,228,941
<b>Cost of raw materials consumed</b>	<b>4,634,501,435</b>	<b>4,818,938,200</b>
<b>Details of Raw Materials Consumed</b>		
Yarn/Than	3,694,847,070	3,843,774,298
Packing material	612,164,273	666,049,524
Elastic, Accessories & Other Material	327,490,092	309,114,378
<b>Total</b>	<b>4,634,501,435</b>	<b>4,818,938,200</b>
<b>NOTE 25 PURCHASES OF TRADED GOODS</b>		
Hosiery Goods	141,615	11,860
Garments	19,540,124	17,764,144
<b>Total</b>	<b>19,681,739</b>	<b>17,776,004</b>
<b>NOTE 26 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN- PROGRESS AND STOCK-IN-TRADE</b>		
<b>Stock at the end of the year :</b>		
Finished Goods	1,593,064,705	1,506,400,068
Traded Goods	31,809,219	19,371,783
Work-in-Progress	1,090,321,856	1,094,483,004
	<b>2,715,195,780</b>	<b>2,620,254,855</b>
<b>Stock at the beginning of the year :</b>		
Finished Goods	1,506,400,068	1,039,199,587
Traded Goods	19,371,783	15,076,511
Work-in-Progress	1,094,483,004	945,736,654
	<b>2,620,254,855</b>	<b>2,000,012,752</b>
<b>Loss of Stock due to Fire :</b>		
Finished Goods	–	29,585,783
	<b>2,620,254,855</b>	<b>1,970,426,969</b>
	<b>(94,940,925)</b>	<b>(649,827,886)</b>

## Notes to the Consolidated Financial Statements

(Amount in `)

		2013-14	2012-13
<b>NOTE</b>	<b>26 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN- PROGRESS AND STOCK-IN-TRADE</b>		
	<b>Details of inventory :</b>		
	<b>Finished Goods</b>		
	Hosiery Goods	1,593,064,705	1,506,400,068
	<b>Traded Goods :</b>		
	Garments	31,809,219	19,371,783
	<b>Work-in-Progress :</b>		
	Cut Pieces	1,090,321,856	1,094,483,004
<b>NOTE</b>	<b>27 EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries, Wages and Bonus	159,387,225	130,421,999
	Contribution to Provident and Other Funds	1,870,035	1,653,382
	Gratuity (Refer note 36)	1,792,318	1,217,636
	Staff Welfare Expenses	1,575,721	1,301,962
	<b>Total</b>	<b>164,625,299</b>	<b>134,594,979</b>
<b>NOTE</b>	<b>28 FINANCE COST</b>		
	Interest Expense	216,595,374	183,677,016
	Exchange difference to the extent considered as an adjustment to the borrowing cost	21,233,892	17,671,278
	Bank Charges	9,132,365	8,791,992
	<b>Total</b>	<b>246,961,631</b>	<b>210,140,286</b>
<b>NOTE</b>	<b>29 DEPRECIATION &amp; AMORTISATION EXPENSE</b>		
	Depreciation of Tangible Assets	107,860,548	58,552,666
	Amortisation of Intangible Assets	4,598,851	8,477,109
	<b>Total</b>	<b>112,459,399</b>	<b>67,029,775</b>
<b>NOTE</b>	<b>30 OTHER EXPENSES</b>		
	Consumption of stores and spares	1,299,131	2,731,013
	Sub-contracting /Job Worker expenses	1,529,242,456	1,562,956,964
	Excise duty	–	(74,285,304)
	Power & Fuel (Including ` 6,629,400 for earlier year)	99,835,857	100,426,280
	Freight outwards and Forwarding expenses	76,083,710	62,324,047
	Rent	12,928,603	10,188,175
	Rates and taxes	6,317,649	17,413,027
	Insurance	4,477,957	3,923,642



## Notes to the Consolidated Financial Statements

(Amount in ` )

	2013-14	2012-13
<b>NOTE 30 OTHER EXPENSES (Contd.)</b>		
<b>Repairs and Maintenance :</b>		
- Plant and Machinery	9,587,327	7,864,044
- Others (Including ` 4,732,283 for earlier year)	24,986,226	10,185,455
Advertising	734,406,101	636,211,537
Dealer's Incentive & Sales Promotion	123,705,683	117,286,724
Business Convention	28,606,806	11,795,774
Brokerage and discounts (Including ` 878,711 for earlier year)	121,179,745	96,153,731
Travelling and Conveyance	61,759,499	56,062,661
Communication costs	14,945,431	10,236,110
Legal and Professional fees	16,031,867	13,461,590
Directors' Sitting fees	400,000	400,000
Payment to auditor (refer note below)	2,113,520	519,340
Net foreign exchange loss	78,071,482	14,059,405
Bad Debts/ advance written off	11,517,114	5,955,416
Loss on sale of fixed assets (net)	172,813	2,746,874
Loss of Stock due to fire	–	29,585,783
Miscellaneous expenses	57,978,074	42,162,346
<b>Total</b>	<b>3,015,647,051</b>	<b>2,740,364,634</b>
<b>Note :</b>		
<b>Payment to Auditor :</b>		
<b>As auditor :</b>		
- For Statutory Audit	943,500	348,632
- For Limited Reviews	625,000	31,470
- For Others	250,000	–
Other services	10,000	82,108
Out of pocket expenses	52,525	–
Service tax	232,495	57,130
<b>Total</b>	<b>2,113,520</b>	<b>519,340</b>

### NOTE 31

The Income Tax Department had conducted a search and seizure operation on the Company's various locations from 7th November, 2013 to 8th November, 2013 under section 132 of the Income Tax Act, 1961. No order/demand, consequent to search operation, has so far been received by the Company from the Income Tax Department and thus liability, if any, arising out of such search and seizure is not presently ascertainable. The Income Tax Department has seized ` 1,900,000 during the search and seizure which is disclosed under Cash on Hand in Note 19.

	As at March 31, 2014	As at March 31, 2013
<b>NOTE 32 CAPITAL AND OTHER COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed and not provided for (net of advances)	16,950,000	950,000

## Notes to the Consolidated Financial Statements

(Amount in `)

		As at March 31, 2014	As at March 31, 2013
<b>NOTE</b>	<b>33 CONTINGENT LIABILITIES</b>		
a)	Demands / claims by various government authorities and others not acknowledged as debts and contested by the government		
	Income Tax matters	2,345,980	2,125,910
	Sales Tax matters	40,218,098	37,786,265
	ESIC matters	39,967	39,967
	*	<b>42,604,045</b>	<b>39,952,142</b>
b)	Bank Guarantees outstanding	22,697,424	62,487,257
c)	Letter of Credits issued by the Banks	17,147,802	—

\* The management believes that it is possible but not probable that action will succeed and accordingly no provision there against is considered necessary

### **NOTE 34**

During the year, the Company has challenged, before the Honourable High Court of Calcutta, the imposition of entry tax by the State Government of West Bengal on receipt of materials from outside the state on the ground that such imposition of entry tax is ultra vires / unconstitutional. The Company has received a favourable interim order dated June 5, 2013 and the matter is presently sub judice.

<b>NOTE</b>	<b>35 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006 INCLUDED IN TRADE PAYABLES</b>		
	Principal amount remaining unpaid to any supplier at the end of accounting year	50,779,193	43,399,186
	Interest due on above	974,150	—
	<b>Total</b>	<b>51,753,343</b>	<b>43,399,186</b>
	Amount of interest paid by the Group to the suppliers in terms of section 16 of the MSMED Act, 2006	—	—
	Amount paid to the suppliers beyond the respective due date	—	—
	Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	—	—
	Amount of interest accrued and remaining unpaid at the end of accounting year	974,150	—
	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act	—	—

## Notes to the Consolidated Financial Statements

(Amount in `)

### NOTE 36 EMPLOYEE BENEFIT (DEFINED BENEFIT PLAN)

The Group has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The Group has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

	2013-14	2012-13
<b>Statement of profit and loss</b>		
<b>Net employee benefit expense recognized in employee costs</b>		
Current service cost	1,581,801	893,735
Interest cost on benefit obligation	1,013,421	632,773
Expected return on plan assets	(1,117,263)	(825,976)
Net actuarial (gain) / loss recognized in the year	314,359	517,104
<b>Net benefit expense</b>	<b>1,792,318</b>	<b>1,217,636</b>
Actual return on plan assets	1,020,224	825,976
	<b>As at</b>	<b>As at</b>
	<b>March 31, 2014</b>	<b>March 31, 2013</b>
<b>Balance sheet</b>		
<b>Net Benefit liability / (asset)</b>		
Present value of defined benefit obligation	12,666,499	9,853,957
Fair value of plan assets	13,220,297	11,607,772
<b>Plan asset / (liability)</b>	<b>553,798</b>	<b>1,753,815</b>
<b>Changes in the present value of the defined benefit obligation are as follows :</b>		
Opening defined benefit obligation	9,853,957	7,909,665
Current service cost	1,581,801	893,735
Interest cost	1,013,421	632,773
Benefits paid	-	(99,320)
Actuarial (gains) / losses on obligation	217,320	517,104
<b>Closing defined benefit obligation</b>	<b>12,666,499</b>	<b>9,853,957</b>
<b>Changes in the fair value of plan assets are as follows :</b>		
Opening fair value of plan assets	11,607,772	9,053,068
Expected return	1,117,263	825,976
Contributions by employer	592,301	1,828,048
Benefits paid	-	(99,320)
Actuarial gains / (losses)	(97,039)	-
<b>Closing fair value of plan assets</b>	<b>13,220,297</b>	<b>11,607,772</b>
The Group expects to contribute ` 1,000,000 (` 600,000) to Gratuity Fund in the next year.		
<b>The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :</b>		
Investments with insurer	100%	100%

## Notes to the Consolidated Financial Statements

(Amount in `)

	As at March 31, 2014	As at March 31, 2013
<b>The principal assumptions are shown below :</b>		
Discount rate	8.25%	8.00%
Expected rate of return on assets	9.00%	9.50%
Withdrawal Rates (Varying between per annum depending upon the duration and age of the employees)	1% - 8%	1% - 3%

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
<b>Amounts for the current and previous four years are as follows :</b>					
Defined benefit obligation	12,666,499	9,853,957	7,909,665	5,305,927	4,385,304
Plan assets	13,220,297	11,607,772	9,053,068	5,017,516	3,539,137
Surplus / (deficit)	553,798	1,753,815	1,143,403	(865,182)	(1,511,011)
Experience (gain) / loss adjustments on plan liabilities	217,320	517,104	1,604,862	475,817	236,080
Experience gain / (loss) adjustments on plan assets	(97,039)	—	—	—	—

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on the date, applicable to the year over which the obligation is to be settled.

	2013-14	2012-13
<b>Defined Contribution Plan :</b> <b>The Group has recognised the following amount as an expense and included under, "Contribution to Provident &amp; Other Funds".</b>		
Contribution to Provident / Pension Funds	1,870,035	1,653,382

**NOTE 37 OPERATING LEASE**

Certain office premises, godowns, etc. are held on operating lease. The leases range upto 3 years and are renewable for further year either mutually or at the option of the Group. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

	2013-14	2012-13
Lease payments made for the year	12,928,603	10,188,175

**NOTE 38 EARNINGS PER SHARE**

Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	660,707,048	647,794,161
Weighted average number of Equity Shares (in number) (b)	79,524,560	79,524,560
Basic & Diluted Earnings Per Share (a/b)	8.31	8.15
(Nominal Value - ` 1 per share)		

## Notes to the Consolidated Financial Statements

(Amount in `)

### NOTE 39 SEGMENT REPORTING

The Group has re-assessed its business segments during the year. Accordingly, (a) Sales and (b) Services out of the primary business segment reported in the previous year are regrouped and considered as one single segment. Further, Power Generation segment reported in the previous years not considered as a separate segment as it is an insignificant activity and not a separate line of business of the Group and Income from power generation is presented as "Other Operating Revenue". In view of the above, there is only one primary business segment i.e. "Garments & Hosiery goods and related services and hence no separate segment information is disclosed in this financial.

Secondary information is reported geographically.

#### Geographical Segments

The Group primarily operates in India and therefore analysis of geographical segment is demonstrated into Indian and overseas operation as under:

	For the year ended 31st March, 2014			For the year ended 31st March, 2013		
	India	Overseas	Total	India	Overseas	Total
Revenue from Operations (Gross sales)	8,855,029,633	188,663,248	9,043,692,881	8,492,953,761	212,511,055	8,705,464,816
Carrying amount :						
Segment assets	6,566,489,113	39,436,457	6,605,925,570	6,214,509,981	33,620,786	6,248,130,767
Additions :						
Tangible assets	135,304,670	–	135,304,670	331,410,589	–	331,410,589
Intangible assets	–	–	–	4,325,157	–	4,325,157

### NOTE 40 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	Purpose	
<b>a) Derivative outstanding as at the reporting date</b>		
<b>Forward Contract Option</b> Notional amount USD 2,000,000 (31st March, 2013: USD 3,706,449) ` 120,199,627 (31st March, 2013 : ` 201,591,179)	Hedge of foreign currency loan	
	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>b) Particulars of unhedged foreign currency exposure as on the balance sheet date, are as follows :</b>		
Trade receivable	39,436,457	33,620,786

## Notes to the Consolidated Financial Statements

(Amount in ` )

### NOTE 41 RELATED PARTY DISCLOSURE

#### Names of related parties and related party relationship

##### Related parties with whom transactions have taken place during the year

Key Management Personnel	Mr. P. R. Agarwala	Chairman
	Mr. G. P. Agarwala	Vice Chairman
	Mr. K. B. Agarwal	Managing Director
	Mr. Ramesh Agarwal	Executive Director
	Mr. Mukesh Agarwal	Executive Director
Relatives of Key Management Personnel	Late Baijnath Agarwal	Father of Mr. P.R.Agarwala
	Mr. Suresh Agarwal	Son of Mr. P.R.Agarwala
	Mr. Manish Agarwal	Son of Mr. G.P.Agarwala
	Mr. Ravi Agarwal	Son of Mr. K.B.Agarwal
	Mr. Vikash Agarwal	Son of Mr. K.B.Agarwal
	Mr. Rajnish Agarwal	Son of Mr. G.P.Agarwala
	Mrs. Shanti Devi Agarwal	Wife of Mr. P.R.Agarwala
	Mrs. Puspa Devi Agarwal	Wife of Mr. G.P.Agarwala
	Mrs. Lalita Devi Agarwal	Wife of Mr. K.B.Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Ramesh Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Mukesh Agarwal
	Mrs. Sarita Patwari	Daughter of Mr. G.P.Agarwala
Enterprises owned or significantly influenced by key management personnel or their relatives	Binod Hosier	
	Salasar Projects 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.	
	Rajnish Enterprises Ltd.	
	Purvanchal Leasing Ltd.	
	Siddhant Credit Capital Ltd.	
	K B & Sons - HUF	
	Mukesh Kumar Agarwal - HUF	
	Ghanshyam Prasad Manish Kumar - HUF	
	Prahalad Rai Suresh Kumar - HUF	



## Notes to the Consolidated Financial Statements

(Amount in ` )

### Related Party Transaction

Particulars	Party	Nature of relationship	2013-14	2012-13
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
	Salasar Infrastructure Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	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
	Others		96,000	96,000
Salary & Perquisites	Mr. P. R. Agarwala	Key Management Personnel	5,125,000	4,015,989
	Mr. G. P. Agarwala		3,300,000	3,419,664
	Mr. K. B. Agarwal		3,250,000	3,405,376
	Mr. Ramesh Agarwal		1,800,000	1,800,000
	Mr. Mukesh Agarwal		1,800,000	1,800,000
	Mr. Manish Agarwal	Relatives of Key Management Personnel	1,800,000	1,800,000
	Mr. Ravi Agarwal		1,800,000	1,800,000
	Mr. Vikash Agarwal		1,800,000	1,800,000
	Mr. Rajnish Agarwal		1,800,000	1,800,000
	Mr. Suresh Agarwal		480,000	480,000

## Notes to the Consolidated Financial Statements

(Amount in `)

### Related Party Transaction

Particulars	Party	Nature of relationship	2013-14	2012-13
Dividend Paid	Mr. P. R. Agarwala	Key Management Personnel	16,082,160	12,061,620
	Mr. G. P. Agarwala		14,481,820	10,861,365
	Mr. K. B. Agarwal		14,556,000	10,917,000
	Others		3,577,560	2,683,170
	Mr. Vikash Agarwal	Relatives of Key Management Personnel	3,510,880	2,633,160
	Mr. Ravi Agarwal		3,485,260	2,613,945
	Mr. Rajnish Agarwal		2,486,740	1,865,055
	Mr. Manish Agarwal		2,465,100	1,848,825
	Mr. Suresh Agarwal		2,133,140	1,599,855
	Others		4,760,720	3,570,540
	Rajnish Enterprises Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	31,642,380	23,731,785
	Purvanchal Leasing Ltd.		11,615,340	8,711,505
	Others		5,800,000	4,350,000
Balance at end of the year			As at March 31, 2014	As at March 31, 2013
Other Liabilities	Mr. P. R. Agarwala	Key Management Personnel	1,536,138	9,419,936
	Mr. G. P. Agarwala		1,751,727	7,220,283
	Mr. K. B. Agarwal		3,544,070	4,495,871
	Mr. Ramesh Agarwal		1,808,384	818,779
	Mr. Mukesh Agarwal		2,358,694	2,252,143
	Mr. Manish Agarwal	Relatives of Key Management Personnel	4,960,225	4,535,961
	Mr. Rajnish Agarwal		3,374,024	3,430,902
	Mr. Ravi Agarwal		3,503,942	3,058,809
	Mr. Vikash Agarwal		2,238,321	1,296,268
	Others		708,793	512,531
	Binod Hosiery	Enterprises owned or significantly influenced by key management personnel or their relatives	108,000	108,000
	Sidhant Textiles Pvt. Ltd.		—	819,000
	Ravi Global Pvt. Ltd.		—	864,000
	Kadambari Impex & Agency Pvt. Ltd.		—	779,000
	Others		—	915,958
Loans & Advances	Salasar Developers & Garments Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	30,400	52,000

## Notes to the Consolidated Financial Statements

(Amount in ` )

Balance at end of the year			As at March 31, 2014	As at March 31, 2013
Long Term Loans & Advances - Security Deposits	Salasar Projects and Estates Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	2,600,000	2,600,000
	Sidhant Flats & Apartments Pvt Ltd.		2,640,000	2,640,000
	Others		1,500,000	1,500,000
Guarantees Given by Directors	Mr. P.R.Agarwala	Key Management Personnel	152,222,222	254,444,444
	Mr. G.P.Agarwala		152,222,222	254,444,444
	Mr. K.B.Agarwal		152,222,222	254,444,444

### NOTE 42

The remuneration to the Key Management Personnel and relatives of the Key Management Personnel does not include provision made for Gratuity as they are determined on an actuarial basis for the Company as a whole.

As per our report of even date  
For **S. R. BATLIBOI & CO. LLP**  
Firm Registration No. 301003E  
*Chartered Accountants*  
per **Bhaswar Sarkar**  
*a Partner*  
Membership No. 055596  
Place : Kolkata  
Date: 30th May, 2014

For and on behalf of the Board of Directors

**P. R. Agarwala**  
*Chairman*

**G. P. Agarwala**  
*Vice-Chairman*

**Priya Punjabi Agarwal**  
*Company Secretary*

**K. B. Agarwal**  
*Managing Director*

## Statement Regarding Subsidiary Companies

(Amount in `)

### 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)

Particulars	Euro Fashions Innners International Pvt. Ltd.	Immogi Fashions Pvt. Ltd.
Capital	41,000,000	100,000
Reserves & Surplus	132,913,603	2,972,820
Total Assets	299,302,319	50,952,091
Total Liabilities (including Shareholders' Funds)	299,302,319	50,952,091
Investments	3,000	—
Turnover/Total Revenue	478,011,492	38,894,421
Profit before Taxation	57,170,275	2,622,639
Provision for Taxation	18,751,010	892,347
Profit after Taxation	38,419,265	1,730,292
Proposed Dividend	—	—

## Notes

[illegible]

## This image shows a single sheet of white paper with horizontal blue or grey ruling lines, typical of notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Concept, design by

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**MANJARI ENTERPRISES** ([print@manjari.net](mailto:print@manjari.net))  
Phone : (033) 22303495



## Notice

NOTICE is hereby given that Twenty Ninth(29th) Annual General Meeting of the members of RUPA & COMPANY LIMITED will be held at Gyan Manch, 11, Pretoria Street, Kolkata - 700071 on Thursday, the September 11, 2014 at 11.00 A.M. to transact the following business :

### Ordinary Business :

1. a) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
- b) To receive, consider and adopt the Audited consolidated financial statement of the Company for the financial year ended March 31, 2014.
2. To declare dividend on Equity Shares.
3. To appoint auditors and fix their remuneration and in this connection, to consider and if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to sections 139, 142 and other applicable provisions of the Companies Act, 2013 and the allied rules made thereunder M/s S. R. Batliboi & Co. LLP (Firm Registration number 301003E), Chartered Accountants, the retiring auditors be and are hereby re-appointed as Statutory Auditors of the Company to hold office for a consecutive term of four (4) years from the conclusion of the ensuing Annual General Meeting till conclusion of the Annual General Meeting of the Company for the year 2017-18, subject to the ratification by the shareholders in every Annual General Meeting of the Company and at such remuneration as may be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee in addition to the reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company."

### Special Business :

4. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Sushil Patwari (holding DIN00023980), Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing u/s 160 of the Act from a member proposing his candidature as a director, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of five consecutive years, from the date of the Twenty-Ninth Annual General Meeting of the Company up to the conclusion of the Thirty-Fourth Annual General Meeting of the Company in the calendar year 2019.
5. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Dharam Chand Jain (holding DIN 00453341), Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing u/s 160 of the Act from a member proposing his candidature as a director, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of five consecutive years from the date of the Twenty-Ninth Annual General Meeting of the Company up to the conclusion of the Thirty-Fourth Annual General Meeting of the Company in the calendar year 2019.
6. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Vinod Kumar Kothari (DIN No 00050850), a non-executive Director of the Company in respect of whom the Company has received a notice in writing u/s 160 of Act from a member proposing his candidature as a director, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of five consecutive years from the date of

## Notice

the Twenty-Ninth Annual General Meeting of the Company up to the conclusion of the Thirty-Fourth Annual General Meeting of the Company in the calendar year 2019.”

7. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Raj Narain Bhardwaj (DIN No 01571764) a non-executive Director of the Company in respect of whom the Company has received a notice in writing u/s 160 of Act from a member proposing his candidature as a director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of five consecutive years from the date of the Twenty-Ninth Annual General Meeting of the Company up to the conclusion of the Thirty-Fourth Annual General Meeting of the Company in the calendar year 2019.”
8. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Dipak Kumar Banerjee (DIN No 00028123), a non-executive Director of the Company in respect of whom the Company has received a notice in writing u/s 160 of Act from a member proposing his candidature as a Director, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of five consecutive years from the date of the Twenty-Ninth Annual General Meeting of the Company up to the conclusion of the Thirty-Fourth Annual General Meeting of the Company in the calendar year 2019.”
9. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Sections 161, 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Satya Brata Ganguly, (DIN 00012220) a non-executive Director of the Company who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th July, 2014 and who holds office up to the date of the forthcoming Annual general meeting be and is hereby appointed a Director of the Company and in respect of whom the Company has received a notice in writing u/s 160 of Act from a member proposing his candidature as a Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of five consecutive years from the date of the Twenty-Ninth Annual General Meeting of the Company up to the conclusion of the Thirty-Fourth Annual General Meeting of the Company in the calendar year 2019.”
10. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:  
“**RESOLVED THAT** in supersession of all earlier resolutions passed by the Company in this regard and pursuant to the provisions of Section 180(1)(c) and all other applicable provision, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, consent, authority and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’) of the Company, to borrow any sums of money at any time or from time to time as they may deem fit for the purpose of carrying on the business of the Company, so however, that the total amount of such borrowings outstanding at any given point of time shall not exceed Rs. 500 Crores (Rupees Five Hundred Crores only) notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from cash credit arrangements, discounting of bills and other temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose;  
“**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this

## Notice

regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any Director(s) or any Key Managerial Personnel (KMP) or any other Officer(s) of the Company."

11. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** in supersession of all earlier resolutions passed by the Company in this regard and pursuant to the provisions of Section 180(1)(a) and all other applicable provision, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, consent, authority and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board') of the Company, to mortgage, hypothecate, pledge and/or create charge, security from time to time, in such form, manner and ranking and on such terms and at such time(s) as the Board may deem fit in the interest of the Company, on all or any of the moveable and/or immoveable, tangible and/or intangible properties of the Company, present and/or future, wherever situated, in favour of any person including, but not limited to, financial/investment institution(s) and their subsidiaries, bank(s), mutual fund(s), trusts, other bodies corporate (herein after referred to as the "Lending Agencies") and Trustee(s) for the holders of debentures/bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustees under the Trust Deed and/or to the Lending Agencies under their respective Agreements/ Loan Agreements/ Debenture Trust Deeds entered into by the Company in respect of the said borrowings, up to the limits of ₹ 500 crores (Rupees five hundred crores) approved or as may be approved by the Members pursuant to Section 180(1)(c) of the Companies Act, 2013;

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any Director(s) or any Key Managerial Personnel (KMPs) or any other Officer(s) of the Company."

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

**"RESOLVED THAT** pursuant to provisions of Sections 197, 203 and other applicable provisions, including part II of Schedule V of the Companies Act, 2013 (the Act) and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (corresponding to Sections 198, 269, 309 and other applicable provisions including Schedule XIII of the Companies Act, 1956) be and hereby approves the modified terms of remuneration payable to Mr P. R. Agarwala (DIN : 00847452), Chairman of the Company with effect from 1st April 2014 on the terms and conditions and remuneration contained in the draft agreement proposed to be executed between the Company and Chairman a copy whereof is placed for the meeting and for identification is initialed by the Chairman of the meeting of the Board of Directors held on 13th August, 2014 and that such terms of appointment and remuneration can be varied, altered, modified except that the remuneration will not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Chariman.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

**"RESOLVED THAT** pursuant to provisions of Sections 197, 203 and other applicable provisions, including part II of Schedule V of the Companies Act, 2013 (the Act) and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (corresponding to Sections 198, 269, 309 and other applicable provisions including Schedule XIII of the Companies Act, 1956) be and hereby approves the modified terms of remuneration payable to Mr G. P. Agarwala (DIN : 00224805), Vice-Chairman of the Company with effect from 1st April 2014 on the terms and

conditions and remuneration contained in the draft agreement proposed to be executed between the Company and Vice-Chairman a copy whereof is placed for the meeting and for identification is initialed by the Chairman of the meeting of the Board of Directors held on 13th August, 2014 and that such terms of appointment and remuneration can be varied, altered, modified except that the remuneration will not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Vice-Chairman.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

**“RESOLVED THAT** pursuant to provisions of Sections 197, 203 and other applicable provisions, including part II of Schedule V of the Companies Act, 2013 (the Act) and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (corresponding to Sections 198, 269, 309 and other applicable provisions including Schedule XIII of the Companies Act, 1956) be and hereby approves the modified terms of remuneration payable to Mr K. B. Agarwala (DIN : 00224857), Managing Director of the Company with effect from 1st April 2014 on the terms and conditions and remuneration contained in the draft agreement proposed to be executed between the Company and Managing Director a copy whereof is placed for the meeting and for identification is initialed by the Chairman of the meeting of the Board of Directors held on 13th August, 2014 and that such terms of appointment and remuneration can be varied, altered, modified except that the remuneration will not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Managing Director.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

15. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

**“RESOLVED THAT** pursuant to provisions of Sections 197, 203 and other applicable provisions, including part II of Schedule V of the Companies Act, 2013 (the Act) and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (corresponding to Sections 198, 269, 309 and other applicable provisions including Schedule XIII of the Companies Act, 1956) be and hereby approves the modified terms of remuneration payable to Mr Ramesh Agarwal (DIN : 00230702), Whole-time Director of the Company designated as Executive Director with effect from 1st April 2014 on the terms and conditions and remuneration contained in the draft agreement proposed to be executed between the Company and Executive Director a copy whereof is placed for the meeting and for identification is initialed by the Chairman of the meeting of the Board of Directors held on 13th August, 2014 and that such terms of appointment and remuneration can be varied, altered, modified except that the remuneration will not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Executive Director.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

16. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

**“RESOLVED THAT** pursuant to provisions of Sections 197, 203 and other applicable provisions, including part II of Schedule V of the Companies Act, 2013 (the Act) and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (corresponding to Sections 198, 269, 309 and other applicable provisions including Schedule XIII of the Companies Act, 1956) be and hereby approves the modified terms of remuneration payable to Mr Mukhesh Agarwal (DIN : 02415004), Whole-time Director of the Company designated as Executive Director with effect from 1st April 2014 on the terms and conditions and remuneration contained in the draft agreement proposed to be executed between the Company and Executive Director a copy whereof is placed for the meeting and for identification is initialed by the Chairman of the meeting of the Board of Directors held on 13th August, 2014 and that such terms of appointment and remuneration can be varied, altered, modified except that the remuneration will not exceed the limits

specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Executive Director.

"Resolved further that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

17. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

**"RESOLVED THAT** subject to the provision of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and subject to such consent, approvals as may be required, the Company hereby approves the modified terms of remuneration payable to :

(a) Mr. Suresh Agarwal, (b) Mr. Rajnish Agarwal (c) Mr. Ravi Agarwal, (d) Mr. Manish Agarwal and (e) Mr. Vikash Agarwal with effect from 1st April, 2014 on such terms and conditions as detailed in the Explanatory Statement annexed hereto.

**"RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to alter and/or very terms and conditions, remuneration, continuation designation and other entitlements as deemed necessary and proper in the best interest of the Company.

18. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

**"RESOLVED THAT** subject to the provision of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and subject to such consent, approvals as may be required, the Company hereby approves the appointment of Mr.Siddhant Agarwal, as Vice President (Project & Acquisition), relative of a Director with effect from 1st June, 2014 on such terms and conditions as detailed in the Explanatory Statement annexed hereto.

**"RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to alter and/or very terms and conditions, remuneration, continuation designation and other entitlements as deemed necessary and proper in the best interest of the Company.

**"RESOLVED FURTHER** that the Board be and is hereby authorised to do all such acts and to take all such steps as may be necessary to give effect to this resolution."

19. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

**"RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 (the Act) read with Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the said Act/Rules, approval of the Company be and is hereby given to the Board of Directors to enter into contract/arrangement for sale, purchase or supply of any goods or materials directly or through appointment of agents even if in excess of limit specified for purpose of Clause(a) and Clause(e) of Section 188(1) of the Act to or from Related Parties including Group Company, Subsidiaries (if any), Fellow Subsidiaries (if any) and Associates (if any) from time to time in the best interest of the Company.

**"RESOLVED FURTHER** that approval of the Company be and is hereby also given to the Board of Directors to enter into contracts/arrangements for availing/rendering of any services directly or through appointment of agents even if in excess of limit specified for purpose of Clause (d) & (e) of Section 188(1) of the aforesaid Act to or from Related Parties including Group Company, Subsidiaries (if any), Fellow Subsidiaries (if any) and Associates from time to time in the best interest of the Company.

**"RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to do the needful and take necessary steps in the matter and settle any or all difficulties in its absolute discretion to implement the above Resolution for and on behalf of the Company."

Registered Office :  
1, Ho Chi Minh Sarani  
Metro Tower, 8th Floor  
Kolkata - 700 071  
Dated : 13th August, 2014

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

**Sudip Chatterji**  
Company Secretary



## Notice

### Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED, DULY COMPLETED AND SIGNED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HERewith.**

**A person can act as Proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. However, a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member.**

**Proxies submitted on behalf of Companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.**

2. The Register of Members and the Share Transfer Book of the Company will remain closed from **September 4, 2014 to September 11, 2014 (both days inclusive)**.
  - a. Duly executed and stamped transfer deeds, along with the share certificates, should be submitted to the Company's Registrar and Share Transfer Agents before the closure of the Register of members for registration.
  - b. Members are requested to notify immediately any change in their address to the Company's Registrar and Share Transfer Agent, Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001.
3. 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 of the Company as on September 4, 2014 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.
4. 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:
  - a. Name of Sole/First holder and the Folio Number.
  - b. Particulars of Bank Account viz.:
    - i. Name of Bank
    - ii. Name of Branch
    - iii. Complete Address of Bank with Pin Code Number
    - iv. Account Type (whether Savings Account or Current Account) and Bank Account Number
5. 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 (IEPF) established by the Central Government under section 205A & 205C of the Companies Act, 1956. Once unclaimed dividends are transferred to the fund, members will not be entitled to claim those dividends.
6. 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 125 of the Companies Act, 2013. In view of the above, the shareholders are advised to send all un-encashed dividend warrants to the Registered Office of the Company for revalidation and encash them immediately. Unclaimed/ Unencashed dividend for the year ended 31st March, 2006 has already been transferred to the IEPF.
7. Electronic copy of the Notice of the Twenty-Ninth Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members

## Notice

whose email IDs are registered with the Company's Registrar and Share Transfer Agents/Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email IDs, physical copies of the Notice of the aforesaid AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent at their registered address with the Company.

- a. In view of Go Green initiative being undertaken by the Company, Members who have not yet registered their e-mail address so far are requested to register their e-mail address with the Company/Company's Registrar and Share Transfer Agents/Depository Participant for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
  - b. Relevant documents referred to in the accompanying notice/explanatory statement including the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 are open for inspection by the members at the registered office of the Company on all working days except Saturday between 11:00 a.m. and 12:00 noon up to the date of the ensuing Annual General Meeting. Further, the Notice for this 29th Annual General Meeting along with requisite documents and the Annual Report for the financial year ended 2013-14 shall also be available on the website of the Company [www.rupa.co.in](http://www.rupa.co.in).
  - c. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules issued there under will be available for inspection by the members at the Annual General Meeting.
8. Shareholders seeking any information with regard to the Accounts are requested to write to the Company Secretary at least seven days in advance so as to enable the Management to keep the information ready at the Annual General Meeting.
  9. Members/Proxies are requested to bring their copies of Annual Report and produce Attendance slip duly filled in for attending the meeting.
  10. Details of directors seeking appointment / reappointment at the meeting are incorporated in the Corporate Governance Report as required to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.
  11. A Statement pursuant to Section 102(1) of the Companies act, 2013, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
  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/R & T Agent/Depository Participants in order to facilitate response to their queries promptly.
  13. 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 at the Meeting.
  14. 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  
Tel : +91 33 2243 5809  
Fax : +91 33 2248 4787  
E-mail : [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

- a. Non-resident Indian Members are requested to inform Maheshwari Datamatics Pvt. Ltd. immediately of:
  - i. Change in their residential status on return to India for permanent settlement.
  - ii. 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.

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15. 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 of the Company.
16. 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)
17. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Companies website [www.rupa.co.in](http://www.rupa.co.in) under Section 'Investors Relation'.
18. Additional information pursuant to clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/ re-appointment at the AGM are furnished and forms a part of the notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
19. 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 earth. 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.
20. 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.
21. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there-under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.
22. The Company has appointed CS H. M. Choraria, Practicing Company Secretary, Proprietor of M/s. H. M. Choriaria & Co., of 14/2, Old China Bazar Street, Kolkata - 700 001 as the Scrutinizer for conducting the e- voting process in a fair and transparent manner.
23. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, as an alternate to all its members to enable them to cast their votes electronically instead of casting their votes at the meeting.
  - a) For this purpose, the Company has signed an agreement with the Central Depository Services (India) Limited (CDSL) for facilitating e-voting.
  - b) The voting through electronic means will commence on September 5, 2014 at 10 a.m. and will end on September 7, 2014 at 6 p.m.
  - c) The members will not be able to cast their vote electronically beyond the date and time mentioned above.
  - d) The scrutinizer will submit his report to the Chairman, within a period not exceeding three working days from the date of conclusion of e-voting period. The results of the voting on the resolutions at the meeting shall be announced by the Chairman on September 11, 2014.
  - e) The results declared along with the scrutinizer's report, will be posted on the website of Company and CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the Stock Exchanges where the shares of the Company are listed.
24. In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/ Depositories) :

**The instructions for members for voting electronically are as under :-**

**In case of members receiving e-mail :**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”.
- (iv) Now Enter your User ID :
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participants are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. – Sequence number is communicated in the Attendance Slip/ Covering Letter.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy :**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins from 10.00 a.m. on 5th September, 2014 and ends at 6.00 p.m. on 7th September, 2014. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 8th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Registered Office :  
1, Ho Chi Minh Sarani  
Metro Tower, 8th Floor  
Kolkata - 700 071  
Dated : 13th August, 2014

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

**Sudip Chatterji**  
Company Secretary

## Notice

### STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Businesses mentioned in the Notice:

#### Item No. 4 - Appointment of Mr. Sushil Patwari as an Independent Director of the Company

Mr. Sushil Patwari, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered themselves for re-appointment, not liable to retire by rotation in terms of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement

The SEBI has amended Clause 49 of the Listing agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed company.

Based on the declarations received from Mr. Sushil Patwari, Director of the Company, in terms of Section 149 (7) of the Companies Act, 2013, the Board is of the opinion that Mr. Patwari, fulfills the criteria of being appointed as an Independent Director as stipulated in Section 149 (6) of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and Rules made thereunder. The Board is also of the opinion that the proposed Director is independent of the management. The Company has received notice under section 160 along with requisite deposit from a member proposing his re-appointment as a Director at the ensuing Annual General Meeting. Mr. Sushil Patwari is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and given his consent to act as a Director.

Brief Resume of Mr. Sushil Patwari is as below :

Mr. Sushil Patwari has wide expertise in the fields of industry, finance and legal.

He joined the Board of your Company on November 17, 2003.

He is presently director of the following companies:

- 1) Reliance Processors Ltd.
- 2) Nagreeka Exports Ltd.
- 3) Nagreeka Capital & Infrastructure Ltd.
- 4) Nagreeka Foils Ltd.
- 5) Jaidka Motor Company Ltd.

It is, therefore, proposed to appoint Mr. Sushil Patwari as an Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing agreement to hold office for 5(five) consecutive years for a term up to the conclusion of 34th Annual General meeting of the Company in the calendar year 2019, not liable to retire by rotation.

The Directors recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. Patwari and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment. None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

#### Item No. 5 - Appointment of Mr. Dharam Chand Jain as an Independent Director of the Company

Mr. Dharam Chand Jain, Director retires by rotation at the ensuing Annual General Meeting and being eligible, has offered themselves for re-appointment, not liable to retire by rotation in terms of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement

The SEBI has amended Clause 49 of the Listing agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed company.

Based on the declarations received from Mr. Dharam Chand Jain, Director of the Company, in terms of Section 149 (7) of the Companies Act, 2013, the Board is of the opinion that Mr. Jain, fulfills the criteria of being appointed as an Independent Director as stipulated in Section 149 (6) of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and Rules made thereunder. The Board is also of the opinion that the proposed Director is independent of the



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management. The Company has received notice under section 160 along with requisite deposit from a member proposing his re-appointment as a Director at the ensuing Annual General Meeting. Mr. Dharam Chand Jain is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and given his consent to act as a Director.

Brief Resume of Mr. Dharam Chand Jain is as below :

Mr. Dharam Chand Jain has wide expertise in the field of industry.

He joined the board of your company on March 31, 2003.

It is, therefore, proposed to appoint Mr. Dharam Chand Jain as an Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing agreement to hold office for 5(five) consecutive years for a term up to the conclusion of 34th Annual General meeting of the Company in the calendar year 2019, not liable to retire by rotation.

The Directors recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. Jain and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment. None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

### **Item No. 6-Appointment of Mr. Vinod Kumar Kothari as an Independent Director of the Company**

Mr. Vinod Kumar Kothari is an Independent Director of the Company and has held the position as such for more than 5 (five) years.

The SEBI has amended Clause 49 of the Listing agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

Based on the declarations received from Mr. Vinod Kumar Kothari, Director of the Company, in terms of Section 149 (7) of the Companies Act, 2013, the Board is of the opinion that Mr. Kothari, fulfills the criteria of being appointed as an Independent Director as stipulated in Section 149 (6) of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and Rules made thereunder. The Board is also of the opinion that the proposed Director is independent of the management. The Company has received notice under section 160 along with requisite deposit from a member proposing his re-appointment as a Director at the ensuing Annual General Meeting.

Mr. Vinod Kumar Kothari is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and given his consent to act as a Director.

Brief Resume of Mr. Vinod Kumar Kothari is as below :

Mr. Vinod Kothari is a pioneer in the field of corporate law and finance and is recognized both nationally and internationally as a trainer and consultant on specialized areas in corporate law and in finance including leasing, securitisation, asset-based finance, credit derivatives, accounting for derivatives and financial instruments, housing finance, to name a few. Mr. Kothari is also, one of the specialist editors of company law magnum opus, A Ramaiya's Guide to Company Law, 2011 edition and wrote the highlights and referencer for Lexis Nexis publication titled, The Companies Act 2013 and has also authored Taxmann publication, titled, 'Understanding Companies Act, 2013'. He is a regular speaker at various professional institutes and was a visiting faculty at Indian Institute of Management, Joka, and at the National University of Juridical Sciences, Kolkata.

Mr. Vinod Kothari Joined the Board of the Company July 26, 2004.

It is, therefore, proposed to appoint Mr. Vinod Kumar Kothari as an Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing agreement to hold office for 5(five) consecutive years for a term up to the conclusion of 34th Annual General meeting of the Company in the calendar year 2019, not liable to retire by rotation.

The Directors recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. Kothari and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment. None of the other Directors or Key Managerial Personnel (KMPs) of the Company either



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directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

### **Item No. 7- Appointment of Mr. Dipak Kumar Banerjee as an Independent Director of the Company**

Mr. Dipak Kumar Banerjee is an Independent director of the Company.

The SEBI has amended Clause 49 of the Listing agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

Based on the declarations received from Mr. Dipak Kumar Banerjee, Director of the Company, in terms of Section 149 (7) of the Companies Act, 2013, the Board is of the opinion that Mr. Banerjee, fulfills the criteria of being appointed as an Independent Director as stipulated in Section 149 (6) of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and Rules made there under. The Board is also of the opinion that the proposed Director is independent of the management. The Company has received notice under section 160 along with requisite deposit from a member proposing his re-appointment as a Director at the ensuing Annual General Meeting. Mr. Dipak Kumar Banerjee is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and given his consent to act as a Director.

Brief Resume of Mr. Dipak Kumar Banerjee is as below :

Mr. Dipak Kumar Banerjee is an independent Director of the Company. He is a Chartered Accountant; he started his career with Life Insurance Corporation in 1970 and thereafter, in 1975, joined Hindustan Lever Limited. His tenure with Lever included a two year secondment to Lever Brother, Nigeria. In 1992, Mr. Banerjee became the Commercial Director of Unilever Plantations Group. Between 1993 and 1997 he was designated as Commercial Officer – Africa and Middle East Group of Unilever, London and retired in July 2000 as Chairman, Unilever Uganda Ltd.

Mr. Banerjee joined the Board of your Company on May 30, 2013. He is not related to any of the Directors and does not hold any shares in the Company.

It is, therefore, proposed to appoint Mr. Dipak Kumar Banerjee as an Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing agreement to hold office for 5(five) consecutive years for a term up to the conclusion of 34th Annual General meeting of the Company in the calendar year 2019, not liable to retire by rotation.

The Directors recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. Banerjee and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment. None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

### **Item No. 8 - Appointment of Mr. Raj Narain Bhardwaj as an Independent Director of the Company**

Mr. Raj Narain Bhardwaj is an Independent director of the Company.

The SEBI has amended Clause 49 of the Listing agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

Based on the declarations received from Mr. Raj Narain Bhardwaj, Director of the Company, in terms of Section 149 (7) of the Companies Act, 2013, the Board is of the opinion that Mr. Bhardwaj, fulfills the criteria of being appointed as an Independent Director as stipulated in Section 149 (6) of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and Rules made there under. The Board is also of the opinion that the proposed Director is independent of the management. The Company has received notice under section 160 along with requisite deposit from a member proposing his re-appointment as a Director at the ensuing Annual General Meeting. Mr. Raj Narain Bhardwaj is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and given his consent to act as a Director.

Brief Resume of Mr. Raj Narain Bhardwaj is as below :

Mr. Raj Narain Bhardwaj is an independent Director of the Company. He holds a post graduate degree in economics from the Delhi School of Economics and a Diploma in Industrial Relations and Personnel Management from Punjab University,

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Patiala. He has altogether 37 years of experience with the Life Insurance Corporation of India, Bahrain, Nepal, Lanka and Mauritius. He has served LIC in various positions including Managing Director, Non-Executive Chairman and Chairman. Mr. Bhardwaj has also served as a member of the Securities Appellate Tribunal (SAT) for two years where he has come across a number of cases relating to market manipulation, non-compliance of regulations such as Take Over Code, FII Regulations, Insider Trading, Broker's Regulations, etc.

He was also nominated as a Member of the Committee appointed by the Government of India in 2001 to study Investment Management and has held discussions with Fund Managers in Europe and USA.

Mr. Narain joined the Board of your Company on May 28, 2012. He is not related to any of the Directors and does not hold any shares in the Company.

It is, therefore, proposed to appoint Mr. Raj Narain Bhardwaj as an Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing agreement to hold office for 5(five) consecutive years for a term up to the conclusion of 34th Annual General meeting of the Company in the calendar year 2019, not liable to retire by rotation.

The Directors recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. Bhardwaj and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment. None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

### **Item No. 9 - Appointment of Mr. Satya Brata Ganguly as an Independent Director of the Company**

The Board of directors of the Company appointed Mr. Satya Brata Ganguly as an Additional Director at their meeting held on August 13, 2014 under section 161 read with Article No. 122 of Articles of Association of the Company. Accordingly, Mr. Satya Ganguly will hold office up to the conclusion of this forthcoming Annual General Meeting. The company has received a notice in writing from a member, under section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Satya Brata Ganguly to act as the Director of the Company.

Based on the declarations received from Mr. Satya Brata Ganguly, Director of the Company, in terms of Section 149 (7) of the Companies Act, 2013, the Board is of the opinion that Mr. Ganguly, fulfills the criteria of being appointed as an Independent Director as stipulated in Section 149 (6) of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and Rules made there under. The Board is also of the opinion that the proposed Director is independent of the management. Mr. Satya Brata Ganguly is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and given his consent to act as a Director.

Brief Resume of Mr. Satya Brata Ganguly as below :

Mr. Satya Brata Ganguly, Graduate of Chemical Engineering & Fellow of Plastic and Rubber Institute (London), Fellow of Institute of Chemical Engineers and also the Fellow of the Institute of Chemicals.

Mr. Satya Brata Ganguly, an Independent Director, is the former Chairman of Exide Industries Ltd. He is presently Non-Executive Chairman of Peerless Trust Management Co Ltd and Independent Director of Paharpur Cooling Towers Ltd, West Bengal Industrial Development Corporation, Su-Kam Power Systems Ltd and West Bengal Industrial Infrastructure Development Corporation. He is also President of the Indian Football Association (WB) and Trustee of the Academy of Fine Arts (Kolkata) besides being Member of various other Bodies.

Mr. Banerjee joined the Board of your Company on August 13, 2014. He is not related to any of the Directors and does not hold any shares in the Company.

It is, therefore, proposed to appoint Mr. Satya Brata Ganguly as an Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing agreement to hold office for 5(five) consecutive years for a term up to the conclusion of 34th Annual General meeting of the Company in the calendar year 2019, not liable to retire by rotation.

The Directors recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. Ganguly and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it

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relates to his own appointment. None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

### Item No. 10 - Authorisation to the Company to borrow funds under Section 180(1)(c)

At the Extra Ordinary General Meeting of the Company held on April 9, 2011, an Ordinary Resolution pursuant to Section 293(1)(d) of the Companies Act, 1956 was passed by the Members authorising the Board of Directors (hereinafter referred as 'Board') of the Company to borrow any sums of money from time to time as they may deem fit for the purpose of carrying on the business of the Company, so however, that the total amount of such borrowings outstanding at any given point of time shall not exceed Rs. 500 Crores.

However, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 read with Ministry of Corporate Affairs' General Circular No. 04/2014 dated 25.03.2014, consent of the Company is required by way of a special resolution to borrow funds in excess of the paid up capital and free reserves of the Company within one year of the enforcement of the section. Section 180(1)(c) was enforced w.e.f. September 12, 2013. Accordingly, to enable the Company to continue to availing the said borrowing limits, Item no. 10 has been put forward for your approval.

The Directors, recommend the Resolution to be passed as a Special Resolution by the Members.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent that it is proposed to authorise them to borrow moneys as stated in the Resolution.

### Item No. 11 - Consent to sell, lease or otherwise dispose of the undertaking of the company under section 180(1)(a)

The Company would be borrowing monies from time to time, for the purpose of its business, by way of loans, debentures, bonds, commercial papers and other financial assistance/credit facilities from various financial/investment institution(s), banks, mutual fund(s), trusts, bodies corporate and other persons/investors apart from the working capital facilities obtained/to be obtained from banks etc. in the ordinary course of business. This, in turn, would necessitate further creation of security by way of suitable mortgages hypothecation, pledge and/or charges on all or some of the moveable and/or immoveable, tangible and/or intangible assets of the Company, both present and/or future, in favour of various lenders/trustees and this may be regarded as disposal of the Company's assets and/or undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

At the Extra Ordinary General Meeting of the Company held on April 9, 2011, an Ordinary Resolution pursuant to Section 293(1)(a) read with Section 293(1)(d) of the Companies Act, 1956 was passed by the Members authorising the Board of Directors (hereinafter referred as 'Board') of the Company to mortgage and/or create charge from time to time on the moveable and/or immoveable properties of the Company, in such form and manner as may be deemed fit by the Board of the Company for securing funds raised by the Company.

However, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 ('Act'), read with Ministry of Corporate Affairs' General Circular No. 04/2014 dated 25.03.2014, consent of the Company is required by way of a special resolution to enable the Board to exercise its power to mortgage, hypothecate, pledge and/or create charge, security on the moveable and/or immoveable, tangible and/or intangible properties of the Company, from time to time within the limits approved by the members under Section 180 (1) (c) of the Act. The special resolution is to be passed within one year from the date of enforcement of section 180(1)(a) i.e. September 12, 2013.

The Directors recommend the Resolution to be passed as a Special Resolution by the Members.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent that it is proposed to authorise them to mortgage and/or create charge etc. as stated in the Resolution.

### Item No. 12

The Board of Directors of the Company at its meeting held on 13th August, 2014 has, subject to the approval of the members, alters the terms of the remuneration recommended by the Audit & Nomination and Remuneration Committee (the Committee) and approved by the Board.

Special Resolutions proposed are to seek the members' approval for the alteration of the remuneration payable to Mr P. R. Agarwala as Chairman in terms of applicable provisions of the Act. Broad break up of remuneration payable to him is as under :

Particulars	Mr P. R. Agarwala
Basic Salary (per month)	In the scale of ₹ 7,00,000 to ₹ 8,00,000
House Rent Allowance (per month)	₹ 1,00,000 (fully furnished residential accommodation or HRA at the rate 60% of Salary subject to maximum of the Rs. 1,00,000.)
Reimbursement of Electricity, Gas, Water and Furnishings (per month)	₹ 50,000
Reimbursement of Medical Expenses including abroad for self and family	At actuals
Leave Travel Concession for self and family once in a year	As per the rules of the Company
Fees of clubs (including Admission and Life Membership Fees)	Maximum of two (2) clubs
Personal Accident Insurance (per annum)	Annual Premium which shall not exceeding ₹ 105,000
Leave	Leave with full pay and allowances including encashment thereof as per rules of the Company
Provident Fund, Superannuation and Gratuity Benefits	As per Company's Scheme
Commission	@1% per annum of eligible Net Profit

Furthermore, remuneration including allowances, perquisites will be within individual limit of 5% and overall limit of 10% of eligible Net Profit of each of the respective year.

The Board of Directors at the recommendation of the Committee and in consultation with the Chairman shall be authorised to increase, reduce, alter or vary the remuneration and perquisites including monetary value thereof at any time and from time to time in such manner as the Board of Directors may, in its absolute discretion, deem fit, proper and necessary.

In addition to remuneration including perquisites and allowances, the Chairman shall be entitled to reimbursement of expenses incurred for traveling, boarding and lodging during business trips, provision of car and telephone at residence for use on the Company's business and such expenses shall not be considered as perquisites.

Aforesaid entitlement of remuneration and perquisites of the Chairman will be 'minimum remuneration' should there be loss or inadequate profit in any financial year during term of their office effective 1st April 2014, subject to such approvals as may be required including yours in the ensuing Annual General Meeting and that of the Central Government, notwithstanding said remuneration exceeds the limit of 5% of eligible Net Profit for each of them.

The relatives of Mr P. R. Agarwala may be deemed to be interested in the resolutions set out respectively at Item Nos. 12 of the Notice, to the extent of their interest including shareholding, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends Special Resolutions set out at Item Nos. 12 of the Notice for approval by the Members.

### Item No. 13

The Board of Directors of the Company at its meeting held on 13th August, 2014 has, subject to the approval of the members, alters the terms of the remuneration recommended by the Audit & Nomination and Remuneration Committee (the Committee) and approved by the Board.

Special Resolutions proposed are to seek the members' approval for the alteration of the remuneration payable to Mr G. P. Agarwala as Chairman in terms of applicable provisions of the Act. Broad break up of remuneration payable to him is as under :

Particulars	Mr G. P. Agarwala
Basic Salary (per month)	In the scale of ₹ 6,50,000 to ₹ 7,50,000
House Rent Allowance (per month)	₹ 1,00,000 (fully furnished residential accommodation or HRA at the rate 60% of Salary subject to maximum of the ₹ 1,00,000.)
Reimbursement of Electricity, Gas, Water and Furnishings (per month)	₹ 50,000
Reimbursement of Medical Expenses including abroad for self and family	At actuals
Leave Travel Concession for self and family once in a year	As per the rules of the Company
Fees of clubs (including Admission and Life Membership Fees)	Maximum of two (2) clubs
Personal Accident Insurance (per annum)	Annual Premium which shall not exceeding ₹ 10,000
Leave	Leave with full pay and allowances including encashment thereof as per rules of the Company
Provident Fund, Superannuation and Gratuity Benefits	As per Company's Scheme
Commission	@1% per annum of eligible Net Profit

Furthermore, remuneration including allowances, perquisites will be within individual limit of 5% and overall limit of 10% of eligible Net Profit of each of the respective year.

The Board of Directors at the recommendation of the Committee and in consultation with the Vice-Chairman shall be authorised to increase, reduce, alter or vary the remuneration and perquisites including monetary value thereof at any time and from time to time in such manner as the Board of Directors may, in its absolute discretion, deem fit, proper and necessary.

In addition to remuneration including perquisites and allowances, the Vice-Chairman shall be entitled to reimbursement of expenses incurred for traveling, boarding and lodging during business trips, provision of car and telephone at residence for use on the Company's business and such expenses shall not be considered as perquisites.

Aforesaid entitlement of remuneration and perquisites of the Vice-Chairman will be 'minimum remuneration' should there be loss or inadequate profit in any financial year during term of their office effective 1st April 2014, subject to such approvals as may be required including yours in the ensuing Annual General Meeting and that of the Central Government, notwithstanding said remuneration exceeds the limit of 5% of eligible Net Profit for each of them.

The relatives of Mr G. P. Agarwala may be deemed to be interested in the resolutions set out respectively at Item Nos. 13 of the Notice, to the extent of their interest including shareholding, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends Special Resolutions set out at Item Nos. 13 of the Notice for approval by the Members.

#### Item No. 14

The Board of Directors of the Company at its meeting held on 13th August, 2014 has, subject to the approval of the members, alters the terms of the remuneration recommended by the Audit & Nomination and Remuneration Committee (the Committee) and approved by the Board.

Special Resolutions proposed are to seek the members' approval for the alteration of the remuneration payable to Mr K. B. Agarwala as Chairman in terms of applicable provisions of the Act. Broad break up of remuneration payable to him is as under :

Particulars	Mr K. B. Agarwala
Basic Salary (per month)	In the scale of ₹ 6,50,000 to ₹ 7,50,000
House Rent Allowance (per month)	₹ 1,00,000 (fully furnished residential accommodation or HRA at the rate 60% of Salary subject to maximum of the Rs. 1,00,000.)
Reimbursement of Electricity, Gas, Water and Furnishings (per month)	₹ 50,000
Reimbursement of Medical Expenses including abroad for self and family	At actuals
Leave Travel Concession for self and family once in a year	As per the rules of the Company
Fees of clubs (including Admission and Life Membership Fees)	Maximum of two (2) clubs
Personal Accident Insurance (per annum)	Annual Premium which shall not exceeding ₹ 10,000
Leave	Leave with full pay and allowances including encashment thereof as per rules of the Company
Provident Fund, Superannuation and Gratuity Benefits	As per Company's Scheme
Commission	@1% per annum of eligible Net Profit

Furthermore, remuneration including allowances, perquisites will be within individual limit of 5% and overall limit of 10% of eligible Net Profit of each of the respective year.

The Board of Directors at the recommendation of the Committee and in consultation with the Managing Director shall be authorised to increase, reduce, alter or vary the remuneration and perquisites including monetary value thereof at any time and from time to time in such manner as the Board of Directors may, in its absolute discretion, deem fit, proper and necessary.

In addition to remuneration including perquisites and allowances, the Managing Director shall be entitled to reimbursement of expenses incurred for traveling, boarding and lodging during business trips, provision of car and telephone at residence for use on the Company's business and such expenses shall not be considered as perquisites.

Aforesaid entitlement of remuneration and perquisites of the Managing Director will be 'minimum remuneration' should there be loss or inadequate profit in any financial year during term of their office effective 1st April 2014, subject to such approvals as may be required including yours in the ensuing Annual General Meeting and that of the Central Government, notwithstanding said remuneration exceeds the limit of 5% of eligible Net Profit for each of them.

The relatives of Mr K. B. Agarwala may be deemed to be interested in the resolutions set out respectively at Item Nos. 14 of the Notice, to the extent of their interest including shareholding, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends Special Resolutions set out at Item Nos. 14 of the Notice for approval by the Members.

#### Item No. 15

The Board of Directors of the Company at its meeting held on 13th August, 2014 has, subject to the approval of the members, alters the terms of the remuneration recommended by the Audit & Nomination and Remuneration Committee (the Committee) and approved by the Board.



Special Resolutions proposed are to seek the members' approval for the alteration of the remuneration payable to Mr Ramesh Agarwal as Executive Director in terms of applicable provisions of the Act. Broad break up of remuneration payable to him is as under :

Particulars	Mr Ramesh Agarwal
Basic Salary (per month)	In the scale of ₹ 3,50,000 to ₹ 4,50,000
Reimbursement of Medical Expenses including abroad for self and family	Expenses incurred for self and family including mediclaim insurance premium in accordance with the rules of the Company
Leave	Leave with full pay and allowances including encashment thereof as per rules of the Company
Fees of clubs (including Admission and Life Membership Fees)	Maximum of ₹ 5,00,0000
Provident Fund, Superannuation and Gratuity Benefits	Gratuity payable as per the rules of the Company but not exceeding half a month salary for each completed year of service.

Furthermore, remuneration including allowances, perquisites will be within individual limit of 5% and overall limit of 10% of eligible Net Profit of each of the respective year.

The Board of Directors at the recommendation of the Committee and in consultation with the Executive Director shall be authorised to increase, reduce, alter or vary the remuneration and perquisites including monetary value thereof at any time and from time to time in such manner as the Board of Directors may, in its absolute discretion, deem fit, proper and necessary.

In addition to remuneration including perquisites and allowances, the Executive Director shall be entitled to reimbursement of expenses incurred for traveling, boarding and lodging during business trips, provision of car and telephone at residence for use on the Company's business and such expenses shall not be considered as perquisites.

Aforesaid entitlement of remuneration and perquisites of the Executive Director will be 'minimum remuneration' should there be loss or inadequate profit in any financial year during term of their office effective 1st April 2014, subject to such approvals as may be required including yours in the ensuing Annual General Meeting and that of the Central Government, notwithstanding said remuneration exceeds the limit of 5% of eligible Net Profit for each of them.

The relatives of Mr Ramesh Agarwal may be deemed to be interested in the resolutions set out respectively at Item Nos. 15 of the Notice, to the extent of their interest including shareholding, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends Special Resolutions set out at Item Nos. 15 of the Notice for approval by the Members.

#### Item No. 16

The Board of Directors of the Company at its meeting held on 13th August, 2014 has, subject to the approval of the members, alters the terms of the remuneration recommended by the Audit & Nomination and Remuneration Committee (the Committee) and approved by the Board.



Special Resolutions proposed are to seek the members' approval for the alteration of the remuneration payable to Mr Mukesh Agarwal as Executive Director in terms of applicable provisions of the Act. Broad break up of remuneration payable to him is as under :

Particulars	Mr Mukhesh Agarwal
Basic Salary (per month)	In the scale of ₹ 3,50,000 to ₹ 4,50,000
Reimbursement of Medical Expenses including abroad for self and family	Expenses incurred for self and family including mediclaim insurance premium in accordance with the rules of the Company
Leave	Leave with full pay and allowances including encashment thereof as per rules of the Company
Fees of clubs (including Admission and Life Membership Fees)	Maximum of ₹ 5,00,000
Provident Fund, Superannuation and Gratuity Benefits	Gratuity payable as per the rules of the Company but not exceeding half a month salary for each completed year of service.

Furthermore, remuneration including allowances, perquisites will be within individual limit of 5% and overall limit of 10% of eligible Net Profit of each of the respective year.

The Board of Directors at the recommendation of the Committee and in consultation with the Executive Director shall be authorised to increase, reduce, alter or vary the remuneration and perquisites including monetary value thereof at any time and from time to time in such manner as the Board of Directors may, in its absolute discretion, deem fit, proper and necessary.

In addition to remuneration including perquisites and allowances, the Executive Director shall be entitled to reimbursement of expenses incurred for traveling, boarding and lodging during business trips, provision of car and telephone at residence for use on the Company's business and such expenses shall not be considered as perquisites.

Aforesaid entitlement of remuneration and perquisites of the Executive Director will be 'minimum remuneration' should there be loss or inadequate profit in any financial year during term of their office effective 1st April 2014, subject to such approvals as may be required including yours in the ensuing Annual General Meeting and that of the Central Government, notwithstanding said remuneration exceeds the limit of 5% of eligible Net Profit for each of them.

The relatives of Mr Mukesh Agarwal may be deemed to be interested in the resolutions set out respectively at Item Nos. 16 of the Notice, to the extent of their interest including shareholding, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends Special Resolutions set out at Item Nos. 16 of the Notice for approval by the Members.

#### Item No. 17

The Board of Directors of the Company at its meeting held on 13th August, 2014 has, subject to the approval of the members, alters the terms of the remuneration recommended by the Audit & Nomination and Remuneration Committee (the Committee) and approved by the Board.

Special Resolutions proposed are to seek the members' approval for the alteration of the remuneration payable to Mr Suresh Agarwal, Mr Rajnish Agarwal, Mr Ravi Agarwal, Mr Manish Agarwal and Mr Vikash Agarwal as President in terms of applicable provisions of the Act. Broad break up of remuneration payable to him is as under :

Particulars	Mr Rajnish Agarwal, Mr Ravi Agarwal, Mr Manish Agarwal and Mr Vikash Agarwal
Salary (per month)	In the scale of ₹ 3,50,000 to ₹ 4,50,000
	Mr. Suresh Agarwal
	In the scale of ₹ 2,00,000 to ₹ 2,50,000

Name of Related Parties	<b>Mr Rajnish Agarwal, Mr Ravi Agarwal, Mr Manish Agarwal and Mr Vikash Agarwal, Mr. Suresh Agarwal</b>
Name of the Director/ KMP who are related	Mr. P. R. Agarwala (Chairman), Mr. G. P. Agarwala (Vice-Chariman) and Mr. K. B. Agarwala (Vice-Chariman), Mr. Ramesh Agarwal (Whole time Director) and Mr. Mukesh Agarwal (Whole time Director)
Nature of relationship	Relative
Nature, material terms, monetary value and particulars of the contract or arrangement	<b>In the scale of ₹ 3,50,000 to ₹ 4,50,000 and in the scale of ₹ 2,00,000 to ₹ 2,50,000</b>
Any other information	N. A.

The relatives of Mr. Rajnish Agarwal, Mr. Ravi Agarwal, Mr. Manish Agarwal, Mr. Vikash Agarwal and Mr. Suresh Agarwal may be deemed to be interested in the resolutions set out respectively at Item Nos. 17 of the Notice, to the extent of their interest including shareholding, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends Special Resolutions set out at Item Nos. 17 of the Notice for approval by the Members.

#### **Item No. 18 - Approval of remuneration payable to a related party**

The Board of Directors in its meeting held on 30th May, 2014 has approved the appointment of Mr. Siddhant Agarwal as Vice President (Project & Acquisition) after receipt of recommendation from the Nomination and Remuneration Committee of the Board. Mr. Siddhant Agarwal will receive remuneration of Rs. 20,00,000/- per annum and holding the office of executive are well within the provisions of Section 188 of the Companies Act, 2013.

Particulars of the contract to be specifically stated in the explanatory statement in terms of Explanation (3) of Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 in Item No.12 are as under:

Name of Related Parties	<b>Mr. Siddhant Agarwal</b>
Name of the Director/ KMP who are related	Mr. P. R. Agarwal (Chairman)
Nature of relationship	Relative
Nature, material terms, monetary value and particulars of the contract or arrangement	Monetary value- Rs. 20,00,000 per annum
Any other information	N. A.

The remuneration shall be paid in a manner as determined by the Board of Directors of the Company.

Unless otherwise stipulated for the purposes of the above, the perquisites, if any, shall be as per the Income Tax Rules whenever actual cost cannot be determined.

Other than Mr. P. R. Agarwala, Chairman, no other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

Your Directors recommend the special resolution for your approval.

#### **Item No. 19**

Your Company enters into from time to time contracts and/or arrangements with related parties with regard to sale, purchase or supply of goods or materials, availing or rendering of services. Although said transactions are entered into by your Company in the ordinary course of business and also at arms length, proposed resolution is for your approval in terms of proviso to Section 188(1) of the Companies Act, 2013 read with Rules framed therefor.

Your Directors recommend passing of the proposed resolution in the interest of the Company.

None of the Directors/Key Managerial Personnel or their relatives is interested or concerned, financially or otherwise, in said resolution save and except to the extent contracts or arrangements will pertain to related parties.

Registered Office :  
1, Ho Chi Minh Sarani  
Metro Tower, 8th Floor  
Kolkata - 700 071  
Dated : 13th August, 2014

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

**Sudip Chatterji**  
Company Secretary



RUPA & COMPANY LTD.

### FORM A

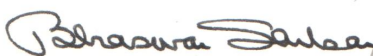
Format of covering letter of the annual audit report to be filed with the  
Stock Exchanges

1.	Name of the Company:	Rupa & Company Limited
2.	Annual Consolidated Financial Statements for the year ended	31st March 2014
3.	Type of Audit observation	Unqualified with Emphasis of Matter (EOM)
4.	Frequency of observation	EOM appeared first time.
5.	To be signed by- <ul style="list-style-type: none"><li>• CEO / Managing Director</li><li>• CFO</li><li>• Auditor of the Company</li><li>• Audit Committee Chairman</li></ul>	Mr. K.B. Agarwala  Mr. Bhaswar Sarkar, Partner of S.R.Batliboi & Co. LLP, Chartered Accountants Mr. Vinod Kothari

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
Firm Registration Number: 301003E

For Rupa & Company Limited

For Rupa & Company Limited

  
per Bhaswar Sarkar  
Partner  
Membership Number: 55596  
Place of Signature: Kolkata  
Date: 30<sup>th</sup> May, 2014



Managing Director.....  
K. B. Agarwal

Audit Committee Chairman:.....  
Vinod Kothari

For Rupa & Company Limited

  
Company Secretary

Chief Financial Officer:.....

Metro tower,1, Ho Chi Minh Sarani, Kolkata 700 071,INDIA  
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CIN No.: L17299WB1985PLC038517