

Date: 04/09/2017

To

The Listing Department National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 <b>NSE Symbol: RUPA</b>	The Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 <b>Scrip Code: 533552</b>
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**Ref: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Sub: Annual Report of the Company, for the Financial Year 2016-17**

Respected Ma'am/Sir,

We enclose herewith, the Annual Report of the Company, for the Financial Year 2016-17, duly approved and adopted by the Members of the Company, at their 32<sup>nd</sup> Annual General Meeting, held on Thursday, August 31, 2017.

Kindly take the above on record.

Thanking you.

Yours faithfully,

For **RUPA & COMPANY LIMITED**



**Kundan Kumar Jha**

*Company Secretary & Compliance Officer*  
ACS 17612

**Encl.: As above**



RUPA & COMPANY LIMITED

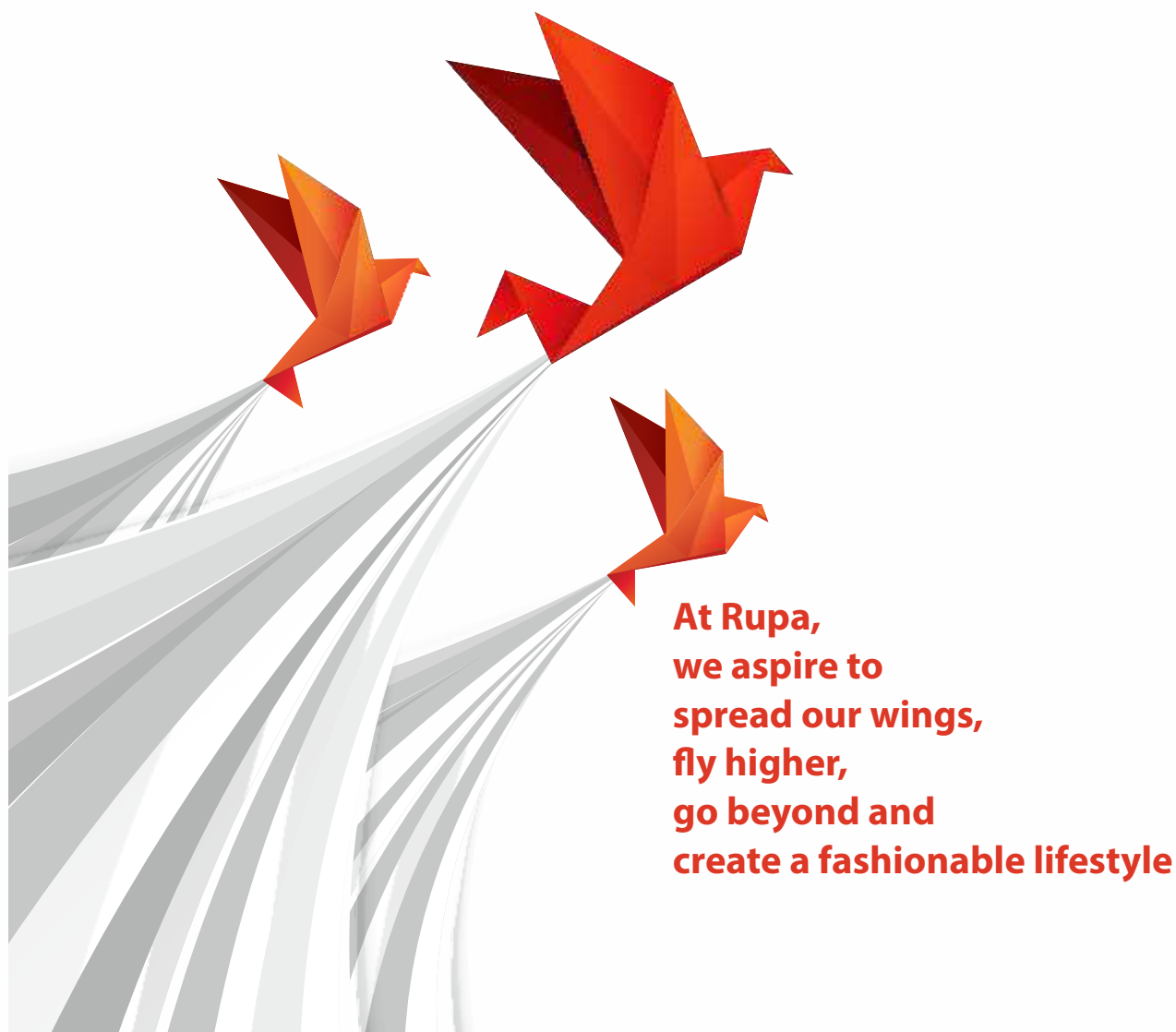
FASHION IS FREEDOM



ANNUAL REPORT  
2016-17

# Fashion is freedom

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**At Rupa,  
we aspire to  
spread our wings,  
fly higher,  
go beyond and  
create a fashionable lifestyle**

## **Creating a fashionable connection between cultures, lifestyles and generations...**

Rupa, is a vanguard of the fashionable preferences of more than millions. At our core and in our deepest essence, we enrich and expand fashion quotient in multiple trends and styles. From inner comfort to outer fashionable garments. From casual clothing to specialized winter wear. From mens wear to women wear to children wear.

We strive to create a world where imaginations are boundless, where it is not about the rules, but about suspense and surprise. Where it is not about being the voice, but about spreading the world. Where it is not about the boundaries, but about going beyond them.

# Corporate Information

## Board of Directors

Mr. Prahlad Rai Agarwala, *Chairman*  
Mr. Ghanshyam Prasad Agarwala, *Vice-Chairman*  
Mr. Kunj Bihari Agarwal, *Managing Director*  
Mr. Ramesh Agarwal, *Whole-time Director-cum-Chief Financial Officer*  
Mr. Mukesh Agarwal, *Whole-time Director*  
Mr. Arihant Kumar Baid, *Whole-time Director*  
Mr. Satya Brata Ganguly, *Independent Director*  
Mr. Dipak Kumar Banerjee, *Independent Director*  
Mr. Dharam Chand Jain, *Independent Director*  
Mr. Sushil Patwari, *Independent Director*  
Mrs. Alka Devi Bangur, *Independent Director*  
Mr. Vinod Kumar Kothari, *Independent Director*

## Company Secretary & Compliance Officer

Mr. Kundan Kumar Jha

## Board Committees

### Audit Committee

Mr. Vinod Kumar Kothari, *Chairman*  
Mr. Ramesh Agarwal, *Member*  
Mr. Mukesh Agarwal, *Member*  
Mr. Satya Brata Ganguly, *Member*  
Mr. Dipak Kumar Banerjee, *Member*  
Mr. Sushil Patwari, *Member*

### Nomination and Remuneration Committee

Mr. Dipak Kumar Banerjee, *Chairman*  
Mr. Sushil Patwari, *Member*  
Mr. Vinod Kumar Kothari, *Member*

## Corporate Social Responsibility Committee

Mr. Prahlad Rai Agarwala, *Chairman*  
Mr. Kunj Bihari Agarwal, *Member*  
Mr. Vinod Kumar Kothari, *Member*

## Stakeholders' Relationship Committee

Mr. Sushil Patwari, *Chairman*  
Mr. Ramesh Agarwal, *Member*  
Mr. Mukesh Agarwal, *Member*

## Registrar and Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd.  
23, R. N. Mukherjee Road, 5th Floor  
Kolkata - 700 001  
E-mail ID: mdpldc@yahoo.com

## Statutory Auditors

M/s. Singhi & Co.  
*Chartered Accountants*

## Secretarial Auditor

M/s. Nidhi Bagri & Company  
*Practising Company Secretary*

## Bankers

IndusInd Bank Ltd  
State Bank of India  
Citibank N.A.  
Standard Chartered Bank  
HDFC Bank Ltd  
Kotak Mahindra 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  
Phone: +91-33-3057 3100, Fax: +91-33-2288 1362  
Website: [www.rupa.co.in](http://www.rupa.co.in), E-mail ID: [connect@rupa.co.in](mailto:connect@rupa.co.in)  
CIN: L17299WB1985PLC038517

# Founders' Statement



## **“The pursuit towards attaining excellence in fashion is ever-demanding and never-ending”**

Rupa is a pioneer in improvising its process to optimize its operational efficiency to achieve excellence in fashion and comfort. The Company is focusing to restructure its business processes in all streams from sales distribution, marketing, production, celebrity endorsement, human resource development, new business initiatives & trademark protection for continued growth and development.

FY 2016-17 has been another year of meaningful progress towards our objective of being the best innerwear company in India. During the year under review, we maintained focus on two long-term growth strategies – enhance our core business and expanding the premium vertical of our product portfolio to newer destinations, which has resulted in strong value creation. We are doing all of this while upholding our unwavering commitment to deliver profits.

### **The existing landscape**

Retailing in Indian landscape is nothing new, with small and big stores in every city – whether Tier I, II, III and even Tier IV. But with the advent of large format retail stores and branding of products through various modes of media, consumer sentiments have started shifting to products which not only offer value in terms of comfort & cost, but also in terms of qualitative brand aspiration. Innerwear products have now become a style quotient. Branded innerwear products are becoming a staple product for every wardrobe in India .

### **Our premeditated initiatives**

We are fairly optimistic about the prospects of the domestic innerwear industry, which has always been a guiding force towards the expansion of our Company with new products and newer geographies. We feel proud that one of our Wholly-owned Subsidiary (WOS) has entered into exclusive licensing agreements with French Connection Limited to develop, manufacture, market and sell their innerwear and related products with the brand name 'FCUK' in India and with Fruit of the Loom, INC, a New York Corporation (WOS of Berkshire Hathaway Company), to manufacture, distribute, advertise and sell

innerwear and outerwear products for men, boys, women, girls and toddler in India, under their brand names & marks, 'Fruit of the Loom'. These strategic collaborations of our WOS would give Rupa group an upper hand in the ever demanding premium and super-premium innerwear, casual wear and fashion wear markets, domestically.

Tier II and below cities are now becoming a catalyst of growth of the Indian economy and they are seeing a paradigm shift in the consumer sentiments and behaviors. We have always focused at the niche, and with same vision, we are adding new dealers and stores in such towns and cities to gain the maximum.

We have with us on board leading celebrities, like, Hrithik Roshan, Ranveer Singh, Siddharth Malhotra and Bipasha Basu to endorse our products.

With these initiatives, we are driving productivity to improve our overall competitiveness. These changes will make us more competitive in the marketplace – improving our agility and enabling us to focus on innovation.

#### **Sense of satisfaction**

The increasing relevance of our brands and their global acceptance is a outcome of our belief that fashion for a cause is a people friendly proposition that will find far reaching acceptance. With innovative designs, improved & integrated manufacturing facilities, marketing, expanded network of retail outlets, financial strength and managerial bandwidth to operate in multiple and diverse geographies, we are confident to achieve our strategic vision. Our focus on delivering with the above strategies is a key driver of our continued growth and development. Despite the volatile geo-political environment, we remain committed to drive the business towards delivering consistent, competitive, profitable and responsible growth. Our strong fiscal position and efficient cost structure enable us to become a sustainable value creator for shareholders. We delivered a competitive total return to our shareholders both in the short and long term. We also proposed a dividend of ₹2.75 per share (i.e. 275%) for FY 2016-17.

#### **Looking to future**

Going forward, we believe that the introduction of the Goods and Services Tax (GST) will not only address structural taxation bottlenecks that impede the free movement of goods between states and reduce our overall cost structure, but also reduce transit time in getting products from their points of origin to consumption. Plus, in a highly unorganised innerwear industry with 50% market share going to such players, GST is a boon for company like ours which would make us more competitive. Post implementation, we believe that not only the manufacturing cost would reduce, but we would also get set-off on service tax towards advertisement expenses.

#### **Message to stakeholders**

"Rupa" is geared for greater success and our people are inspired to build a brand that the stakeholders can rely upon. We will continue to invest in enhancing the skills of our people, so that we can continue to deliver products that are in line with international standards.

As responsible corporate citizens, we promote various community well-being projects and programmes, directly or indirectly and through the Rupa Foundation. The Foundation works in the realms of healthcare, education and community development amongst others. We are steadfast to build a company which consistently grows in step with aspirational India, and we seek the support of all our stakeholders in this undertaking.

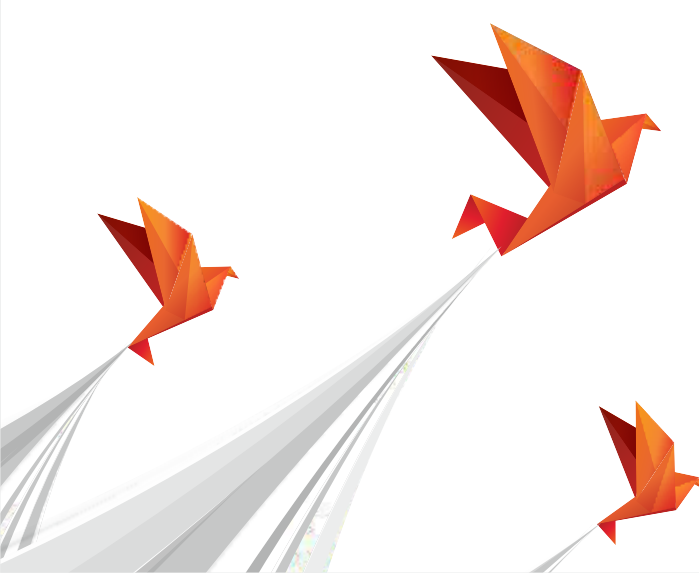
'Rupa' is not only a Company of strongly-held convictions, but also with the ability and willingness to act on those convictions to maintain its value proposition with all its stakeholders.

On behalf of the entire leadership team at Rupa, we thank our people and all those who have a stake in our progress.

**Prahlad Rai Agarwala**  
Chairman

**Ghanshyam Prasad Agarwala**  
Vice-Chairman

**Kunj Bihari Agarwal**  
Managing Director





Introducing

RUPA  
FRONTLINE

# FL7

FRONTLINE 7 SERIES



THE MOST PREMIUM  
MEN'S WEAR IN ITS CLASS.



VEST



BRIEF



SEAMLESS  
BRIEF



TRUNK



SEAMLESS  
TRUNK

# Rupa,

a fashion focused group with a desire to enter new horizons



## Rich Experience

5 decades of experience in the hosiery industry



## Promoters Legacy

Started by 1st generation entrepreneurs  
Mr. Prahlad Rai Agarwala,  
Mr. Ghanshyam Prasad Agarwala and  
Mr. Kunj Bihari Agarwal



## Scale

Manufacturing units at Domjur, Tirupur, Bengaluru and Ghaziabad. Sales offices at Kolkata, Patna, Varanasi, Mumbai, Jaipur, Indore, Delhi, Ghaziabad, Kanpur, Bengaluru, Tirupur and Hyderabad



## Range

Almost entire range of products in knitwear industry – innerwear, fashionwear, casualwear, winterwear, specialised womenswear and kidswear, in economy, mid-premium, premium and super-premium segments



## Brand Standing

With over 18 sub-brands, endorsed by leading celebrities, including Hrithik Roshan, Ranveer Singh, Siddharth Malhotra and Bipasha Basu, the products enjoy easy recall



## Market Share

Strong presence in Eastern India, followed by North, Central, West and Southern India



## Online

Available at leading e-commerce portals in India



## Future Focus

A pure-play focus in high-margin premium and super-premium segments which contribute about 11% of total sales



## Nation Building

Providing employment directly and indirectly through the entire value chain



## Happy and Loyal

Affordability with quality is the cornerstone of customer loyalty which leads to repeat sales and acceptance amongst the masses



## Strong Financials

Domestic turnover of more than ₹ 1,000 crores



## Quality Commitment

Following quality-first strategy which is validated through various accreditations





RUPA

**FRONTLINE**  
PREMIUM INNERWEAR

**Yeh  
aaram ka  
mamla  
hai!**

*Ranveer Singh*

The line of brands under  
**FRONTLINE**

**HUNK**

**EXPANDO**

**AIR**

**XING**

**KIDZ**

# Fashion is Freedom

by staying ahead in style

## POWERFUL BRAND REPUTATION

Over the years, Rupa has demonstrated an ability to understand the unmet needs of a customer and respond to changing consumer preferences. We believe that a solid brand identity can tell an important story, set expectations, gain attention and foster relationships. Rupa has created brands that achieved success and emerged as a domestic market leader.

A brand story can transform an intangible idea into a concrete asset. With this our continued thrust of marketing through leading celebrities, in-movie advertising, featuring the brand through sporting activities, innovative packaging also led to the acceptance of our products - in both urban and rural consumers mind-set.



# bumchums<sup>®</sup>

*Fun it up* 



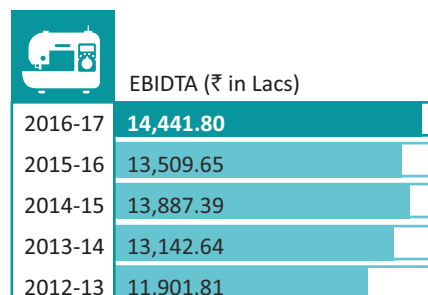
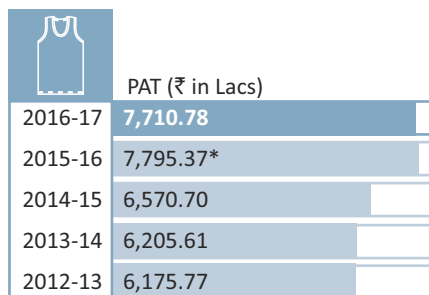
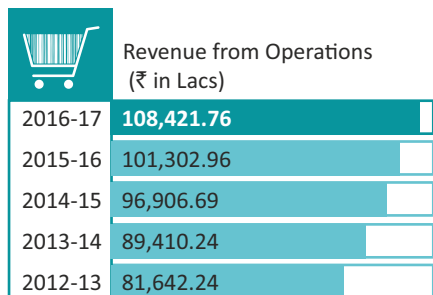
COMFORT WEAR | RELAX WEAR | ACTIVE WEAR | KIDS WEAR | INFANT WEAR



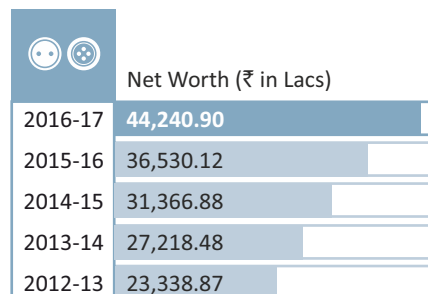
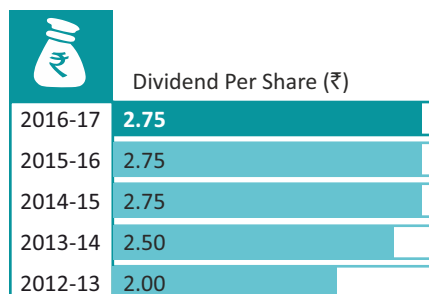
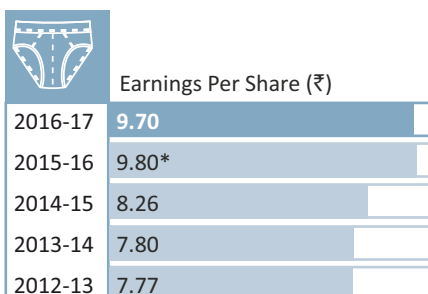
# Fashion is Freedom

by moving ahead with dedicated pursuit and positivity

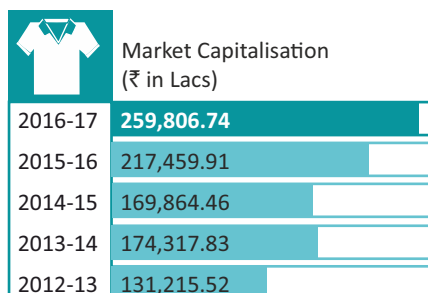
During the 3rd quarter of FY 2016-17, the Indian economy faced one of its most testing periods owing to demonetisation, resulting in consumption emerging as the biggest casualty. But we at 'Rupa' always believe that it's the aspirations of the people which drives growth and sustains momentum, thereby placing us ahead in the marketplace. Over the years, we have developed the competencies to focus on business activities that enable us provide higher returns to our stakeholders.



\* including exceptional item



\* including exceptional item



# bumchums<sup>®</sup>

*Fun it up<sup>®</sup>*



COMFORT WEAR | RELAX WEAR | ACTIVE WEAR | KIDS WEAR | INFANT WEAR



# Fashion is Freedom

through the prosperity of people & society

## People's prosperity

We are always inspired to look more closely at the human capabilities that strengthen our businesses. The human resource empowers our people and helps build a culture of transparency & ownership. The Company is strengthening its organisation through the following initiatives:

- a) Recruiting the best available talent;
- b) Creating an environment of excellence;
- c) Inspiring our people to perform better;
- d) Providing periodic training to enhance skills and competencies;
- e) Strengthening a sense of professionalism through the absorption of industry best practices.

## Society's prosperity

At Rupa, we believe that if the society prospers, the business sustains and grows. Sustainability for us includes sustainability of our business, our manufacturing systems that need to be eco-friendly, as well as being contributors to our society and nation building. Rupa Foundation, a part of Rupa group, carries CSR and other social activities for the benefit of the society. Sobhasaria Engineering College situated at Sikar in Rajasthan, established by the founders, provides quality education as a part of its nation building exercise.

## We are committed to:

- a) Conduct affairs of our Company in a socially acceptable manner;
- b) Understand, support and develop the communities and the cultures within which we operate and work;
- c) Protect the environment and ensure safety of the people connected with the Company and the surroundings;
- d) Enhance the value of the Company through sustainable growth.

## Some of the activities that we have undertaken towards our sustainability practices include:

- a) Enhancing health and education awareness;
- b) Organising food camps;
- c) Making available safe drinking water at public places;
- d) Blanket and cloth distribution to the needy;
- e) Recognising and awarding for outstanding performance in education;
- f) Donation of ambulance at IICP and Shri Shri Sarada Ramakrishna Ashram, Kolkata;
- g) Artificial limb distribution to the needy;
- h) Dialysis machine donation at Shri Vishudanand Hospital, Kolkata;
- i) Contribution towards Iskon's Food Relief Foundation for facilitating the mid-day meal for the underprivileged;
- j) Livelihood enhancement projects;
- k) Restoration of buildings and sites of historical importance.

CSR spent during FY 2016-17

**₹ 2.10** crores

CSR spending in FY 2016-17  
as a percentage of profit after tax

**2.73%**

**“A good company delivers excellent products and services, and a great company does all that and strives to make world a better place”**



▲ Sobhasaria Engineering College



▲ Sobhasaria Engineering College awarded the Best Engineering College with Excellent Faculty in Rajasthan

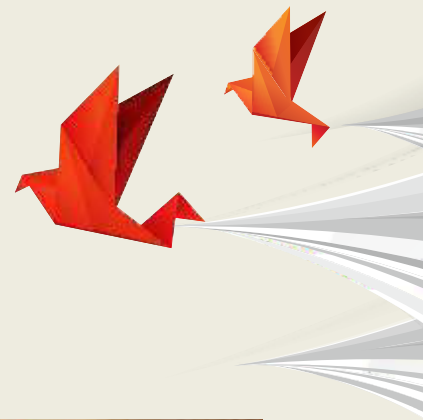


▲ Artificial Limb donation



▲ Providing Education





▲ Safe Drinking Water



▲ Promoting Education



▲ Distributing Blankets



▲ Rickshaw sponsored



▲ School



▲ Help Us Help Them



▲ Mass Marriage



▲ Ambulance donation at IICP

RUPA

FRONTLINE

**HUNK**

GYM VEST

***ZAMANE KO  
DIKHANA HAI.***





# Fashion is Freedom

by meeting the quality standards

At Rupa, a proverb always fits our style – “Quality is never an accident; it is always the result of continuous improvisation process, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives”.

Offering an extensive range of fashionable, yet environment friendly knitted garments at the best prices sets us apart. The innerwear, thermals and hosiery products are made through superior and natural fibers that are grown in sustainable farming methods.

We are the first licensee of SUPIMA in India (in innerwear category). Some of our products are manufactured from 100% American Pima Cotton (best quality cotton) which carries better wearing life and without any itching feel.

The quality, fit and finish of the fashionable knitwear garments manufactured by us meets international standards. We believe that the large share of unorganised retail and unbranded products combined with a young demography presents a significant long term growth prospects for the Company.

At Rupa, our performance over the years has resulted in us being bestowed with several accreditations, awards and recognitions thereby vindicating the value of our brand. We have been accredited with ISO 9001:2008 from BSI India, reflecting globally benchmarked manufacturing standards. Rupa has been in the Limca Book of Records for 14 years, being the largest manufacturer of Hosiery products in India. It has been awarded as the 'Best Corporate Brand 2016' by The Economic Times.





A full-page advertisement featuring a man with dark, wavy hair and a light beard, smiling as he rides a bicycle. He is wearing a white ribbed tank top with a small 'EURO' logo on the left chest, and dark blue jeans with a large tear on the right knee. A black strap with a silver buckle is worn diagonally across his chest. The background shows a white building with columns and greenery. The text 'EURO FASHION INNERS' is in the top left, and 'START SOMETHING Sexy' is centered across the middle.

**EURO**  
FASHION INNERS

START SOMETHING *Sexy*

# Fashion is Freedom

by making our products available far and wide



## WHEN FASHION IS FREEDOM AND FREEDOM BECOMES PASSION, THEN RUPA IS THE ULTIMATE DESTINATION

Across large parts of India, an unprecedented dynamism and optimism is palpable. India's upwardly mobile society is making lifestyle choices that were unimaginable a few decades ago. Economic empowerment and rising aspirations are changing perspectives about lifestyle.

Rupa is one of the leader not only due to its manufacturing muscle but also its distribution network. Simply stated, the Company possesses one of the widest and largest sales and distribution network for innerwear and fashionwear products. Our wide network of distribution channels helps us to remain in touch with our diverse and expanding customer base. This network also keeps us abreast about the changing requirements. As a result: 'Anywhere, anytime' product availability.

We also view potential markets through the prism of our rich experience and expertise. So is the appeal of our innerwear, casualwear and fashionwear products that we started exporting them at international shores.



**4**

Manufacturing  
units

**20**

Branch offices  
across the  
country



**1,000**

Dealers and

**1,18,000**

Retailers across the  
country



**6**

Exclusive Business  
Outlets (EBOs) and

**300+**

Sales & Marketing  
professionals



**8,000**

Stock Keeping Units  
(SKUs) across the  
country catering to

**18**

sub-brands of  
"Rupa"



# bumchums

*Fun it up*



## FUN HAS A NEW BODY LANGUAGE.

The all new Bumchums active wear for women. Crafted with 95% cotton and 5% spandex, its relaxed and stretchable fabric fits your active lifestyle. Like nothing.



ROUND NECK TEES | V-NECK TEES | CAPRIS | LOUNGE PANTS

# Fashion is Freedom

by raising the bar, everyday and every time

In an increasingly competitive industry scenario, it is not only important to strengthen existing areas of competence but also build new ones. A stronger exposure in the existing areas will always derive growth, but the creation of new competence will replenish the topline with complementary revenue streams.

## Strengthening continuously

Being in the fashion business, the Company needs to keep innovating to meet the customer's expectations and deliver high quality products at a reasonable price and in line with changing trends. Rupa is uniquely placed in the sector with an integrated business model that encompasses the complete value chain of design, manufacturing and sourcing, distribution, logistics and retailing. The Company has state of the art manufacturing facilities that ensure quality and timely deliveries. This unique business model, along with a strong and committed focus on its power brands, has helped the Company to sustain the challenging business environment and capitalise on the consumer confidence.

## Creating more visibility

Our customer outreach strategy is based on driving activities aggressively to create visibility and buzz for the brands in the market. Our mass marketing strategy involves chartering new geographies, with the approach to educate consumers, and supplement the efforts by installing in-shop displays and signage, used innovative strategies to strike a emotional chord with different communities of our dealers, rolled out wall paintings across key markets to grow our brand prominence, enhanced OOH and transit media usage across key markets through billboards, bus branding, tram branding, pole kiosks and cut outs, among others.

## Reinforcing our offering

We created a strong digital presence to connect with a large consumer base. We developed an e-commerce website (<https://www.rupaonlinestore.com>) to provide a refreshing online experience to customers. We grew social media prominence (Facebook, Twitter, Google Plus, Youtube, Instagram, Pinterest and LinkedIn) through regular updates. We have partnered with leading e-commerce players (like Flipkart, Amazon, Snapdeal, Jabong, etc) and our products are also available at their portals, thereby strengthening our footprints online.

Rupa is focusing on enhancing its product offering in the women's segment with the introduction of new products and brands. It has launched women's wear under the brand "Bumchum Women", which has a range of active wear, leisure wear and loungewear.



**8%**

annual investment  
of sales towards  
brand  
development

**RUPA®**  
*Softline*  
LEGGINGS



COLOURS FOR EVERY MOOD



**42 COTTON**  
STRETCH FABRIC

Available in Churidar,  
Ankle/Printed & Capri

Trade Enquiry: +91 9830543603

*Introducing*

**Plus  
Size**  
Leggings

**WINTER**  
Leggings





Softline  
Butterfly



*Be Yourself*

**Designed to keep feet soft, smooth and warmer, while giving confidence in walking and stride.**

Knitted with imported machines, socks are engineered to perfection for fitness and comfort at the same time.

**Provides freedom to a woman to be unapologetically herself, comfortable and confident**

Softline Butterfly range of innerwear is one of the most venerable brands of India. Its range of uber cool lingerie has been part of the women's innermost feelings, providing comfort and confidence in equal measure.

Softline Butterfly has developed a sensitive and emotional relationship with its valued consumers, because it has always responded to their needs and reflected the trends of the marketplace.

RUPA  
**footline**



**#DoTheSox**



# सर्दियों में ONLY TORRIDO!



**Stylish premium thermals  
for the entire family.**

- Stretchable & Body-hugging
- Attractive Colours
- Soft and non-itchy



# TORRIDO

Premium Thermals  
MEN | WOMEN | KIDS

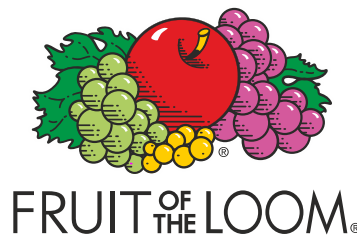
# Fashion is Freedom

by bringing global brands to domestic consumers

The Indian innerwear market is shifting from a price sensitive market to a fashion quotient market. The Rupa group is strengthening its position in premium and super-premium segments by licensing of foreign brands. The group through its WOS has acquired exclusive license from French Connection Limited to develop, manufacture, market and sell their innerwear and related products with the brand name 'FCUK' in India.

Rupa group through its WOS has also entered into a license agreement with 'Fruit of the Loom, INC.', a New York Corporation, and WOS of Berkshire Hathaway Company, to manufacture, distribute, advertise and sell innerwear and outerwear products for men, boys, women, girls and toddler in India, under their brand names and marks.

fcuk<sup>®</sup>  
underwear



**COMING TOGETHER IS A BEGINNING;  
KEEPING TOGETHER IS PROGRESS;  
WORKING TOGETHER IS SUCCESS**







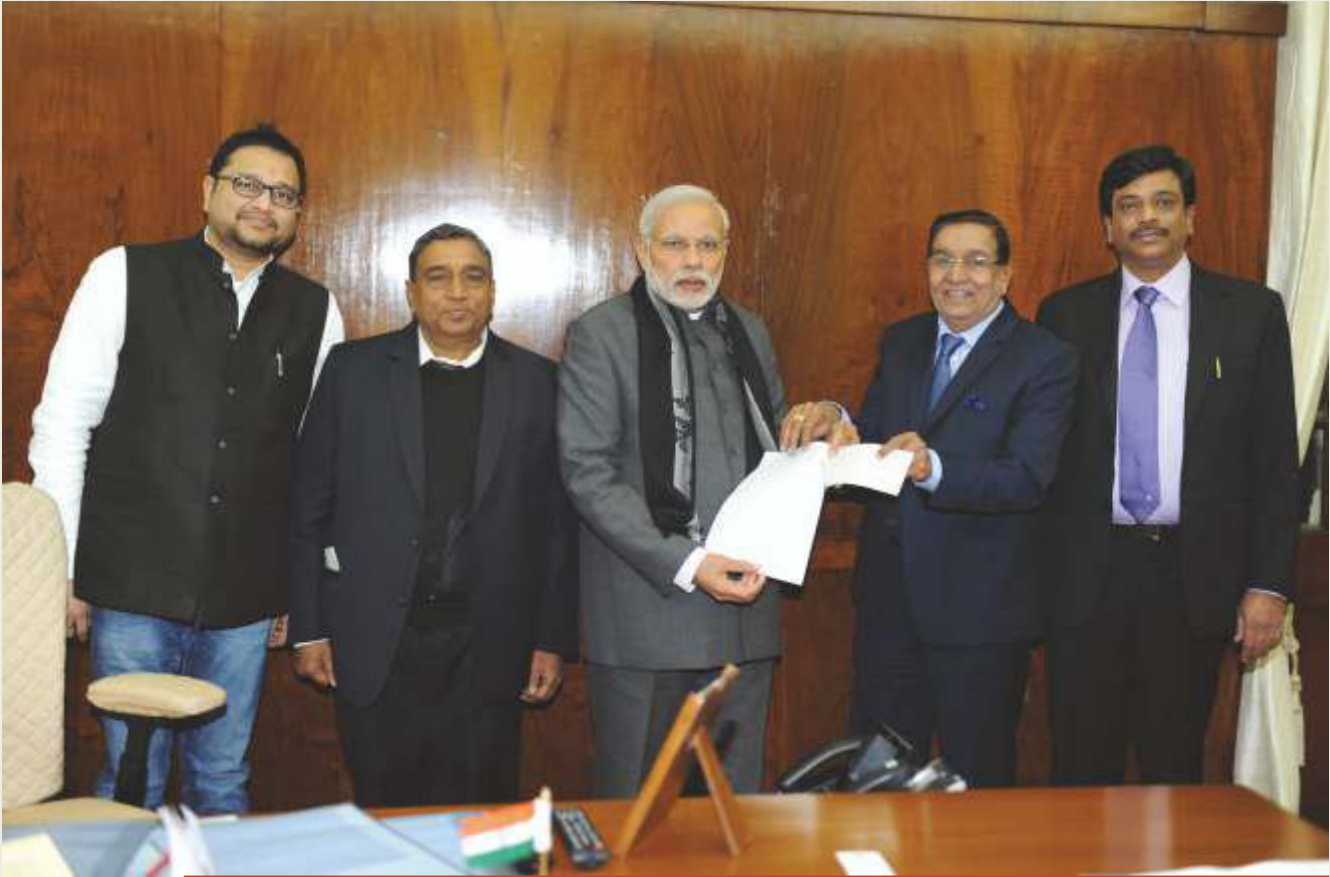
# THERMOCOT

IT'S VERY VERY HOT

India's Most Popular  
Thermal Wear for  
Men, Women & Kids



## **“BUSINESS HAS A RESPONSIBILITY TO GIVE BACK TO THE SOCIETY”**



▲ Donation to Prime Minister's National Relief Fund

Standing from Left to Right – Mr. Mukesh Agarwal, Whole-time Director, Mr. Kunj Bihari Agarwal, Managing Director, Mr. Narendra Modi, Hon'ble Prime Minister of India, Mr. Prahlad Rai Agarwala, Chairman and Mr. Suresh Agarwal, President.





## Report of the Board of Directors

for the Financial Year ended March 31, 2017

Dear Shareholders,

Your Directors have pleasure in presenting their 32<sup>nd</sup> Annual Report on the business and operations of the Company, along with the Audited Accounts of the Company, for the Financial Year ended March 31, 2017.

### Financial Highlights

The financial performance of the Company is summarized hereunder:

#### Standalone Financial Review

(Amount in ₹)

Particulars	2016-17	2015-16
Turnover	10,84,21,76,483	10,13,02,95,623
Profit before Finance Charges, Tax, Depreciation/ Amortization (PBITDA)	1,44,41,79,501	1,35,09,65,268
Less: Finance Charges	10,51,93,019	18,75,89,255
Profit before Tax, Depreciation/Amortization (PBTDA)	1,33,89,86,482	1,16,33,76,013
Less: Depreciation	15,04,87,036	15,17,03,052
Profit before Tax & Exceptional Item	1,18,84,99,446	1,01,16,72,961
Add: Exceptional Item (Dividend received from Subsidiary)	—	12,29,99,820
Profit before Tax (PBT)	1,18,84,99,446	1,13,46,72,781
Less: Tax Expense	41,74,21,487	35,51,35,632
Net Profit after Tax (PAT)	77,10,77,959	77,95,37,149

#### Consolidated Financial Review

(Amount in ₹)

Particulars	2016-17	2015-16
Turnover	10,92,75,48,937	10,14,83,39,040
Profit before Finance Charges, Tax, Depreciation/ Amortization (PBITDA)	1,41,39,34,037	1,35,87,08,973
Less: Finance Charges	10,56,59,372	18,78,11,466
Profit before Depreciation/Amortization (PBTDA)	1,30,82,74,665	1,17,08,97,507
Less: Depreciation	16,20,77,990	15,23,98,852
Profit before Tax (PBT)	1,14,61,96,675	1,01,84,98,655
Less: Tax Expense	42,36,97,283	35,92,19,807
Net Profit after Tax (PAT)	72,24,99,392	65,92,78,848

### State of Company's Affairs and Future Outlook

The Company achieved a Turnover of ₹ 1,084.22 crores in Financial Year 2016-17, as against ₹ 1,013.03 crores in 2015-16, i.e., registering a growth of 7.03% over the last year. During the year, the Profit before Finance Charges, Depreciation and Tax stood at ₹ 144.42 crores, as against ₹ 135.10 crores during the previous year, an increase of 6.90% in comparison to previous year. The Net Profit for the year 2016-17 stood at ₹ 77.11 crores, as compared to ₹ 77.95 crores during the previous year.

The Company is engaged in the Manufacturing, Branding and Marketing of Men's and Women's Innerwear, Thermal wear and Casual wear for kids and all sections of the society, like, Economy, Mid-Premium, Premium and Super-Premium. It has over 18 sub-brands and 8000 SKUs (Stock Keeping Unit), having a strong brand recall. In order to nurture its brands, the Company has been consistently involved in robust advertisement and brand promotion activities, thereby spending extensively on brand communication. In innerwear industry, the Company is a leader having a distribution network across India. The Company has a PAN-India presence with a large distribution network consisting of 4 central warehouses, 6 EBOs (Exclusive Brand Outlets), 20 branches, 1000 dealers and more than 1,18,000 retailers. It is also looking at enhancing availability through presence in e-commerce, MBOs (Multi-Brand Outlets) and LFRs (Large Format Retail Stores). The Company is also looking forward to open Rupa EBOs through the franchisee route across India and expand its retail footprint.

## Report of the Board of Directors

for the Financial Year ended March 31, 2017

The Company has manufacturing facilities situated at Howrah Domjur, Tirupur, Bengaluru and Ghaziabad. The Company has sales offices situated at Kolkata, Patna, Varanasi, Mumbai, Jaipur, Indore, Delhi, Ghaziabad, Kanpur, Bengaluru, Tirupur and Hyderabad. The Company follows efficient business strategy by outsourcing low end and labour intensive work and utilizes its resources on key areas involving value addition, product differentiation, branding and distribution.

The Company caters to all segment including men, women and kid segment with its wide bouquet of brands. The various sub-brands of the Company includes, Frontline, Jon, Air, Macroman, Macroman M series, Macrowoman W series, Euro, Bumchums, Torrido, Thermocot, Kidline, Footline, Softline, etc., catering to various segments, under its umbrella brand 'Rupa'. The brands are endorsed by leading celebrities, including Hrithik Roshan, Ranveer Singh, Sidharth Malhotra and Bipasha Basu.

Rupa is strengthening its position in the super-premium segment by acquiring the exclusive license for the manufacture, market and sale of innerwear and other products of foreign brands in India, through its Wholly-owned Subsidiary, Oban Fashions Private Limited. During the year 2016-17, the said Oban Fashions Private Limited acquired an exclusive license from French Connection Limited for the brand 'FCUK' and has also acquired the brand 'Fruit of the Loom' from Fruit of the Loom, Inc, a Wholly-owned Subsidiary of Berkshire Hathaway Company, for the manufacture, market and sale of innerwear and other products in India. We believe that these licenses would help the Rupa Group to further strengthen and cement its position in the super-premium segment.

The male innerwear segment contributes approximately, 87% of the Company's business. Presently, the Company is catering to female innerwear space through its brands Jon, Softline and Macrowoman W Series. The Company is continuously striving at strengthening its female innerwear segment, as well and is open to grow in this segment through inorganic route also in domestic market. The business opportunity in women's innerwear is huge, as it comprises 60% of the total Indian innerwear market in value terms and is growing at a brisk pace of 15%, as compared to the average industry growth rate of 12%.

The Indian innerwear industry is highly unorganized with unorganized players having 50% market share. We believe that there is huge potential for organized players to gain market share in the Indian innerwear industry, especially, after the recent demonetization and restrictions on cash based transactions. Further, the implementation of GST would be a major positive for organized players, which is expected to bring down the manufacturing cost and would make the market relatively more competitive for the organized players. Further, the organized players would also get set-off on service tax paid on advertisement expenses.

In the past 3-4 years, the topline of the Company has been growing at a single digit growth rate on account of, (i) higher industry growth in premium and super-premium segments, (ii) shift in consumer preference towards upper segment products, and (iii) economy segment in men's wear is facing competition from unorganized players and new players. But with the acquisition of foreign brands by the Wholly-owned Subsidiary of the Company, it will help the Group to penetrate deeper in the premium and super-premium segments. Besides this, we believe that the implementation of GST would also help the Group to grow its economy and mid-segment, which will become more competitive for the organized players.

The Indian innerwear market is estimated to grow at 13% to reach ₹ 59,540 crores by 2023. Innerwear appears to be a potential growth category. The men's innerwear market contributes 40% and is characterized by the presence of numerous Indian and international brands. The economy segment contributes around 56% in the men's wear market, the mid-price segment 30% and the remaining 14% comes from premium and super-premium segments. Further, the premium and super-premium segments are expected to grow at a faster pace. The women's innerwear market, which is driven by value-added innerwear products, contributes around 60% to the market and is growing at a faster rate of 15%. The market is largely dominated by mid-priced and economy segment contributing 80% of the market, while remaining comes from the premium and super-premium segments. The Company believes that the industry is 50% unorganized and expects shift to happen from unorganized to organized in the longer run. Increasing urbanization, preference towards branded products, introduction of GST, organized and online retailing, etc., are various factors which would drive growth for organized players.

The Company believes in the overall growth of its innerwear, thermal wear and casual wear business across India through its innovative designs, superior product quality, ability to create a sustainable business model, initiatives to nurture the in-house talent and the zeal towards the healthy creation of stakeholders' value. To overcome the various economical challenges, the Company, from time to time, revisits its marketing strategies. The Company has always been responsive towards the changing fashion needs by introducing new line of products across all segments.

## Report of the Board of Directors

for the Financial Year ended March 31, 2017

### Subsidiaries

The Company has the following 3 (three) Wholly-owned Subsidiaries as on March 31, 2017:

- (i) Euro Fashion Inners International Private Limited, which was earlier engaged in selling hosiery products under the brand name “EURO”, which are premium products, designed for the fashion conscious consumers, has transferred its Business Operations to its Holding Company through a Business Collaboration Agreement effective from April 1, 2014. During the year under review, the Revenue from Operations, including Other Income, was ₹ 7.50 lacs, as against ₹ 7.31 lacs during the previous year. Net Loss during the year was ₹ 5.62 lacs, as compared to that of ₹ 7.75 lacs during the previous year.
- (ii) Imoogi Fashions Private Limited is engaged in manufacturing, processing and selling hosiery and outer casual wear products, especially for children up to the age of 12 years under the brand name “Imoogi”. During the Financial Year under review, the Revenue from Operations, including Other Income, was ₹ 320 lacs, as against ₹ 246.35 lacs during the previous year. Net Profit during the year was ₹ 27 lacs, as compared to ₹ 53.23 lacs during the previous year.
- (iii) Oban Fashions Private Limited has been incorporated with the object, *inter alia*, to operate Indian business of international brands managed under licensing/ franchise/ joint venture/ ownership arrangements, etc. During the Financial Year under review, the Revenue from Operations, including Other Income, was ₹ 751.59 lacs, as against nil during the period ended March 31, 2016. Net loss during the year was ₹ 507.17 lacs, as compared to ₹ 18.09 lacs during the period ended March 31, 2016. During the Financial Year 2016-17, Oban Fashions Private Limited has on April 07, 2016, entered into a definitive License Agreement with French Connection Limited, whereby the Wholly-owned Subsidiary has acquired the exclusive license from French Connection Limited to develop, manufacture, market and sell the innerwear and related products under their Brand name ‘FCUK’, in India. Further, Oban Fashions Private Limited, on March 09, 2017, entered into a License Agreement with Fruit of the Loom, Inc, a New York Corporation, being a Wholly-owned Subsidiary of Berkshire Hathaway Company, whereby the said Oban Fashions Private Limited has acquired the exclusive license from the said Fruit of the Loom, Inc, to manufacture, distribute, advertise and sell innerwear and outerwear products for men, boys, women, girls and toddlers in India, under their brand names and marks.

In terms of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), the above subsidiaries are not material subsidiaries.

The statement in Form AOC-1 containing the salient features of the aforesaid subsidiaries has been separately annexed to this Annual Report, in terms of the first proviso to the Section 129(3) of the Companies Act, 2013, including any subsequent amendment thereto (the ‘Act’), read with Rule 5 of the Companies (Accounts) Rules, 2014. Further, the contribution of these subsidiaries to the overall performance of the Company is provided under the Notes to the Consolidated Financial Statement. The Audited Financial Statement, together with the Consolidated Financial Statement of the Company and other related information, and the Audited Accounts of the Company’s subsidiaries are available on the website of the Company at [www.rupa.co.in](http://www.rupa.co.in).

The Annual Accounts of the subsidiaries and the related detailed information shall be made available to the Members of the Company, seeking such information at any point of time. The Members may request for such information by writing to the Company Secretary at the registered office of the Company. The copies of the Annual Accounts of the subsidiaries remain open for inspection by the Members at the Company’s registered office.

Except as stated hereinabove, the Company did not have any other subsidiary, joint venture or associate company during the year under review.

### Change(s) in the Nature of Business

During the year under review, there were no changes in the nature of the business of the Company.

### Dividend

For the Financial Year 2016-17, the Board of Directors of the Company has recommended a Final Dividend, for consideration of the Shareholders of the Company at the ensuing Annual General Meeting, @ 275%, i.e., ₹ 2.75 per share, for 7,95,24,560 equity shares of ₹ 1/- (Rupee One only) each, amounting to ₹ 21,86,92,540/- (Rupees Twenty One Crore Eighty Six Lakh Ninety Two Thousand and Five Hundred and Forty only). The dividend payout is in accordance with the Company’s Dividend Distribution Policy.

The Dividend Distribution Policy of the Company, adopted by the Board of Directors of the Company, pursuant to Regulation 43A of the Listing Regulations, as amended, is annexed hereto, marked as ‘Annexure – I’.



## Report of the Board of Directors

for the Financial Year ended March 31, 2017

### Transfer to Reserves

The Board is not proposing to transfer any amount to the General Reserves of the Company.

### Changes in Share Capital

During the year under review, there were no changes in the Share Capital of the Company.

### Credit Rating

Crisil Limited, the Credit Rating Agency, has assigned the credit ratings CRISIL A+/Stable and CRISIL A1+ for the long term and short term debt instruments/facilities of the Company, respectively.

### Directors and Key Managerial Personnel

Details of Directors and Key Managerial Personnel (KMP) appointed, re-appointed or resigned during the year are as below:

Sl. No.	Directors/ Key Managerial Personnel	Date of Appointment/ Re-appointment/ Resignation
(i)	Mr. Ghanshyam Prasad Agarwala, Vice-Chairman	Re-appointed as Vice-Chairman (Whole-time Director) through the Postal Ballot process conducted via Postal Ballot Notice, dated March 11, 2016, w.e.f. April 1, 2016
(ii)	Mr. Kunj Bihari Agarwal, Managing Director (KMP)	Re-appointed as Managing Director (KMP) through the Postal Ballot process conducted via Postal Ballot Notice, dated March 11, 2016, w.e.f. April 1, 2016
(iii)	Mr. Arihant Kumar Baid, Whole-time Director	Appointed as a Whole-time Director, w.e.f. November 5, 2015, in the 31 <sup>st</sup> Annual General Meeting of the Company, held on August 31, 2016
(iv)	Mr. Kundan Kumar Jha, Company Secretary & Compliance Officer (KMP)	Appointed as the Company Secretary & Compliance Officer (KMP), w.e.f. May 30, 2016
(v)	Mr. Neeraj Sureka, Chief Financial Officer (KMP)	Resigned from the post of the Chief Financial Officer (KMP), w.e.f. November 17, 2016
(vi)	Mr. Ramesh Agarwal, Whole-time Director-cum-Chief Financial Officer (KMP)	Appointed as Chief Financial Officer (KMP), w.e.f. February 10, 2017. Consequently, re-designated as Whole-time Director-cum-Chief Financial Officer

Mr. Prahlad Rai Agarwala, Chairman (Whole-time Director) and Mr. Mukesh Agarwal, Whole-time Director, are liable to retire by rotation in the ensuing Annual General Meeting (AGM) and being eligible, have offered themselves for re-appointment. Details of Directors to be re-appointed are provided in the Explanatory Statement to the Notice of the ensuing AGM.

Further details of Directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

None of the Directors of the Company is disqualified under the provisions of Section 164(2)(a) & (b) of the Act.

Apart from the aforesaid, no changes in the Directors and KMPs have taken place during the period under review.

### Statement on Declaration given by Independent Directors under Section 149(7) of the Act

All Independent Directors of the Company have given their declarations to the Company that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of the Listing Regulations.

### Number of Meetings of Board of Directors

During the Financial Year 2016-17, 4 (four) meetings of the Board of Directors were held, details of which are given in the Corporate Governance Report, which forms part of this Annual Report.

### Separate Meeting of Independent Directors

During the year under review, the Independent Directors, without the presence of Non-Independent Directors and members of the management, met on March 16, 2017 and, *inter alia*:

## Report of the Board of Directors

for the Financial Year ended March 31, 2017

- (i) reviewed the performance of Non-Independent Directors and the Board as a whole;
- (ii) reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors;
- (iii) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Annual Evaluation of Performance

Pursuant to the provisions of the Act and the Listing Regulations, the Nomination and Remuneration Committee has laid down the criteria for performance evaluation on the basis of which the Board has carried out evaluation of its own performance, the performance of Board Committees and of the Directors individually.

The Independent Directors of the Company, without the participation of Non-Independent Directors and members of management, in their separate meeting have reviewed the performance of Non-Independent Directors and the Board as a whole and also the performance of the Chairperson of the Company. The review of performance of Non-Independent Directors was done, after discussing with them, on various parameters, such as, skill, competence, experience, degree of engagement, ideas and planning, etc. The Board performance was reviewed on various parameters, such as, adequacy of the composition of the Board, Board culture, appropriateness of qualification and expertise of Board members, process of identification and appointment of Independent Directors, inter-personal skills, ability to act proactively, managing conflicts, managing crisis situations, diversity in the knowledge and related industry expertise, roles and responsibilities of Board members, appropriate utilization of talents and skills of Board members, etc. The evaluation of the Chairperson of the Company was conducted on various parameters, such as, leadership quality, capability, availability, clarity of understanding, governance and compliance and degree of contribution, etc.

The Nomination and Remuneration Committee of the Board, based on the report of the Independent Directors, evaluated the performance of the Non-Independent Directors. The said Committee members also evaluated the performance of the Independent Directors of the Company considering their requisite skills, competence, experience and knowledge of the regulatory requirements relating to governance, such as, roles and responsibilities, the Code of Conduct of the Company, including the Code for Independent Directors, the Act, the Listing Regulations, etc.

The Board of Directors of the Company, based on the report of the Independent Directors and the Nomination and Remuneration Committee, evaluated the performance of Board and of individual Directors. The Board also carried out the evaluation of performance of its Committees on various parameters, such as, adequacy of meetings in enhancing the effectiveness of the Committee, existence of a defined set of objectives/ terms of reference, etc.

The result of review and evaluation of performance of Board, its Committees and of individual Directors was found to be satisfactory.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars related to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are annexed hereto, marked as 'Annexure – II'.

### Particulars of Employees

The particulars of employees, as required under Section 197(12) of the Act, read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed hereto, marked as 'Annexure – III'.

### Disclosure on Employee Stock Option/ Purchase Scheme

Presently, the Company does not have any Employee Stock Option/ Purchase Scheme.

### Audit Committee

As on March 31, 2017, the Audit Committee comprised of 6 (six) Members, of which majority were Independent Directors. The details with respect to the composition of the Audit Committee, the number of meetings held during the Financial Year under review and attendance therein, and the terms of reference has been detailed out in the Corporate Governance Report, which forms part of this Annual Report.

Further, there were no instances wherein the Board had not accepted any recommendation of the Audit Committee.

### Vigil Mechanism

In terms of the Section 177 of the Act, read with the Rules made thereunder and Regulation 22 of the Listing Regulations,

## Report of the Board of Directors

for the Financial Year ended March 31, 2017

the Company has framed a 'Whistle Blower Policy' with an objective to provide an avenue to address concerns, in line with the policy of the Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, as well as timely redressal of concerns and disclosures to build and strengthen a culture of transparency and trust in the Company. The mechanism also provides for adequate safeguards against victimization of director(s) or employee(s) or any other person availing the mechanism and in exceptional cases, direct access to the Chairman of the Audit Committee to report instances of fraud/ misconduct. Audit Committee looks into the complaints raised, if any, and their redressal. The Whistle Blower Policy of the Company is available on the website of the Company at the link, <http://rupa.co.in/site/wp-content/uploads/2015/10/WhistleBlowerPolicy1.pdf>

### Nomination and Remuneration Committee

Details pertaining to constitution of the Nomination and Remuneration Committee of the Board of Directors of the Company, number of meetings held during the Financial Year under review and attendance therein, and its terms of reference have been stated in the Corporate Governance Report, which forms part of this Annual Report.

### Policy on Director's Appointment and Remuneration

The Board, on the recommendation of Nomination and Remuneration Committee, as prescribed under Section 178(3) of the Act, has framed a Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and other employees of the Company and the same, in brief, is annexed hereto, marked as 'Annexure – IV'.

### Stakeholders' Relationship Committee

Details pertaining to the constitution of the Stakeholders' Relationship Committee of the Board of Directors of the Company, number of meetings held during the Financial Year under review and attendance therein, and its terms of reference have been stated in the Corporate Governance Report, which forms part of this Annual Report.

### Corporate Social Responsibility (CSR)

Terms of Reference: The detailed terms of reference of the Corporate Social Responsibility Committee is available on the website of the Company at the link, <http://rupa.co.in/site/wp-content/uploads/2015/10/Corporate-Social-Responsibility-Committee.pdf>

### Composition of the Committee

Name of Member	Position	Category
Mr. Prahlad Rai Agarwala	Chairman	Executive
Mr. Kunj Bihari Agarwal	Member	Executive
Mr. Vinod Kumar Kothari	Member	Independent Non-Executive

The composition of the Committee complies with the provision of Section 135 of the Act, read with Rules made thereunder.

### Meeting and Attendance

During the Financial Year ended March 31, 2017, 2 (two) meetings of the Corporate Social Responsibility Committee were held. The details of the said meeting and attendance therein, are as hereunder:

Name of Member	Meetings held during the year and Attendance	
	May 30, 2016	February 06, 2017
Mr. Prahlad Rai Agarwala	Present	Present
Mr. Kunj Bihari Agarwal	Present	Absent
Mr. Vinod Kumar Kothari	Present	Present

Annual Report on CSR Activities, as prescribed under Section 135 of the Act, read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed hereto, marked as 'Annexure – V'.

### Extract of the Annual Return

The extract of the Annual Return, as at the Financial Year ended March 31, 2017, in Form MGT-9, is annexed hereto, marked as 'Annexure – VI'.



## Report of the Board of Directors

for the Financial Year ended March 31, 2017

### Risk Management Policy

The Company has a Risk Management Policy which lays down the framework for identification and mitigation of various risks. The specific objectives of the Risk Management Policy are to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated and managed, to establish a framework for the Company's risk management process.

The Risk Management Framework emphasises proper analysing and understanding the underlying risks before undertaking any transaction. This enables a proper assessment of all risks and ensures that the transactions and processes conform to the Company's risk appetite and regulatory requirements.

The Risk Management Policy is discussed at the meeting of the Audit Committee of the Board of Directors. The management accepts the suggestions with regard to mitigation of risks that may arise in future. Further, in the opinion of the Board, there are no existing factors which threaten the existence of the Company.

### Internal Financial Control Systems with reference to Financial Statements and its adequacy

The Company has adequate Internal Financial Control systems and procedures which are commensurate with its size and nature of business. It is ensured that all the assets are safeguarded and protected against loss and all transactions are authorized, recorded and reported correctly. The Internal Financial Control systems of the Company are monitored and evaluated and reviewed by the Audit Committee.

The Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively. In this regard, the Board confirms the following:

- (i) Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization.
- (ii) Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of Financial Statements in conformity with Generally Accepted Accounting Principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.
- (iii) Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
- (iv) The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to differences, if any.
- (v) Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

Further, the certificate from Managing Director (MD) and Chief Financial Officer (CFO), in terms of Regulation 17(8) of the Listing Regulations, provided in this Annual Report, also certifies the adequacy of our Internal Control systems and procedures.

### Statutory Auditors and Auditors' Report

M/s. S. R. Batliboi & Co. LLP (Firm Registration Number 301003E/ E300005), Chartered Accountants, who had been appointed as the Statutory Auditors of the Company for a period of 4 (four) years from the conclusion of the 29<sup>th</sup> Annual General Meeting (AGM) of the Company until the conclusion of the 33<sup>rd</sup> AGM of the Company for the Financial Year 2017-18, has resigned as the Statutory Auditors of the Company, w.e.f. October 28, 2016.

Further, in order to fill the casual vacancy caused due to the aforesaid resignation of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, the Members of the Company, through the Postal Ballot process, on December 29, 2016, approved the appointment of M/s. Singhi & Co. (Firm Registration Number 302049E), Chartered Accountants, as the Statutory Auditors of the Company, w.e.f. November 02, 2016, to hold the office till the conclusion of the ensuing AGM of the Company for the Financial Year 2016-17. As recommended by the Audit Committee, the Board recommends the appointment of M/s. Singhi & Co. (Firm Registration Number 302049E), Chartered Accountants, as the Statutory Auditors of the Company, to hold office from the conclusion of the ensuing 32<sup>nd</sup> AGM of the Company, for the Financial Year 2016-17, till the conclusion of the 37<sup>th</sup> AGM of the Company for the Financial Year 2021-22.

## Report of the Board of Directors

for the Financial Year ended March 31, 2017

The Notes on accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further explanations/comments. However, the observations of the Auditors under the CARO Reporting with regard to the non-updation of the quantitative details of Fixed Assets and non-verification of the Fixed Assets of the Company physically during the year was noted by the Audit Committee as the same being under process and is expected to be completed during the Financial Year 2017-18.

### Internal Auditor

M/s. Das & Prasad, Chartered Accountants (Registration Number 303054E), was appointed as the Internal Auditors of the Company to conduct the Internal Audit for the Financial Year 2016-17. Further, the Audit Committee considers and reviews the Internal Audit Report submitted by the Internal Auditor on a quarterly basis.

### Details in respect of Fraud

During the Financial Year 2016-17, the Auditors have not reported any fraud as prescribed under Section 143(12) of the Act.

### Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed CS Nidhi Bagri of M/s. Nidhi Bagri & Company, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report in Form MR-3, for the Financial Year 2016-17, is annexed hereto, marked as 'Annexure – VII'. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

### Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report

No material changes and commitments affecting the financial position of the Company have occurred between the end of the Financial Year 2016-17 and the date of this Report.

### Details of significant and material orders passed by the Regulators/ Courts/ Tribunals impacting the going concern status and the Company's operations in future

No such significant and material order has been passed by any Regulator/ Court/ Tribunals against the Company, which will impact the going concern status and the Company's operations in future.

### Deposits

The Company has not accepted any deposit within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014, during the Financial Year ended March 31, 2017.

### Particulars of Loans, Guarantees or Investments

The Company did not give any loan or guarantee or made any investment under Section 186 of the Act during the Financial Year ended March 31, 2017. However, the details of loan given or investment made are provided in the Notes to the Financial Statements of the Company.

Further, the related party disclosures with respect to loans/ advances/ investments as at the Financial Year end under review and maximum outstanding amount thereof during the year, as required under Part A of Schedule V to the Listing Regulations, have been provided in the Notes to the Financial Statements of the Company.

### Particulars of Contracts or Arrangements with Related Parties

There were no materially significant related party transactions entered into by the Company which may have potential conflict with the interest of the Company. All contracts/ arrangements/ transactions entered by the Company during the Financial Year 2016-17, with its related parties, were in the ordinary course of business and on an arm's length basis and were reviewed and approved by the Audit Committee of the Board. Further, during the said Financial Year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Company's Policy on Materiality of Related Party Transactions except those provided in Form AOC-2, annexed hereto, marked as 'Annexure - VIII'. Further, suitable disclosure as required by the Accounting Standards has been made in the Notes to the Financial Statements.

## Report of the Board of Directors

for the Financial Year ended March 31, 2017

The Policy on dealing with Related Party Transactions is available on the website of the Company at the link, <http://rupa.co.in/site/wp-content/uploads/2015/10/policy-on-related-party-transactions.pdf>

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report, in terms of Regulation 34, read with Schedule V of the Listing Regulations, forms part of this Annual Report.

### Corporate Governance Report

The Corporate Governance Report, in terms of Regulation 34(3), read with Schedule V, of the Listing Regulations, forms part of this Annual Report. The Company has obtained a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance and the same forms part of this Annual Report.

### Business Responsibility Report

The Business Responsibility Report, in terms of Regulation 34 of the Listing Regulations, forms part of this Annual Report.

### Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company is committed to provide a safe and conducive work environment to its employees and has formulated 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment.

However, during the year under review, no such incidence has been reported.

### Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, we hereby make the following statements in terms of Section 134(3)(c) and 134(5) of the Act:

- (i) that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- (ii) that such accounting policies as mentioned in Notes to the Annual Accounts have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for that period;
- (iii) that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities has been taken;
- (iv) that the Annual Accounts has been prepared on a going concern basis;
- (v) that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems were adequate and operating effectively; and
- (vi) that internal financial control to be followed by the Company are in place and that such internal financial controls are adequate and are operating effectively.

### Acknowledgement

We thank our customers, vendors, bankers, stakeholders and the Government for their continued support. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth is possible because of their hard work, solidarity, co-operation and support.

By order of the Board  
For **Rupa & Company Limited**

Sd/-  
**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Place: Kolkata  
Date: May 26, 2017



## Annexure to the Board's Report

### Annexure – I

#### Dividend Distribution Policy

*[Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

#### 1. Background

The Securities Exchange Board of India ("SEBI") vide its Notification dated July 08, 2016 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every year.

Therefore, the Board of Directors of Rupa & Company Limited ("the Company") has adopted this Dividend Distribution Policy of the Company as per the requirement, abovementioned.

#### 2. Effective Date

This Policy shall become effective from the date of its adoption by the Board i.e. February 10, 2017.

#### 3. Definitions and Interpretations

- (a) 'Act' shall mean the Companies Act, 2013 as amended from time to time and shall include Rules, Regulations and Secretarial Standards made thereunder or pursuant thereto;
- (b) 'Board' shall mean Board of Directors of the Company;
- (c) 'Company' shall mean Rupa & Company Limited;
- (d) 'Dividend' includes interim dividend;
- (e) 'Policy' shall mean Dividend Distribution Policy of the Company as per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (f) 'Listing Regulations' shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All words and expressions used but not defined in this Policy, but defined in the Act or the Listing Regulations shall have the same meaning as respectively assigned to them in such Act or Listing Regulations, as the case may be.

Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

#### 4. Purpose, Objectives and Scope

Considering the provisions of the Regulation 43A of the Listing Regulations, the Board recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

**The Policy shall not apply to:** • Determination and declaring dividend on preference shares, if any, as the same will be as per the terms of issue approved by the shareholders; • Distribution i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law; • Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

#### 5. Considerations relevant for Decision of Dividend Pay-Out

The Board shall consider the following, while taking decisions of a dividend payout during a particular year:

## Annexure to the Board's Report

**Statutory requirements:** The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Deposit Repayment Reserve etc., if any, as provided in the Act or any other statutes which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

**Agreements with lending institutions/ Debenture Trustees:** The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements with the lenders of the Company, if any, from time to time.

**Shareholders agreement including JV agreement entered into by the Company:** The decision of dividend pay-out shall meet the conditions of any Shareholders agreement including JV agreement, if any, to be entered into by the Company.

**Long term strategic objectives of the Company as regards financial leverage:** The Board shall analyse the requirement of necessary funds considering the long term or short term projects proposed to be undertaken by the Company and the viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, lending institutions or by issuance of debt securities or ploughing back its own funds.

**Prudential requirements:** The Company shall analyse the prospective projects and strategic decisions in order to decide:

- to build a healthy reserve of retained earnings;
- to augment long term strength;
- to build a pool of internally generated funds to provide long-term resources as well as resource-raising potential for the Company; and
- the needs for capital conservation and appreciation.

**Proposals for major capital expenditures etc.:** In addition to plough back of earnings on account of depreciation, the Board may also take into consideration the need for replacement of capital assets, expansion and modernization or augmentation of capital stock, including any major capital expenditure proposals.

**General considerations:** Subject to the considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management including the CFO, and other relevant factors.

### 6. Other Financial Parameters

In addition to the aforesaid parameters such as realized profits and proposed major capital expenditures, the decision of dividend payout or retention of profits shall also be based the following-

**Operating cash flow of the Company:** If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes to run the day-to-day operations. The Board will consider the same before its decision whether to declare dividend or retain its profits.

**Net sales of the Company:** To increase its sales in the long run, the Company will need to increase its marketing and selling expenses, advertising etc. The amount outlay in such activities will influence the decision of declaration of dividend.

**Return on invested capital:** The efficiency with which the Company uses its capital will impact the decision of dividend declaration.

**Magnitude of earnings of the Company:** Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

**Cost of borrowings:** The Board will analyze the requirement of necessary funds considering the long term or short term projects proposed to be undertaken by the Company and the viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, lending institutions or by issuance of debt securities or plough back its own funds.

**Obligations to creditors:** The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

**Inadequacy of profits:** If during any Financial Year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year.

**Post dividend EPS:** The post dividend EPS can have strong impact on the funds of the Company, thus, impacting the overall operations on day-to-day basis and therefore, affects the profits and can impact the decision for dividend declaration during a particular year.

## Annexure to the Board's Report

### 7. Factors that may affect Dividend Payout

**External Factors:** Taxation and other regulatory concern

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

**Product/ market expansion plan:** The Company's growth oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run which shall have to consider by the Board before taking dividend decision.

**Macroeconomic conditions:** Considering the state of economy in the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

**Internal Factors**

**Past performance/ reputation of the Company:** The trend of the performance/ reputation of the Company that has been during the past years determine the expectation of the shareholders.

**Working capital management in the Company:** The current working capital management system within the Company also impacts the decision of dividend declaration.

**Age of the Company and its product/market:** The age of the Company and its product or the market in which the Company operates will be one of the most significant determining factors to the profitability of the Company and dividend declaration or retention.

**Amount of cash holdings in the Company:** In the investor's point of view, in the absence of any major expansion plan or capital investments or other strategic investment plans in the hands of the Company, the investors may not appreciate excessive cash holdings in the Company. The Board shall have to consider the same before taking decision of dividend declaration.

### 8. Circumstances under which Dividend Payout may or may not be expected

The Board shall consider the factors provided above under Para's 5 to 7, before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

### 9. Manner of utilisation of retained earnings

The Board may retain its earnings in order to make better use of the available funds and increase the value of the shareholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan; • Product expansion plan; • Increase in production capacity; • Modernisation plan;
- Diversification of business; • Long term strategic plans; • Replacement of capital assets; • Where the cost of debt is expensive; • Other such criteria as the Board may deem fit.

### 10. Parameters with regard to various classes of shares

The paid-up capital of the Company is consisting of only equity shares of nominal value of Re.1/- each and does not have different classes of shares. However, if different class of shares be issued subsequently, the same shall meet the parameters based on the respective rights attached to each class of shares as per their terms of issue.

### 11. Range of Dividend

Subject to the regulatory requirements, this Policy and the factors which are necessarily to be considered at the time of recommending/ declaring the dividend, the Board would endeavor to maintain a dividend pay-out (including applicable taxes) in the range of 20% to 45% of the Standalone Profit after Tax of the Company. The Company would endeavor to keep and maintain the said range of dividend payout except for reasons to be recorded.

### 12. Amendment

The Chairman or Managing Director of the Company shall be jointly/severally authorised to review and amend the Policy, to give effect to any changes/ amendments notified by any regulator under the applicable law from time to time. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification.



## Annexure to the Board's Report

### Annexure – II

#### Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

*[Pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014]*

#### (A) Conservation of Energy

- (i) Steps taken or impact on conservation of energy:
  - (a) Condensed water from the steam is recycled to heat water, thereby, saving energy.
  - (b) Installation of a Heat Recycling System whereby the heat from the discharged affluent is trapped and used for heating of normal water from 30 to 65 degrees without using any extra energy.
- (ii) Steps taken by the Company for utilising alternate sources of energy: Instead of furnace oil, diesel or wood, the Company uses paddy husk as fuel for the boiler. This reduces the carbon footprint considerably and is considered to be green fuel.
- (iii) Capital investment on energy conservation equipments: Nil.

#### (B) Technology Absorption

- (i) Efforts made towards technology absorption: The Company has always been aware of the latest technological developments and adapted them to make products more cost effective and to attain high levels of quality.
- (ii) Benefits derived through use of machines: By using new technology, the Company is being able to get more accuracy in cutting fabrics, resulting in huge savings of fabrics, thus, leading to reduced consumption. At the same time, it also helps the Company to reduce the number of days of work in progress. Also, there is an improvement in the quality.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):
  - (a) Details of technology imported: The Company has imported machines with the latest and updated technology. 5 (five) Cutting machines have been imported- 2 (two) from Morgan Tecnica SPA, Italy and 3 (three) from Bierrebi Italia SRL, Italy.
  - (b) Year of import: 2012-13 and 2013-14.
  - (c) Whether the technology has been fully absorbed: Yes.
- (iv) Expenditure incurred on Research and Development: Nil.

#### (C) Foreign Exchange Earnings and Outgo

Foreign Exchange earned in terms of actual inflows during the year: ₹ 22,02,01,390/-

Foreign Exchange outgo during the year in terms of actual outflows: ₹ 58,79,481/-

By order of the Board  
For **Rupa & Company Limited**

Sd/-  
**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Place: Kolkata  
Date: May 26, 2017

## Annexure to the Board's Report

### Annexure – III

**Details pertaining to the Remuneration, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time, for the Financial Year 2016-17**

- (i) The ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the Financial Year 2016-17, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the said Financial Year 2016-17 are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for the Financial Year 2016-17 (₹)	Ratio of remuneration of each Director & KMP to median remuneration of employees	% increase/ decrease in remuneration in the Financial Year 2016-17
1	Mr. Prahlad Rai Agarwala, Chairman	1,87,00,000	132.03:1	122.62
2	Mr. Ghanshyam Prasad Agarwala, Vice-Chairman	81,00,000	57.19:1	3.85
3	Mr. Kunj Bihari Agarwal, Managing Director	81,00,000	57.19:1	3.85
4	Mr. Ramesh Agarwal, Whole-time Director-cum-Chief Financial Officer <sup>#</sup>	63,00,000	44.48:1	31.25
5	Mr. Mukesh Agarwal, Whole-time Director	63,00,000	44.48:1	31.25
6	Mr. Arihant Kumar Baid, Whole-time Director <sup>@</sup>	16,83,226	11.88:1	206.75 <sup>@</sup>
7	Mr. Satya Brata Ganguly, Independent Director	4,20,000	2.97:1	-46.84
8	Mr. Dipak Kumar Banerjee, Independent Director	7,25,000	5.12:1	18.85
9	Mr. Dharam Chand Jain, Independent Director	4,50,000	3.18:1	66.67
10	Mr. Sushil Patwari, Independent Director	6,50,000	4.59:1	75.68
11	Mrs. Alka Devi Bangur, Independent Director	4,50,000	3.18:1	25
12	Mr. Vinod Kumar Kothari, Independent Director	4,05,000	2.86:1	-42.14
13	Mr. Neeraj Sureka, Chief Financial Officer <sup>^</sup>	31,92,911	22.54:1	-17.40 <sup>^</sup>
14	Mr. Kundan Kumar Jha, Company Secretary <sup>*</sup>	16,14,251	11.40:1	N.A. <sup>*</sup>

**Note:** Independent Directors are being paid sitting fees only.

<sup>#</sup>Appointed as CFO w.e.f. February 10, 2017 and consequently, was re-designated as Whole-time Director-cum-Chief Financial Officer. Details above have been given for the entire Financial Year 2016-17, in his capacity of a Whole-time Director of the Company. There was no change in his remuneration pursuant to the said re-designation.

<sup>@</sup>For the period from November 05, 2015 to March 31, 2016, for the Financial Year 2015-16, in view of appointment as Whole-time Director of the Company, w.e.f. November 05, 2015.

## Annexure to the Board's Report

*^For the period from April 01, 2016 to November 17, 2016, for the Financial Year 2016-17, in view of resignation w.e.f. November 17, 2016.*

*\*Appointed as the Company Secretary and Compliance Officer, w.e.f. May 30, 2016. However, details have been given for the entire Financial Year 2016-17, as he has joined the Company w.e.f. March 30, 2016.*

- (ii) The median remuneration of employees of the Company during the Financial Year was ₹ 1,41,630/-. Further, there has been no increase in the same.
- (iii) Number of permanent employees on the rolls of Company as on March 31, 2017 was 598.
- (iv) Average percentile increase made in the salaries of employees other than the managerial personnel in the Financial Year 2016-17 was 12.66%, whereas the increase in the managerial remuneration for the same Financial Year was 44.03%, mainly due to the payment of commission to the Chairman of the Company. The managerial remuneration is linked to market trend and industry segment composition.
- (v) We hereby affirm that the remuneration paid is as per the Remuneration Policy of the Company.
- (vi) The Managing Director and the Whole-time Directors of the Company do not receive any remuneration or commission from its Wholly-owned Subsidiaries.

**Statement of particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time**

Name	Designation	Remuneration (₹)	Qualification and Experience (years)	Age (years)	Date of Commencement of Employment	Last Employment
Mr. Prahlad Rai Agarwala	Chairman (Whole-time Director)	1,87,00,000	Bachelor's degree in Law, B. Com, having an experience of more than 41 years	79	February 06, 1985	None
Mr. Ghanshyam Prasad Agarwala <sup>5</sup>	Vice-chairman (Whole-time Director)	81,00,000	B. Com, having an experience of more than 36 years	71	July 13, 1987	None
Mr. Kunj Bihari Agarwal	Managing Director	81,00,000	B. Com, having an experience of more than 31 years	67	July 17, 1987	None
Mr. Ramesh Agarwal	Whole-time Director-cum-Chief Financial Officer	63,00,000	B. Com, having an experience of more than 22 years in the Textile Industry	48	April 01, 2004	None
Mr. Mukesh Agarwal	Whole-time Director	63,00,000	B. Com, having an experience of more than 17 years in the Textile Industry	46	April 01, 2004	None
Mr. Manish Agarwal <sup>6</sup>	President	51,00,000	Bachelor's degree in Mechanical Engineering, having an experience of more than 13 years	42	September 11, 2004	None
Mr. Ravi Agarwal <sup>7</sup>	President	51,00,000	MBA in Marketing from Geneva, Switzerland, having an experience of more than 13 years	43	September 11, 2004	None



## Annexure to the Board's Report

Name	Designation	Remuneration (₹)	Qualification and Experience (years)	Age (years)	Date of Commencement of Employment	Last Employment
Mr. Vikash Agarwal <sup>7</sup>	President	51,00,000	Diploma in Marketing Management from University of California, USA, having an experience of more than 13 years	40	September 11, 2004	None
Mr. Rajnish Agarwal	President	51,00,000	Masters in Business Administration in Marketing from University of Cardiff, having an experience of more than 13 years	39	September 11, 2004	None
Mr. Partho Pratim Kanungo <sup>8</sup>	General Manager, Sales & Marketing	45,59,400	Diploma in Electric Engineering, having an experience of 23 years	47	February 05, 2014	Assistant General Manager (Sales), Page Industries Limited

### Notes:

- 1) Remuneration includes salary, commission, bonus, allowances and monetary value of perquisites but excludes gratuity provision.
- 2) All appointments are contractual.
- 3) The inter-se relation between the Directors of the Company has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.
- 4) There were no such employee, who was employed for a part of the Financial Year and was in receipt of remuneration for any part of the year, at a rate, which, in the aggregate, was not less than eight lacs and fifty thousand rupees per month.
- 5) Mr. Ghanshyam Prasad Agarwala, employed throughout the Financial Year, was in receipt of remuneration for the year, at a rate, which, in the aggregate, was in excess of that drawn by a Whole-time Director of the Company and he holds 2.31% of the equity shares of the Company, along with his spouse Mrs. Pushpa Dev Agarwal. Mr. Ghanshyam Prasad Agarwala is the brother of Mr. Prahlad Rai Agarwala, Chairman (Whole-time Director), and Mr. Kunj Bihari Agarwal, Managing Director, and the father of Mr. Mukesh Agarwal, Whole-time Director of the Company.
- 6) Mr. Manish Agarwal and Mr. Rajnish Agarwal are sons of Mr. Ghanshyam Prasad Agarwala, Vice-chairman, and brothers of Mr. Mukesh Agarwal, Whole-time Director.
- 7) Mr. Ravi Agarwal and Mr. Vikash Agarwal, employed throughout the Financial Year, were in receipt of remuneration for the year, at a rate, which was in excess of that drawn by a Whole-time Director of the Company and they hold 2.19% and 2.21% of the equity shares of the Company, respectively. Mr. Ravi Agarwal and Mr. Vikash Agarwal are sons of Mr. Kunj Bihari Agarwal, Managing Director of the Company.
- 8) Mr. Partho Pratim Kanungo is not related to any Director of the Company.
- 9) The above details include details of top ten employees of the Company, in terms of remuneration drawn during the Financial Year 2016-17.

By order of the Board  
For **Rupa & Company Limited**

Sd/-

**Prahlad Rai Agarwala**

Chairman

DIN: 00847452

Place: Kolkata

Date: May 26, 2017

## Annexure to the Board's Report

### Annexure – IV

#### Policy on Appointment and Remuneration

This Policy reflects the Company's objectives for good corporate governance as well as sustained and long-term value creation for stakeholders. This Policy will also help the Company to attain Board diversity and create a basis for succession planning. In addition, it is intended to ensure that—

- (a) The Company is able to attract, develop and retain high-performing and motivated executives in a competitive international market;
- (b) The executives are offered a competitive and market aligned remuneration package, with fixed salaries being a significant remuneration component, as permissible under the applicable law;
- (c) Remuneration of the executives is aligned with the Company's business strategies, values, key priorities and goals.

#### Board Diversity Criteria

In the process of attaining optimal Board Diversity, the following criteria need to be assessed:

##### (i) Optimum Composition

- (a) The Board shall have an optimum combination of Executive and Non-executive Directors and not less than 50 (fifty) percent of the Board of Directors comprising Non-executive Directors.
- (b) At least half of the Board should comprise of Independent Directors (where the Chairman of the Board is executive) or at least one-third of the Board consisting of Independent Directors (where the Chairman of the Board is Non-executive).
- (c) In any case, the Company should strive to ensure that the number of Independent Directors do not fall below 3 (three) so as to enable the Board to function smoothly and effectively.
- (d) The Company shall have at least 1 (one) Woman Director on the Board to ensure that there is no gender inequality on the Board.

##### (ii) Functional Diversity

- (a) Appointment of Directors to the Board of the Company should be based on the specific needs and business of the Company. Appointments should be done based on the qualification, knowledge, experience and skill of the proposed appointee which are relevant to the business of the Company.
- (b) Knowledge of and experience in domain areas such as finance, legal, risk, management, etc. should be duly considered while making appointments to the Board level.
- (c) While appointing Independent Directors, care should be taken as to the independence of the proposed appointee.
- (d) Directorships in other companies may also be taken into account while determining the candidature of a person.
- (e) Whole-time Directors of the Company may be considered to head functional area/ business division of the Company based on his/ her expertise of the function / division.

##### (iii) Stakeholder Diversity

The Company may also have Directors on its Board representing the interest of any financial institution or any other person in accordance with the provisions of its Articles of Association and/or any agreement between the Company and the nominating agency.

#### Principles for selection of Independent Directors

The nomination of the Independent Directors of the Company shall be in accordance with the principles as stated hereunder and other relevant provisions of applicable law:

- (a) is a person of integrity and possesses relevant expertise and experience;
- (b) is or was not a promoter of the Company or its holding, subsidiary or associate company and not related to promoters or Directors in the Company, its holding, subsidiary or associate company;
- (c) has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding Financial Years or during the current Financial Year;

## Annexure to the Board's Report

- (d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding Financial Years or during the current Financial Year;
- (e) neither himself nor any of his relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three Financial Years immediately preceding the Financial Year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three Financial Years immediately preceding the Financial Year in which he is proposed to be appointed, of (a) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or (b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - (iii) holds together with his relatives 2% or more of the total voting power of the Company; or
  - (iv) is a chief executive or director, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company;
- (f) shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

### Overall criteria for selection of Executives

The assessment for Senior Management will be done on the basis of below parameters by the concerned interview panel of the Company –

- (a) **Competencies:** • Necessary skills (Leadership skill, Communication skills, Managerial skills, etc.) • Experiences & education to successfully complete the tasks • Positive background reference check
- (b) **Capabilities:** • Suitable or fit for the task or role • Potential for growth and the ability and willingness to take on more responsibility • Intelligent & fast learner, Good leader, Organizer & administrator, Good analytical skills, Creative & innovative

### General policies for remuneration

The various remuneration components would be combined to ensure an appropriate and balanced remuneration package. The remuneration components are –

- Fixed, base remuneration (fixed supplements)
- Short-term incentives, i.e., performance-based pay (variable)

The fixed remuneration would be determined on the basis of the role and position of the individual, including professional experience, responsibility, job complexity and local market conditions. The short-term incentives motivates and rewards high performers who significantly contribute to sustainable results, perform according to set expectations for the individual in question, and generates stakeholder value within the group.

Any fee/ remuneration payable to the non-executive Directors of the Company shall abide by the following norms –

- (a) Such Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under applicable law;
- (b) An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible under the applicable law.

The detailed policy is available in the website of the Company at the link, [http://rupa.co.in/site/wp-content/uploads/2015/10/Remuneration\\_Policy.pdf](http://rupa.co.in/site/wp-content/uploads/2015/10/Remuneration_Policy.pdf)

## Annexure to the Board's Report

### Annexure – V

#### Annual Report on CSR Activities

*[Pursuant to Clause (o) of Sub-section (3) of Section 134 of the Companies Act, 2013 (the Act) and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]*

**1. A brief outline of the Company's CSR Policy, including overview of projects or programs undertaken/ proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

Rupa & Company Limited (the "Company") operates with a strong belief that giving back to the society and contributing towards its sustainable development is every organizations responsibility. The Company and its people are committed to society, ecology and environment. The Company also realizes that caring for the society, country and the planet is not philanthropy or generosity – *it is the very way of doing sustainable business.*

CSR Committee's Vision is "improving lives in pursuit of collective development and environmental sustainability". This vision encompasses all CSR activities of the Company. The CSR Committee's Mission is primarily to pursue initiatives directed towards enhancing welfare measures of the society based on long term social and environmental consequences of the CSR activities. Within the above mission, the CSR Committee chooses priority projects from time to time. The objective is not only to guide the Company and its people to indulge in social activities but also to integrate the business processes with social processes. The Company believes that the CSR Policy of the Company is the Company's faith in socially inclusive and sustainable business as the way of doing business.

Likewise Financial Year 2015-16, during the Financial Year 2016-17 also, the Company has significantly contributed for making available safe drinking water at public places. Further, it has also contributed towards restoration of buildings and sites of historical importance, promoting education, eradicating poverty, health care and livelihood enhancement projects, etc. In order to serve the society, the Company has also forayed into the field of education by setting up the Sobhasaria Engineering College in Sikar, Rajasthan. The Company also provides vocational training to the needy through its trust, Rupa Foundation.

The CSR Policy of the Company is available on the website of the Company at the link, <http://rupa.co.in/site/wp-content/uploads/2015/10/corporate-social-responsibility-policy.pdf>

**2. The Composition of the CSR Committee:**

Mr. Prahlad Rai Agarwala - Chairman

Mr. Kunj Bihari Agarwal - Member

Mr. Vinod Kumar Kothari - Member

**3. Average Net Profit of the Company for the last 3 (three) Financial Years: ₹ 1,03,29,40,159/-**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 2,06,58,803/-**

**5. Details of CSR spent during the Financial Year:**

i) Total amount to be spent for the Financial Year: ₹ 2,06,58,803/-

ii) Amount unspent: Nil

iii) Manner in which the amount spent during the Financial Year is detailed below:



## Annexure to the Board's Report

Sl. No.	CSR projects/ activities identified (relevant clause prescribed under the Act)	Sector in which the project is covered	Projects or programs (a) Local area or other (b) the State and district where projects or programs were undertaken	Amount Outlay (budget) project/ programwise (₹)	Amount spent on the project or program. All direct expenses (₹)	Cumulative expenditure up to the reporting period (₹)	Mode of implementation – Direct as well as through implementing agencies
1	Clause (i) of Schedule VII to the Act	Making available safe drinking water	Local & other area. West Bengal - Kolkata, Howrah, North 24 Parganas, South 24 Parganas.	1,51,00,000	1,55,19,464	3,73,09,771	Rupa & Company Limited through Green Appliances and Ashish Kumar Jain
2	Clause (i) of Schedule VII to the Act	Promoting health care including preventive health care	Local & other area. West Bengal - Kolkata	10,00,000	8,81,750	8,81,750	S.V.S. Marwari Hospital, Marwari Relief Society, Kolkata Senior Citizens Forum
3	Clause (ii) of Schedule VII to the Act	Promoting education including special education and employment enhancing vocational skills	Local & other area. West Bengal - Kolkata, South 24 Parganas Tamilnadu - Tirupur	13,00,000	13,12,044	13,12,044	Paschim Bangiya Marwari Sammelan Shiksha Kosh, Municipal High School Padmavathipuram, Indian Institute of Cerebral Palsy, Hiranyam Vikas Sansthan, Arya Seva Girls Education Society, Manav Seva Pratisthan
4	Clause (ii) of Schedule VII to the Act	Livelihood enhancement projects	Other area. Gujarat - Ahmedabad	10,00,000	10,00,000	21,00,000	Manav Sadhna
5	Clause (iv) of Schedule VII to the Act	Conservation of Natural Resources, maintaining quality of water	Local area. Tamil Nadu - Tirupur	1,00,000	1,00,000	1,00,000	The South Indian Hosiery Manufacturers Association
6	Clause (v) of Schedule VII to the Act	Restoration of buildings and sites of historical importance	Other area. Restoration/ development of Manikarnika Ghat in Varanasi, U.P.	22,00,000	22,00,000	22,00,000	Rupa & Company Limited through Rupa Foundation and Eastern Infrastructure Fund
<b>Total</b>				<b>2,07,00,000</b>	<b>2,10,13,258</b>	<b>4,39,03,565</b>	

## Annexure to the Board's Report

### Details of Implementing Agencies:

- 1) *Rupa & Company Limited through Green Appliances, a sole proprietorship and Ashish Kumar Jain, based in Kolkata, for making available safe drinking water;*
  - 2) (a) *S.V.S. Marwari Hospital is a Multi-Specialty Hospital, situated in Kolkata, providing healthcare services;*  
 (b) *Marwari Relief Society, situated in Kolkata, is engaged in healthcare services, including OPD treatment;*  
 (c) *Kolkata Senior Citizens Forum, based in Kolkata, is engaged in healthcare services;*
  - 3) (a) *Paschim Bangiya Marwari Sammelan Shiksha Kosh is a fund constituted and registered as a public charitable trust in Kolkata, for educational purpose;*  
 (b) *Municipal High School Padhmavathipuram, situated in Tirupur, Tamil Nadu, for construction of classroom;*  
 (c) *Indian Institute of Cerebral Palsy is an institution based in Kolkata, providing education through project, 'Wheels for Learning' for children and adults suffering from cerebral palsy and multiple disabilities;*  
 (d) *Hiranyam Vikas Sansthan is a National level NGO involved in various activities, including providing education to the needy;*  
 (e) *Arya Seva Girls Education Society, situated in Kolkata, is engaged in providing education to poor girls;*  
 (f) *Manav Seva Pratisthan, Kolkata, is engaged in education of tribals and other weaker sections of the society;*
  - 4) *Manav Sadhna, a Public Charitable Trust based in Ahmedabad, is dedicated to the upliftment of people living in marginalized communities;*
  - 5) *The South Indian Hosiery Manufacturers Association is an institution based in Tirupur, Tamil Nadu, engaged in social services including conservation of water resources;*
  - 6) *Rupa & Company Limited through Rupa Foundation, a trust located in Kolkata and engaged in areas like education, healthcare and other social activities, and Eastern Infrastructure Fund, a social project wing of Planner India Private Limited, situated in Varanasi, U.P.*
- 6. The reasons for not spending 2 (two) per cent of the average Net Profit of the last 3 (three) Financial Years or any part thereof:** Not applicable.
- 7. Responsibility Statement:**
- The CSR Committee of the Board confirms that the implementation and monitoring of CSR Policy is in line with the CSR Objectives and Policy of the Company.

Place: Kolkata  
Date: May 26, 2017

Sd/-  
**Kunj Bihari Agarwal**  
Managing Director  
Rupa & Company Limited  
DIN: 00224857

Sd/-  
**Prahlad Rai Agarwala**  
Chairman, CSR Committee of the Board  
Rupa & Company Limited  
DIN: 00847452

## Annexure to the Board's Report

### Annexure – VI

#### MGT 9

#### Extract of Annual Return as on the Financial Year ended March 31, 2017

*[Pursuant to Section 92(3) of the Companies Act, 2013 and  
Rule 12(1) of the Companies (Management & Administration) Rules, 2014]*

#### I. Registration & Other Details

1	<b>CIN</b>	L17299WB1985PLC038517
2	<b>Registration Date</b>	February 6, 1985
3	<b>Name of the Company</b>	Rupa & Company Limited
4	<b>Category Sub-category of the Company</b>	Public Company Limited by Shares Indian Non-Government Company
5	<b>Address of the Registered Office &amp; Contact Details</b>	Metro Tower, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata - 700 071 Tel: +91-33-3057 3100, Fax: +91-33-2288 1362 E-mail ID: connect@rupa.co.in; cs@rupa.co.in
6	<b>Whether Listed Company</b>	Yes
7	<b>Name, Address and Contact Details of the Registrar &amp; Transfer Agent</b>	Maheshwari Datamatics Private Limited 23, R.N. Mukherjee Road 5th Floor, Kolkata – 700 001 Tel: +91-33-2248 2248, +91-33-2243 5029; Fax: +91-33-2248 4787; E-mail ID: mdpldc@yahoo.com

#### II. Principal Business Activities of the Company (All the business activities contributing 10% or more of the total turnover of the Company)

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the Company
1	Textile, leather and other apparel products – Manufacture of knitted apparel including hosiery	14309	97.52

#### III. Particulars of Holding, Subsidiary, Associate Companies and Joint Ventures

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate Company/ Joint Venture	% of shares held	Applicable Section of the Companies Act, 2013
1	Euro Fashion Inners International Private Limited Address: 102, VIP Plaza, 7, Veera Desai Industrial Estate Near Afcons Godown, Off Link Road, Andheri-W Mumbai - 400 053	U17120MH2005PTC152837	Subsidiary	100	2(87)
2	Imoogi Fashions Private Limited Address: Metro Tower, 1, Ho Chi Minh Sarani, 8th Floor, Kolkata – 700 071	U17120WB2010PTC140976	Subsidiary	100	2(87)
3	Oban Fashions Private Limited Address: 102, VIP Plaza, B-7, Veera Industrial Estate Off Andheri Link Road, Andheri (West), Mumbai – 400 053	U18204MH2015PTC271385	Subsidiary	100	2(87)

## Annexure to the Board's Report

### IV. Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity)

#### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2016				No. of Shares held at the end of the year March 31, 2017				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	36265510	-	36265510	45.60	34959166	-	34959166	43.96	-1.64
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	23320880	-	23320880	29.33	23320880	-	23320880	29.33	0.00
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>59586390</b>	<b>-</b>	<b>59586390</b>	<b>74.93</b>	<b>58280046</b>	<b>-</b>	<b>58280046</b>	<b>73.29</b>	<b>-1.64</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>59586390</b>	<b>-</b>	<b>59586390</b>	<b>74.93</b>	<b>58280046</b>	<b>-</b>	<b>58280046</b>	<b>73.29</b>	<b>-1.64</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	5636	-	5636	0.01	2287	-	2287	0.00	-0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	551800	-	551800	0.69	0.69
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	1000	-	1000	0.00	3768	-	3768	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>6636</b>	<b>-</b>	<b>6636</b>	<b>0.01</b>	<b>557855</b>	<b>-</b>	<b>557855</b>	<b>0.69</b>	<b>0.68</b>



## Annexure to the Board's Report

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2016				No. of Shares held at the end of the year March 31, 2017				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	18480567	25000	18505567	23.27	18384770	25000	18409770	23.15	-0.12
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	903916	297350	1201266	1.51	1546993	288379	1835372	2.31	0.80
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	184170	184170	0.23	-	184170	184170	0.23	0.00
c) Others (Specify)									
NBFCs	-	-	-	-	500	-	500	0.00	0.00
Non-Resident Indians	7444	-	7444	0.01	60155	-	60155	0.08	0.07
Clearing Members	33087	-	33087	0.04	196692	-	196692	0.25	0.21
<b>Sub-total(B)(2)</b>	<b>19425014</b>	<b>506520</b>	<b>19931534</b>	<b>25.06</b>	<b>20189110</b>	<b>497549</b>	<b>20686659</b>	<b>26.02</b>	<b>0.96</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>19431650</b>	<b>506520</b>	<b>19938170</b>	<b>25.07</b>	<b>20746965</b>	<b>497549</b>	<b>21244514</b>	<b>26.71</b>	<b>1.64</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>79018040</b>	<b>506520</b>	<b>79524560</b>	<b>100.00</b>	<b>79027011</b>	<b>497549</b>	<b>79524560</b>	<b>100.00</b>	<b>0.00</b>

## Annexure to the Board's Report

### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year – April 1, 2016			Shareholding at the end of the Year – March 31, 2017			% Change in Shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to Total Shares	
1	Prahlad Rai Agarwala*	18070000	22.72	-	16763656	21.08	0.00	-1.64
2	Rajnish Enterprises Ltd	15821190	19.89	0.00	15821190	19.89	0.00	0.00
3	Purvanchal Leasing Limited	5807670	7.30	0.00	5807670	7.30	0.00	0.00
4	Prahlad Rai Agarwal	2951090	3.71	0.00	2951090	3.71	0.00	0.00
5	Vikash Agarwal	1755440	2.21	0.00	1755440	2.21	0.00	0.00
6	Ravi Agarwal	1742630	2.19	0.00	1742630	2.19	0.00	0.00
7	Sidhant Credit Capital Ltd.	1692020	2.13	0.00	1692020	2.13	0.00	0.00
8	Ghanshyam Prasad Agarwal	1240910	1.56	0.00	1240910	1.56	0.00	0.00
9	Rajnish Agarwal	1243370	1.56	0.00	1243370	1.56	0.00	0.00
10	Manish Agarwal	1232550	1.55	0.00	1232550	1.55	0.00	0.00
11	Kunj Bihari Agarwala	1201080	1.51	0.00	1201080	1.51	0.00	0.00
12	Suresh Agarwal	1066570	1.34	0.00	1066570	1.34	0.00	0.00
13	Ramesh Agarwal	1059230	1.33	0.00	1059230	1.33	0.00	0.00
14	Shanti Devi Agarwal	776320	0.98	0.00	776320	0.98	0.00	0.00
15	Mukesh Agarwal	729550	0.92	0.00	729550	0.92	0.00	0.00
16	K B & Sons- HUF	665330	0.84	0.00	665330	0.84	0.00	0.00
17	Pushpa Devi Agarwal	593920	0.75	0.00	593920	0.75	0.00	0.00
18	Lalita Devi Agarwal	346310	0.44	0.00	346310	0.44	0.00	0.00
19	Seema Agarwal	293640	0.37	0.00	293640	0.37	0.00	0.00
20	Mukesh Kumar Agarwal - HUF	282510	0.36	0.00	282510	0.36	0.00	0.00
21	Sudha Agarwal	274720	0.35	0.00	274720	0.35	0.00	0.00
22	Seema Agarwal	220160	0.28	0.00	220160	0.28	0.00	0.00
23	Ghanshyam Prasad Manish Kumar - HUF	185090	0.23	0.00	185090	0.23	0.00	0.00
24	Prahlad Rai Suresh Kumar - HUF	151970	0.19	0.00	151970	0.19	0.00	0.00
25	Baijnath Agarwal	97410	0.12	0.00	97410	0.12	0.00	0.00
26	Sarita Patwari	52600	0.07	0.00	52600	0.07	0.00	0.00
27	Suresh Kumar Agarwal - HUF	13630	0.02	0.00	13630	0.02	0.00	0.00
28	Ravi Agarwal - HUF	11690	0.01	0.00	11690	0.01	0.00	0.00
29	Shalini Agarwal	7790	0.01	0.00	7790	0.01	0.00	0.00
	<b>Total</b>	<b>59586390</b>	<b>74.93</b>	<b>0.00</b>	<b>58280046</b>	<b>73.29</b>	<b>0.00</b>	<b>-1.64</b>

\*Holding shares jointly with Ghanshyam Prasad Agarwala and Kunj Bihari Agarwal on behalf of M/s. Binod Hosiery, a partnership firm.

## Annexure to the Board's Report

### iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Prahlad Rai Agarwala*				
	01/04/2016	18070000	22.72		
	17/03/2017 – Sell	–162797	0.2	17907203	22.52
	20/03/2017 – Sell	–8747	0.01	17898456	22.51
	21/03/2017 – Sell	–1134800	1.43	16763656	21.08
	31/03/2017			16763656	21.08

\*Holding shares jointly with Ghanshyam Prasad Agarwala and Kunj Bihari Agarwal on behalf of M/s. Binod Hosiery, a partnership firm.

### iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	MLD Commercial Private Limited*				
	01/04/2016	0	0.00		
	22/02/2017 - Buy	8650000	10.88	8650000	10.88
	31/03/2017	-	-	8650000	10.88
2	Girika Advisory Services LLP*				
	01/04/2016	0	0.00		
	17/03/2017 - Buy	1500000	1.89	1500000	1.89
	23/03/2017 - Buy	1500000	1.89	3000000	3.77
	31/03/2017	-	-	3000000	3.77
3	Lambodar Ferro Alloys Ltd.				
	01/04/2016	2600000	3.27		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	2600000	3.27
4	Satvichar Consultancy Services LLP (Formerly, Standard Textiles Private Limited)				
	01/04/2016	1846000	2.32		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	1846000	2.32
5	Suvichar Advisors LLP (Formerly, Standard Credit Capital Private Limited)				
	01/04/2016	1830000	2.30		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	1830000	2.30

## Annexure to the Board's Report

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
6	Nomura Singapore Limited*				
	01/04/2016	0	0.00		
	24/03/2017 - Buy	550000	0.69	550000	0.69
	31/03/2017	-	-	550000	0.69
7	Anand Kumar Drollia				
	01/04/2016	184170	0.23		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	184170	0.23
8	Sharekhan Limited*				
	01/04/2016	1088	0.00		
	08/04/2016 - Sell	-235	0.00	853	0.00
	15/04/2016 - Buy	801	0.00	1654	0.00
	22/04/2016 - Buy	962	0.00	2616	0.00
	29/04/2016 - Sell	-691	0.00	1925	0.00
	06/05/2016 - Sell	-671	0.00	1254	0.00
	13/05/2016 - Buy	85	0.00	1339	0.00
	20/05/2016 - Sell	-468	0.00	871	0.00
	27/05/2016 - Buy	265	0.00	1136	0.00
	03/06/2016 - Buy	574	0.00	1710	0.00
	10/06/2016 - Sell	-782	0.00	928	0.00
	17/06/2016 - Sell	-69	0.00	859	0.00
	24/06/2016 - Sell	-177	0.00	682	0.00
	30/06/2016 - Sell	-215	0.00	467	0.00
	08/07/2016 - Buy	78	0.00	545	0.00
	15/07/2016 - Buy	277	0.00	822	0.00
	22/07/2016 - Sell	-398	0.00	424	0.00
	29/07/2016 - Buy	609	0.00	1033	0.00
	05/08/2016 - Buy	91	0.00	1124	0.00
	12/08/2016 - Sell	-616	0.00	508	0.00
	19/08/2016 - Sell	-184	0.00	324	0.00
	26/08/2016 - Buy	199	0.00	523	0.00
	02/09/2016 - Sell	-231	0.00	292	0.00
	09/09/2016 - Buy	953	0.00	1245	0.00
	16/09/2016 - Buy	381	0.00	1626	0.00
	23/09/2016 - Sell	-340	0.00	1286	0.00
	30/09/2016 - Sell	-395	0.00	891	0.00
	07/10/2016 - Sell	-439	0.00	452	0.00
	14/10/2016 - Sell	-30	0.00	422	0.00
	21/10/2016 - Buy	10	0.00	432	0.00
	28/10/2016 - Buy	14	0.00	446	0.00
	04/11/2016 - Buy	213	0.00	659	0.00
	11/11/2016 - Buy	163	0.00	822	0.00



## Annexure to the Board's Report

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	18/11/2016 - Sell	-266	0.00	556	0.00
	25/11/2016 - Sell	-31	0.00	525	0.00
	02/12/2016 - Buy	40	0.00	565	0.00
	16/12/2016 - Buy	15	0.00	580	0.00
	23/12/2016 - Sell	-155	0.00	425	0.00
	06/01/2017 - Sell	-18	0.00	407	0.00
	20/01/2017 - Buy	143	0.00	550	0.00
	27/01/2017 - Sell	-57	0.00	493	0.00
	03/02/2017 - Sell	-44	0.00	449	0.00
	10/02/2017 - Buy	161	0.00	610	0.00
	17/02/2017 - Sell	-90	0.00	520	0.00
	24/02/2017 - Buy	1232	0.00	1752	0.00
	03/03/2017 - Buy	350	0.00	2102	0.00
	10/03/2017 - Sell	-654	0.00	1448	0.00
	17/03/2017 - Buy	16705	0.02	18153	0.02
	24/03/2017 - Buy	34805	0.04	52958	0.07
	31/03/2017 - Sell	-11370	0.01	41588	0.05
9	D A Srinivas				
	01/04/2016	40000	0.05		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	40000	0.05
10	K.D. Plaza Private Limited				
	01/04/2016	35300	0.04		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	35300	0.04
11	Karuna Impex Enterprises Limited <sup>#</sup>				
	01/04/2016	8650000	10.88		
	22/02/2017 - Sell	-8650000	10.88	0	0.00
	31/03/2017	-	-	0	0.00
12	Shri Krishna Creative Ideas LLP <sup>#</sup>				
	01/04/2016	3000000	3.77		
	17/03/2017 - Sell	-1500000	1.89	1500000	1.89
	23/03/2017 - Sell	-1500000	1.89	0	0.00
	31/03/2017	-	-	0	0.00
13	Fairmax Consultancy Services LLP <sup>#</sup>				
	01/04/2016	208942	0.26		
	15/04/2016 - Sell	-8199	0.01	200743	0.25
	17/03/2017 - Sell	-200743	0.25	0	0.00
	31/03/2017	-	-	0	0.00

## Annexure to the Board's Report

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
14	Sadachar Advisory Services LLP <sup>#</sup>				
	01/04/2016	84108	0.11		
	15/04/2016 - Sell	-84108	0.11	0	0.00
	31/03/2017	-	-	0	0.00
15	Nageshwar Advisory Services LLP <sup>#</sup>				
	01/04/2016	45894	0.06		
	15/04/2016 - Sell	-45894	0.06	0	0.00
	31/03/2017	-	-	0	0.00
16	Motilal Oswal Sec Ltd <sup>^</sup>				
	01/04/2016	11814	0.01		
	08/04/2016 - Sell	-55	0.00	11759	0.01
	15/04/2016 - Buy	1387	0.00	13146	0.02
	22/04/2016 - Buy	11711	0.01	24857	0.03
	29/04/2016 - Sell	-2504	0.00	22353	0.03
	06/05/2016 - Sell	-639	0.00	21714	0.03
	13/05/2016 - Sell	-1989	0.00	19725	0.02
	20/05/2016 - Sell	-591	0.00	19134	0.02
	27/05/2016 - Buy	1665	0.00	20799	0.03
	03/06/2016 - Sell	-75	0.00	20724	0.03
	10/06/2016 - Sell	-245	0.00	20479	0.03
	17/06/2016 - Sell	-529	0.00	19950	0.03
	24/06/2016 - Buy	171	0.00	20121	0.03
	30/06/2016 - Buy	140	0.00	20261	0.03
	08/07/2016 - Sell	-14728	0.02	5533	0.01
	15/07/2016 - Sell	-220	0.00	5313	0.01
	22/07/2016 - Buy	49	0.00	5362	0.01
	29/07/2016 - Buy	1013	0.00	6375	0.01
	05/08/2016 - Buy	1226	0.00	7601	0.01
	12/08/2016 - Sell	-220	0.00	7381	0.01
	19/08/2016 - Buy	825	0.00	8206	0.01
	26/08/2016 - Sell	-232	0.00	7974	0.01
	02/09/2016 - Buy	428	0.00	8402	0.01
	09/09/2016 - Sell	-535	0.00	7867	0.01
	16/09/2016 - Buy	27	0.00	7894	0.01
	23/09/2016 - Sell	-137	0.00	7757	0.01
	30/09/2016 - Buy	230	0.00	7987	0.01
	07/10/2016 - Buy	5	0.00	7992	0.01
	14/10/2016 - Sell	-35	0.00	7957	0.01
	21/10/2016 - Buy	22	0.00	7979	0.01
	28/10/2016 - Buy	2147	0.00	10126	0.01
	04/11/2016 - Buy	90	0.00	10216	0.01
	11/11/2016 - Buy	308	0.00	10524	0.01

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Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	18/11/2016 - Sell	-313	0.00	10211	0.01
	25/11/2016 - Sell	-275	0.00	9936	0.01
	02/12/2016 - Buy	397	0.00	10333	0.01
	09/12/2016 - Sell	-79	0.00	10254	0.01
	16/12/2016 - Buy	50	0.00	10304	0.01
	23/12/2016 - Sell	-921	0.00	9383	0.01
	30/12/2016 - Buy	37	0.00	9420	0.01
	06/01/2017 - Buy	341	0.00	9761	0.01
	13/01/2017 - Sell	-3499	0.00	6262	0.01
	20/01/2017 - Sell	-72	0.00	6190	0.01
	27/01/2017 - Sell	-100	0.00	6090	0.01
	03/02/2017 - Buy	271	0.00	6361	0.01
	10/02/2017 - Buy	200	0.00	6561	0.01
	17/02/2017 - Sell	-553	0.00	6008	0.01
	24/02/2017 - Buy	8759	0.01	14767	0.02
	03/03/2017 - Sell	-10020	0.01	4747	0.01
	10/03/2017 - Sell	-379	0.00	4368	0.01
	17/03/2017 - Buy	8590	0.01	12958	0.02
	24/03/2017 - Buy	30514	0.04	43472	0.05
	31/03/2017 - Sell	-19925	0.03	23547	0.03
17	Microsec Capital Limited^				
	01/04/2016	175	0.00		
	08/04/2016 - Buy	300	0.00	475	0.00
	15/04/2016 - Buy	34021	0.04	34496	0.04
	22/04/2016 - Sell	-32036	0.04	2460	0.00
	29/04/2016 - Buy	355	0.00	2815	0.00
	06/05/2016 - Buy	10	0.00	2825	0.00
	13/05/2016 - Sell	-1445	0.00	1380	0.00
	20/05/2016 - Sell	-615	0.00	765	0.00
	27/05/2016 - Buy	210	0.00	975	0.00
	03/06/2016 - Buy	150	0.00	1125	0.00
	10/06/2016 - Buy	400	0.00	1525	0.00
	08/07/2016 - Buy	100	0.00	1625	0.00
	15/07/2016 - Sell	-50	0.00	1575	0.00
	22/07/2016 - Buy	104	0.00	1679	0.00
	29/07/2016 - Buy	250	0.00	1929	0.00
	05/08/2016 - Sell	-804	0.00	1125	0.00
	12/08/2016 - Buy	150	0.00	1275	0.00
	19/08/2016 - Sell	-189	0.00	1086	0.00
	26/08/2016 - Sell	-61	0.00	1025	0.00
	09/09/2016 - Buy	100	0.00	1125	0.00
	23/09/2016 - Sell	-275	0.00	850	0.00

## Annexure to the Board's Report

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	30/09/2016 - Buy	775	0.00	1625	0.00
	07/10/2016 - Sell	-475	0.00	1150	0.00
	14/10/2016 - Sell	-143	0.00	1007	0.00
	21/10/2016 - Buy	450	0.00	1457	0.00
	28/10/2016 - Sell	-50	0.00	1407	0.00
	04/11/2016 - Buy	50	0.00	1457	0.00
	11/11/2016 - Sell	-139	0.00	1318	0.00
	18/11/2016 - Sell	-13	0.00	1305	0.00
	25/11/2016 - Sell	-20	0.00	1285	0.00
	02/12/2016 - Buy	200	0.00	1485	0.00
	09/12/2016 - Sell	-200	0.00	1285	0.00
	23/12/2016 - Sell	-671	0.00	614	0.00
	30/12/2016 - Sell	-29	0.00	585	0.00
	06/01/2017 - Buy	20	0.00	605	0.00
	13/01/2017 - Sell	-10	0.00	595	0.00
	20/01/2017 - Buy	25	0.00	620	0.00
	27/01/2017 - Sell	-25	0.00	595	0.00
	03/02/2017 - Buy	200	0.00	795	0.00
	10/02/2017 - Buy	100	0.00	895	0.00
	17/02/2017 - Sell	-300	0.00	595	0.00
	24/02/2017 - Buy	975	0.00	1570	0.00
	03/03/2017 - Sell	-1275	0.00	295	0.00
	10/03/2017 - Buy	980	0.00	1275	0.00
	17/03/2017 - Buy	1502665	1.89	1503940	1.89
	24/03/2017 - Buy	1507496	1.90	3011436	3.79
	31/03/2017 - Sell	-3008831	3.78	2605	0.00
18	Golden Goenka Credit Pvt Ltd^				
	01/04/2016	2364	0.00		
	08/04/2016 - Sell	-143	0.00	2221	0.00
	15/04/2016 - Sell	-2221	0.00	0	0.00
	29/04/2016 - Buy	500	0.00	500	0.00
	06/05/2016 - Sell	-500	0.00	0	0.00
	27/05/2016 - Buy	1603	0.00	1603	0.00
	03/06/2016 - Sell	-1026	0.00	577	0.00
	17/06/2016 - Buy	3839	0.00	4416	0.01
	24/06/2016 - Buy	3278	0.00	7694	0.01
	30/06/2016 - Buy	1100	0.00	8794	0.01
	08/07/2016 - Buy	6950	0.01	15744	0.02
	15/07/2016 - Buy	748	0.00	16492	0.02
	22/07/2016 - Buy	2959	0.00	19451	0.02
	29/07/2016 - Buy	2485	0.00	21936	0.03
	05/08/2016 - Buy	7144	0.01	29080	0.04



## Annexure to the Board's Report

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	12/08/2016 - Buy	1073	0.00	30153	0.04
	19/08/2016 - Buy	4582	0.01	34735	0.04
	26/08/2016 - Buy	1634	0.00	36369	0.05
	02/09/2016 - Buy	1534	0.00	37903	0.05
	09/09/2016 - Buy	1340	0.00	39243	0.05
	16/09/2016 - Buy	3430	0.00	42673	0.05
	23/09/2016 - Sell	-6214	0.01	36459	0.05
	30/09/2016 - Sell	-1422	0.00	35037	0.04
	07/10/2016 - Buy	1395	0.00	36432	0.05
	14/10/2016 - Buy	459	0.00	36891	0.05
	21/10/2016 - Buy	1000	0.00	37891	0.05
	28/10/2016 - Sell	-2446	0.00	35445	0.04
	04/11/2016 - Buy	215	0.00	35660	0.04
	18/11/2016 - Buy	2722	0.00	38382	0.05
	25/11/2016 - Buy	1650	0.00	40032	0.05
	02/12/2016 - Sell	-511	0.00	39521	0.05
	23/12/2016 - Sell	-1950	0.00	37571	0.05
	30/12/2016 - Buy	295	0.00	37866	0.05
	06/01/2017 - Buy	898	0.00	38764	0.05
	10/02/2017 - Sell	-500	0.00	38264	0.05
	17/02/2017 - Buy	1000	0.00	39264	0.05
	24/02/2017 - Sell	-15285	0.02	23979	0.03
	03/03/2017 - Buy	1535	0.00	25514	0.03
	10/03/2017 - Buy	1100	0.00	26614	0.03
	17/03/2017 - Sell	-26614	0.03	0	0.00
	31/03/2017	-	-	0	0.00
19	Aristro Capital Markets Limited^				
	01/04/2016	2339	0.00		
	08/04/2016 - Sell	-500	0.00	1839	0.00
	15/04/2016 - Sell	-1300	0.00	539	0.00
	22/04/2016 - Sell	-539	0.00	0	0.00
	06/05/2016 - Buy	1500	0.00	1500	0.00
	13/05/2016 - Sell	-1500	0.00	0	0.00
	03/06/2016 - Buy	1000	0.00	1000	0.00
	10/06/2016 - Sell	-1000	0.00	0	0.00
	17/06/2016 - Buy	2200	0.00	2200	0.00
	24/06/2016 - Sell	-2000	0.00	200	0.00
	30/06/2016 - Sell	-200	0.00	0	0.00
	08/07/2016 - Buy	4188	0.01	4188	0.01
	15/07/2016 - Buy	4382	0.01	8570	0.01
	29/07/2016 - Buy	502	0.00	9072	0.01
	05/08/2016 - Buy	781	0.00	9853	0.01

## Annexure to the Board's Report

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	19/08/2016 - Buy	18	0.00	9871	0.01
	02/09/2016 - Buy	348	0.00	10219	0.01
	23/09/2016 - Buy	2560	0.00	12779	0.02
	30/09/2016 - Sell	-1308	0.00	11471	0.01
	07/10/2016 - Buy	500	0.00	11971	0.02
	14/10/2016 - Buy	722	0.00	12693	0.02
	21/10/2016 - Buy	500	0.00	13193	0.02
	28/10/2016 - Buy	225	0.00	13418	0.02
	04/11/2016 - Sell	-10	0.00	13408	0.02
	25/11/2016 - Buy	2392	0.00	15800	0.02
	16/12/2016 - Buy	97	0.00	15897	0.02
	23/12/2016 - Buy	2250	0.00	18147	0.02
	03/02/2017 - Sell	-250	0.00	17897	0.02
	10/02/2017 - Sell	-15	0.00	17882	0.02
	17/02/2017 - Sell	-500	0.00	17382	0.02
	24/02/2017 - Buy	26200	0.03	43582	0.05
	03/03/2017 - Sell	-30000	0.04	13582	0.02
	17/03/2017 - Buy	16614	0.02	30196	0.04
	24/03/2017 - Sell	-30196	0.04	0	0.00
	31/03/2017	-	-	0	0.00

**Note:** Buy includes Transfer-in and Sell includes Transfer-out.

\*Not in the list of Top 10 shareholders as on April 1, 2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2017.

#Ceased to be in the list of Top 10 shareholders as on March 31, 2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2016.

^Not in the list of Top 10 shareholders on April 1, 2016 and March 31, 2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders during the year.

### v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Prahlad Rai Agarwala				
	01/04/2016	2951090	3.71		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	2951090	3.71
2	Ghanshyam Prasad Agarwala				
	01/04/2016	1240910	1.56		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	1240910	1.56

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Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
3	Kunj Bihari Agarwala				
	01/04/2016	1201080	1.51		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	1201080	1.51
4	Ramesh Agarwal				
	01/04/2016	1059230	1.33		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	1059230	1.33
5	Mukesh Agarwal				
	01/04/2016	729550	0.92		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	729550	0.92
6	Dharam Chand Jain				
	01/04/2016	40000	0.05		
	Changes during the year	-	-	-	-
	31/03/2017	-	-	40000	0.05

### V. Indebtedness - Indebtedness of the Company, including interest outstanding/ accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	1,48,26,37,539	-	-	1,48,26,37,539
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,95,217	-	-	2,95,217
<b>Total (i+ii+iii)</b>	<b>1,48,29,32,756</b>	-	-	<b>1,48,29,32,756</b>
<b>Change in Indebtedness during the Financial Year</b>				
* Addition	-	-	-	-
* Reduction	64,39,51,912	-	-	64,39,51,912
<b>Net Change</b>	<b>-64,39,51,912</b>	-	-	<b>-64,39,51,912</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	83,88,55,567	-	-	83,88,55,567
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,25,277	-	-	1,25,277
<b>Total (i+ii+iii)</b>	<b>83,89,80,844</b>	-	-	<b>83,89,80,844</b>

## Annexure to the Board's Report

### VI. Remuneration of Directors and Key Managerial Personnel

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager, their Designation and Remuneration						Total Amount
		Mr. Prahlad Rai Agarwala	Mr. Ghanshyam Prasad Agarwala	Mr. Kunj Bihari Agarwal	Mr. Ramesh Agarwal	Mr. Mukesh Agarwal	Mr. Arihant Kumar Baid	
		Chairman (Whole-time Director)	Vice-Chairman (Whole-time Director)	Managing Director	Whole-time Director	Whole-time Director	Whole-time Director	
1.	Gross Salary							
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	87,00,000	81,00,000	81,00,000	51,00,000	51,00,000	16,83,226	3,67,83,226
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-
4.	Commission - as % of profit -others, specify	1,00,00,000	-	-	-	-	-	1,00,00,000
5.	Others- Performance Bonus	-	-	-	12,00,000	12,00,000	-	24,00,000
	<b>Total (A)</b>	<b>1,87,00,000</b>	<b>81,00,000</b>	<b>81,00,000</b>	<b>63,00,000</b>	<b>63,00,000</b>	<b>16,83,226</b>	<b>4,91,83,226</b>
	Overall Ceiling as per the Act	(Being 10% of the Net Profits of the Company, as calculated under Section 198 of the Act)						₹ 12.64 crores

#### B. Remuneration to Other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors and their Remuneration						Total Amount
		Mr. Satya Brata Ganguly	Mr. Dipak Kumar Banerjee	Mr. Dharam Chand Jain	Mr. Sushil Patwari	Mrs. Alka Devi Bangur	Mr. Vinod Kumar Kothari	
1	Independent Directors							
	Fee for attending Board/ Committee Meetings	4,20,000	7,25,000	4,50,000	6,50,000	4,50,000	4,05,000	31,00,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>4,20,000</b>	<b>7,25,000</b>	<b>4,50,000</b>	<b>6,50,000</b>	<b>4,50,000</b>	<b>4,05,000</b>	<b>31,00,000</b>



## Annexure to the Board's Report

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors and their Remuneration						Total Amount
2	Other Non-Executive Directors	Not applicable						
	Fee for attending Board/ Committee Meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>4,20,000</b>	<b>7,25,000</b>	<b>4,50,000</b>	<b>6,50,000</b>	<b>4,50,000</b>	<b>4,05,000</b>	<b>31,00,000</b>
	<b>Total Managerial Remuneration (A+B)</b>							<b>5,22,83,226</b>
	Overall Ceiling as per the Act							<b>₹ 13.90 crores</b>
		(Being 11% of the Net Profits of the Company, as calculated under Section 198 of the Act)						

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO – Mr. Neeraj Sureka*	CS – Mr. Kundan Kumar Jha <sup>#</sup>	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	N.A.	31,92,911	16,14,251	48,07,162
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>N.A.</b>	<b>31,92,911</b>	<b>16,14,251</b>	<b>48,07,162</b>

\*Resigned w.e.f. November 17, 2016.

<sup>#</sup>Appointed as the Company Secretary and Compliance Officer, w.e.f. May 30, 2016. However, details have been given for the entire Financial Year 2016-17, as he has joined the Company w.e.f. March 30, 2016.

**Note:** Mr. Ramesh Agarwal, Whole-time Director, has been appointed as the Chief Financial Officer of the Company, w.e.f. February 10, 2017 and consequently, was re-designated as Whole-time Director-cum-Chief Financial Officer. There was no change in his remuneration pursuant to the said re-designation. Details of remuneration paid to him, in his capacity of a Whole-time Director, has been disclosed in Table VI(A) above.

## Annexure to the Board's Report

### VII. Penalties/ Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

By order of the Board  
For **Rupa & Company Limited**

Sd/-  
**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Place: Kolkata  
Date: May 26, 2017

## Annexure to the Board's Report

### Annexure – VII

#### MR-3

#### SECRETARIAL AUDIT REPORT

**for the Year from April 1, 2016 to March 31, 2017**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Rupa & Company Limited  
1, Ho Chi Minh Sarani,  
Metro Tower, 8th Floor,  
Kolkata - 700 071

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rupa & Company Limited** (hereinafter called the “Company”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the period covered by our audit, that is to say, from April 01, 2016 to March 31, 2017 (hereinafter referred to as “Audit Period”), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2017 and as shown to us during our audit, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. Secretarial Standard - 1 & Secretarial Standard - 2 issued by ICSI;
3. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
5. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
6. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, viz.:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – Not applicable during the Audit Period;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable during the Audit Period;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable during the Audit Period;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable during the Audit Period; and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Annexure to the Board's Report

7. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
  - a. Environment Protection Act, 1986;
  - b. The Air (Prevention & Control of Pollution) Act, 1981;
  - c. The Water (Prevention & Control of Pollution) Act, 1974;
  - d. The Legal Metrology Act, 2009;
  - e. Intellectual Property Acts;
  - f. Consumer Protection Act, 1986

The Company has further confirmed that during the Audit Period they have not contravened any of the provisions of the above specific laws and had obtained all the requisite registrations, permits and licenses.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.
4. We have not found any material event during the year under review which has major bearing on the Company's affairs in pursuance of any of the Laws, Rules, Regulations or Guidelines covered by this audit.

Procedure for monitoring and ensuring compliance with General Laws;

We have been informed that a proper procedure has been laid down to monitor and ensure compliance with general Laws. On perusal of the documents provided by the Company, we observed that the Company has a system of ensuring compliance with applicable Laws. The Company Secretary of the Company also provides an internal compliance certificate which is placed in the Board Meetings.

Our Secretarial Audit Report for the Financial Year ended March 31, 2017 of even date is to be read along with the annexure to this letter.

Thanking you,

For **Nidhi Bagri & Company**  
(Company Secretary in Practice)

Sd/-

**Nidhi Bagri**

Proprietor

ACS No. 24765

C.P. No. 9590

Place: Kolkata

Date: May 15, 2017



## Annexure to the Board's Report

### ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members,  
Rupa & Company Limited  
1, Ho Chi Minh Sarani,  
Metro Tower, 8th Floor,  
Kolkata - 700 071

Our Secretarial Audit Report for the Financial Year ended March 31, 2017 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of Laws, Rules and Regulation and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Thanking you,

For **Nidhi Bagri & Company**  
(Company Secretary in Practice)

Place: Kolkata  
Date: May 15, 2017

Sd/-  
**Nidhi Bagri**  
Proprietor  
ACS No. 24765  
C.P. No. 9590

## Annexure to the Board's Report

### Annexure – VIII

#### FORM AOC-2

*(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: None
2. Details of material contracts or arrangement or transactions at arm's length basis, are as hereunder:

a	<b>Name(s) of the related party and nature of relationship</b>	:	Mr. Manish Agarwal, President in the Company and Relative of Director	Mr. Ravi Agarwal, President in the Company and Relative of Director	Mr. Vikash Agarwal, President in the Company and Relative of Director	Mr. Rajnish Agarwal, President in the Company and Relative of Director
b	<b>Nature of contracts/ arrangements/ transactions</b>	:	Appointed as President in the Company, being office or place of profit within the meaning of Section 188(1)(f) of the Companies Act, 2013, read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, and drawing monthly remuneration in excess of the limit prescribed therein.			
c	<b>Duration of the contracts/ arrangements/ transactions</b>	:	Ongoing			
d	<b>Salient terms of the contracts or arrangements or transactions including the value</b>	:	Appointed as President in the Company, being office or place of profit within the meaning of Section 188(1)(f) of the Companies Act, 2013, read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014. Value of transactions: Financial Year 2016-17– ₹ 51,00,000/- each (per annum).			
e	<b>Date(s) of approval by the Board</b>	:	The terms of remuneration has been approved by the Board of Directors at their Meeting held on August 13, 2014 as well as by the Members at the Annual General Meeting held on September 11, 2014.			
f	<b>Amount paid as advances</b>	:	Nil			

By order of the Board  
For **Rupa & Company Limited**

Sd/-

**Prahlad Rai Agarwala**

Chairman

DIN: 00847452

Place: Kolkata  
Date: May 26, 2017

## Management Discussion and Analysis

### Industry Structure and Development

India still remains the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 to 7.5 per cent in Financial Year (FY) 2017-18. The improvement in India's economic fundamentals has accelerated from the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices. India's consumer confidence index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter, as a result of strong consumer sentiment, according to market research agency, Nielsen.

According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2 per cent during FY 2016-17 and further accelerate to 7.7 per cent during FY 2017-18. According to The World Bank, the Indian economy will likely grow at 7 per cent in 2016-17, followed by further acceleration to 7.6 per cent in 2017-18 and 7.8 per cent in 2018-19.

The steps taken by the government in recent times have shown positive results as India's industry output grew 2.74 per cent year-on-year in January 2017, led by a good performance in the capital goods sector which registered a 10.7 per cent year-on-year growth. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

### Textile Industry

The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The industry is the second largest employer, after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately, 5 per cent to India's gross domestic product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

The Indian textile industry has the potential to reach US\$ 500 billion in size according to a study by Wazir Advisors and PCI Xylenes & Polyester. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately, US\$ 41 billion currently.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

According to Indian Ratings and Research, the Indian cotton textile industry is expected to showcase a stable growth in FY 2017-18, supported by stable input prices, healthy capacity utilisation and steady domestic demand.

### Innerwear Category

The Innerwear Category promises growth and innovation and shows one of the highest growth in the apparel market. It is no longer a functional category, today it is looked at as a fashion statement. The increase in income levels, along with higher disposable income, growing fashion orientation of consumers, and product innovations by the innerwear market have turned this category from a traditionally utilitarian item to an essential fashion requirement. There has been a distinct shift from price sensitive to brand sensitive. Consumers are seeking out bold colours and unique designs. The growth of the innerwear category is primarily centered in urban India. The trend towards western outfits, combined with the demand for occasion- and outfit-based innerwear, is acting as a boost for the market. The demand for innerwear with higher functionality and greater comfort is rising fast. The market for innerwear product variations like seamless intimates, plus size inner wear, body shape enhancers, etc., is burgeoning in the metros and mini metros.

## Management Discussion and Analysis

### The Men's Innerwear Market

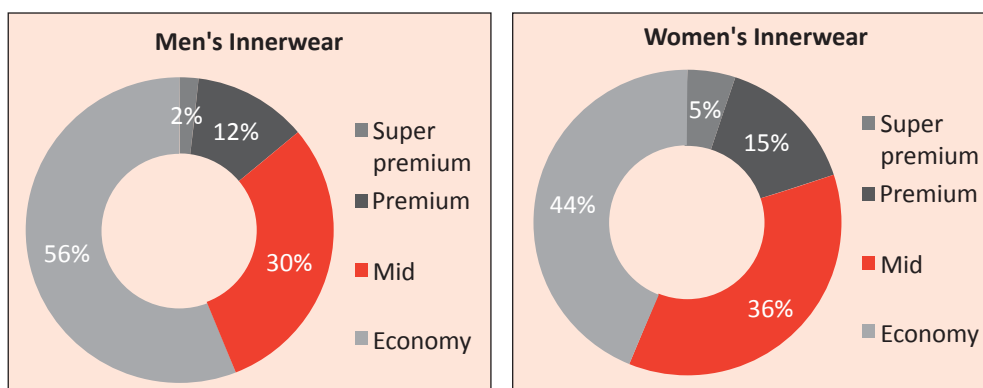
The men's innerwear market is characterized by the presence of numerous Indian and international brands catering to different segments of the market. Though many fashion/apparel players have extended their existing brand labels in menswear to men's innerwear as well, but the product recall of players with focus solely on innerwear products is comparatively higher. The various subcategories of men's innerwear include vests, briefs/boxers, basic T-shirts, shorts/pyjamas, sleepwear, and activewear. Consumers mostly purchase branded products for vests and brief/boxers, which are the largest category offerings from leading innerwear brands. On the basis of product pricing, this market is further subdivided into super-premium, premium, medium, and economy segments. The economy segment contributes around 55% to the market, while the mid-price segment makes up 36%, the remaining 14% comes from premium and super-premium segments. The premium and mid-price segments are expected to witness a higher growth rate within this market. In these segments, the consumer seeks higher fashion orientation and higher comfort, as well as a strong brand name. The younger consumers in the metros engage with brands primarily within the premium segment. It has been observed that consumers in the Tier I cities play across segments, i.e., premium as well as mass segment; however, the premium segment largely fuels the aspiration quotient. In the mid-price and economy segments, value for money, easy availability, and comfort play a vital role in the consumers' purchase decisions.

### The Women's Innerwear Market

The women's innerwear market is one of the fastest growing categories within women's apparel. The women's innerwear market is considered to be more dynamic, with many design variation and the regular introduction of innovative products. With rise in the number of working women, they are starting to seeking aspirational brands, colours, fits, etc.

The sub-categories in women's innerwear include brassieres, panties, camisoles, basic T-shirts, shorts/pyjamas, sleepwear, activewear, and maternity wear. Consumers in this category mostly purchase branded brassieres and panties, which constitute more than 90% of the category mix. However, the penetration of brands is comparatively low for other subcategories, like, camisoles, sleepwear, etc. There is an increase in demand for branded innerwears that offer superior fit and comfort.

When it comes to price-wise segmentation, the women's innerwear market is dominated by products of mid-price and economy segment. These segments together contribute 80% of the market, while the remaining 20% comes from the premium and super-premium segments. Like men's innerwear, the mid-price and premium segments are expected to grow more rapidly within women's innerwear categories. There is also an increase in demand for Athleisure and Comfort apparels in the innerwear segment. This is a lifestyle shift for the Indian Audiences.



### Looking to the Future

Simply put, the future of the apparel market, and the innerwear category, looks promising. At the same time, fashion retailers have to face some daunting challenges prior to tapping the extant opportunities. Rising real estate costs, increasing power tariffs, and supply chain inefficiencies are some of the issues that have to be tackled with utmost prudence. The innerwear segment is also facing a lot of challenges from the unorganised market, which should shrink after GST implication.



## Management Discussion and Analysis

The growth story of Indian consumption is expected to revive in the medium to long term, but it will require improvements in the overall business performance and managerial prudence of the highest degree to benefit from this growth. To emerge a winner in a market marked by the presence of multiple players, brands and retailers have to optimize their business operations by addressing the challenges and harnessing market opportunities. Understanding the psyche of the Indian consumer, amalgamating the Indian style of functioning with western management techniques, and tailoring fashion offerings to defined consumer segments, are some of the key areas upon which fashion and innerwear players have to focus.

### The Menswear Market

With a market size of INR 87,500 crore (USD 16 billion) in 2012, menswear is the largest segment in India's apparel market, accounting for 42% of the overall market. In comparison, womenswear makes up 38%, while kidswear comprises 20% of the market. The menswear market is expected to grow at a CAGR of 8.5% over the next five years to reach INR 131,000 crore (USD 24 billion) by 2017. Throughout the projection period 2017-2026, premium and niche segments will contribute to 70-80% sales from own brands in the Men's and Women's categories.

Menswear consumers are in a phase of transition; they no longer want to stick to wearing apparel of defined styles and silhouette but also want to experiment with the look of the clothing. Consumer's desire to look fashionable and trendy is one of the primary factors driving the menswear market globally. Therefore, celebrity endorsement has a significant role to play in setting fashion trends and also helps to build product and brand awareness.

Another interesting trend in the menswear market is the steady growth in the premium tailoring segment comprising the fashion designers and the bespoke / luxury segment. Customers in the super-premium segment are willing to pay a premium to ensure that their tailor-made clothing reflects their own personality and also helps them differentiate themselves and get noticed.

### The Womenswear Market

Share of women's category in apparel market is almost equal to men's. With the relatively lower penetration of brands, and the growing disposable income of modern women, this segment has become the focus of many Indian and international brands.

### Market Size and Growth Projections

The womenswear market is expected to grow at a CAGR of 9% for the next five years to reach a figure of INR 121,400 crore (USD 22.3 billion).

With increasing women in the workforce, and the growing economic independence of women, the demand for women's westernwear is at an all-time high, thanks to which women's westernwear is emerging a clear winner in the womenswear market. This trend is expected to continue as more women enter into the workforce or aspire to follow the lifestyle of working women. Within working women, there is a clear trend indicating the growing acceptance of women's dresses and western wear.

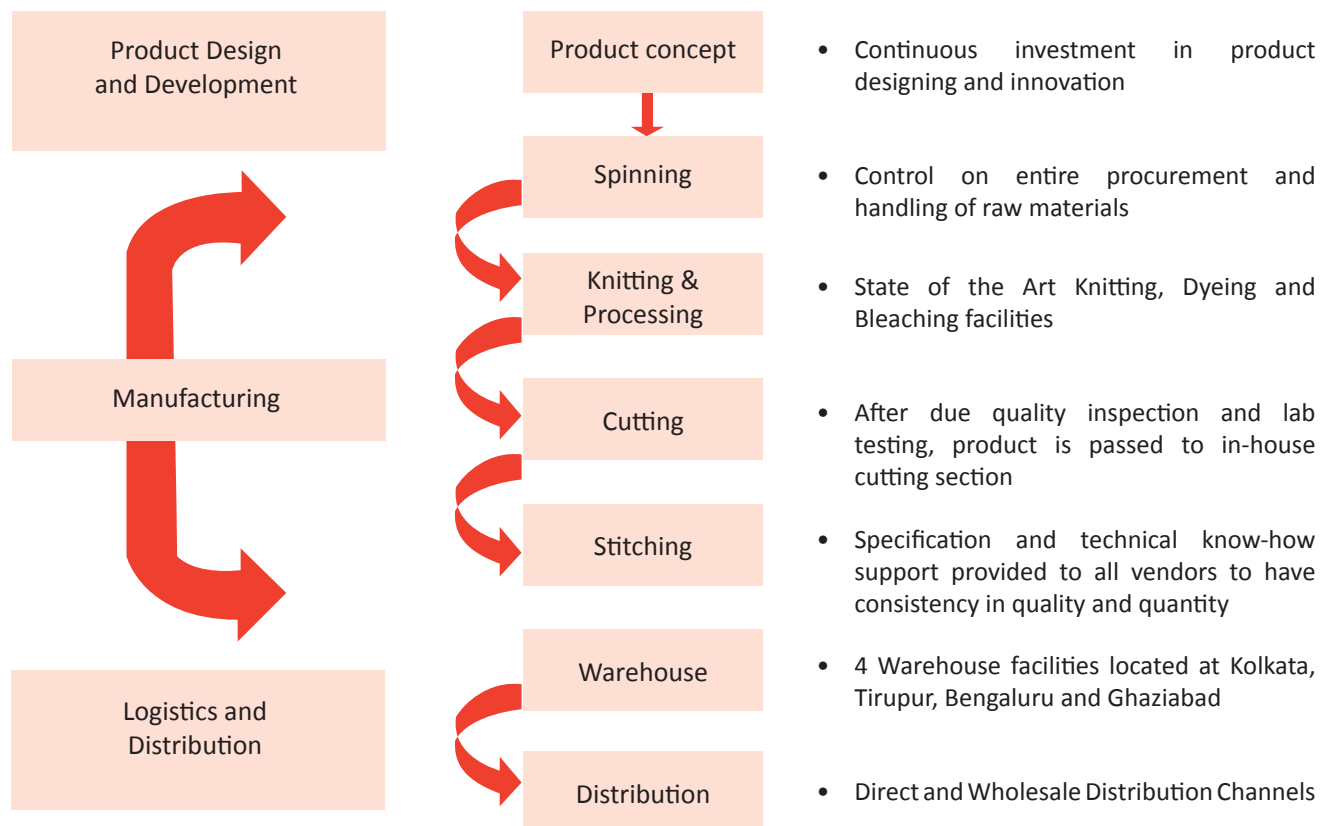
Despite the trend of consumers moving away from ethnicwear, some sub-categories within women's ethnicwear are emerging as promising business opportunities. The demand for contemporary ethnicwear with trendy look and comfort elements is accelerating. Even the traditional ethnicwear subcategory is witnessing the entrance of a growing number of organized players who assure the desired quality and right fit. The fusion of western style and cuts and even knitted fabrics with basic Indian ethnic designs is another noticeable trend in the womenswear market.

### Rupa: follows efficient business strategy

The Company intends to keep itself asset light by outsourcing low end and labour intensive work in the manufacturing process. The Company procures yarn, does dying in-house, carries out knitting process partly inhouse, design and cutting in-house and outsources stitching, which is labour intensive through job work (90% of job work). On the other hand, it utilizes its resources on key areas involving value addition, product differentiation, branding and distribution. Going forward, it intends to continue with asset light strategy. The Company does not have any major capex plan to achieve higher growth in future and would continue to follow the outsourcing model. It is keeping control on inventory through SAP which helps it to manage working capital in an efficient manner.

## Management Discussion and Analysis

### Efficient Business Model



The Company is focusing on enhancing its product offering in the children and women's segment with the introduction of new products and brands. The Company is also looking to foray into the women's lingerie segment and is looking for a tie-up for the same. Both the children and women's segment have a lower presence of organised players and hence, provide a huge opportunity for the Company. The Indian innerwear market is shifting from a price sensitive market to a fashion quotient market. Accordingly, Rupa is gradually increasing its presence in the premium segment with direct and indirect strategic tie-ups with various foreign brands.

### Opportunities

- With increasing disposable incomes and customers' willingness to shell out more for better quality innerwear products, resulting into distinctive shift from price sensitivity to brand sensitivity;
- Consumers are becoming more aspirational and brand savvy because of increasing fashion consciousness;
- The Indian innerwear market continues to be underpenetrated and thereby holds immense business opportunities;
- Growing penetration of organized retail market;
- Increasing urban population and women corporate workforce;
- Improving connectivity with villages generating awareness for better quality of life and fashion;
- Increasing local sourcing by global brands/ retailers in India.

## Management Discussion and Analysis

### Threats

- Increasing apparel imports from other countries;
- Emerging multi-national brands and their entry to the Indian market;
- Higher costs involved in brand building;
- Impact of global economic slowdown on India's consumption;
- E-commerce penetration & B2C.

### Risks and Concerns

**Volatility in the raw material prices** – Cotton yarn and fabric accounts for approximately, 70% of the total raw material cost. The Company sources innerwear products through third party manufacturing and sources major raw materials. Currently, the Company is able to pass on any rise in the prices of raw material to the consumer. Any inability to pass on the impact of rise in raw material prices may negatively affect the estimated margin of the Company and would lead to earnings downgrade.

**Large size acquisition or unrelated business diversification through cash flows** – The Company has a free cash flow positive business. There is a risk of utilizing the cash flows for unrelated diversification or large size acquisition. In case such diversification or acquisition turns unsuccessful, there would be a risk of earning downgrades.

**Skilled labour unavailability** - The textile industry is a highly labour intensive industry and lack of availability of skilled labour will hinder its expansion plans.

**Changing customer's behaviour and spending capacity** - 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 the Company. Changing customers' preference rapidly from one brand to another makes it difficult for a Company to establish a permanent connect and in gaining brand loyalty, consequently, leading to loss of business to its competitors.

### Internal Control System and their Adequacy

The Company has adequate system of Internal Controls System commensurate with its nature of business and size of operations to safeguard and protect from loss, unauthorized use or disposition of Company's resources. The transactions are properly authorized, recorded and reported to the management. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of Financial Statements in conformity with GAAP Principles or any other criteria applicable to such statements, and to maintain accountability for aspects. The internal audit process reviews the in-system checks, covering significant operational areas regularly. The Audit Committee of the Board of Directors of the Company reviews the Internal Audit Report submitted by the Internal Auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the Statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of Internal Control System and keeps the Board of Directors informed of its observations from time to time.

## Management Discussion and Analysis

### Financial Performance

(Amount in ₹)

Particulars	2016-17	2015-16	Change	Percentage (%)
Revenue from Operations	10,84,21,76,483	10,13,02,95,623	71,18,80,860	7.03
Other Income	3,38,83,789	3,77,48,804	-38,65,015	-10.24
Profit before Finance Charges, Tax, Depreciation/ Amortization (PBITDA)	1,44,41,79,501	1,35,09,65,268	9,32,14,233	6.90
Less: Finance Charges	10,51,93,019	18,75,89,255	-8,23,96,236	-43.92
Profit before Tax, Depreciation/ Amortization (PBTDA)	1,33,89,86,482	1,16,33,76,013	17,56,10,469	15.09
Less: Depreciation	15,04,87,036	15,17,03,052	-12,16,016	-0.80
Net Profit before Taxation & Exceptional Item	1,18,84,99,446	1,01,16,72,961	17,68,26,485	17.48
Add: Exceptional Item (dividend received from subsidiary)	–	12,29,99,820	-12,29,99,820	–
Net Profit before Taxation (PBT)	1,18,84,99,446	1,13,46,72,781	5,38,26,665	4.74
Less: Tax Expense	41,74,21,487	35,51,35,632	6,22,85,855	17.54
Profit after Taxation (PAT)	77,10,77,959	77,95,37,149	-84,59,190	-1.09

In the preparation of Financial Statements, the treatment as prescribed in the Accounting Standards has been followed.

### Human Resources

The Human Resources (HR) function is instrumental in creating and developing human capital in alignment with the Company's requirement. One of the key focus areas in the Company's objective is to groom and to train employees. It imparts specialized and technical training to its employees at regular intervals, which enrich their knowledge, skill and competency to perform their job effectively and efficiently. The Company firmly believes that employee motivation, development and engagement are key aspects of good HR management. Further, the focus is on enriching the quality of life of its employees, developing their potential and maximizing their productivity. The HR strategy enables the Company to attract, integrate and retain the best talent required for driving its business growth. This also encourages employees to shoulder more responsibilities and take part in the growth of the Company's business. As on March 31, 2017, the number of permanent employees was 598. The industrial relations were also cordial during the period under review.

### Cautionary Statement

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

## Corporate Governance Report

### 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.

The 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, but also for 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 stakeholders. The Company has measures to periodically review and revise the Corporate Governance practices by subjecting business processes to audits and checks that measures 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 organizational excellence leading to increasing employee and customer satisfaction and shareholder value. The Company always endeavors to leverage its human and capital resources to translate opportunities into reality, create awareness of corporate vision and spark dynamism and entrepreneurship at all levels.

### Listing Regulations

The Company has complied with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, as applicable to the Company.

#### Board of Directors

The Board of Directors ('Board') of the Company 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 governance, corporate finance, taxation, legal matters, strategic & risk management, marketing, etc.

### Composition of the Board

The Board of the Company has an optimum combination of Executive Directors and Non-Executive Directors, including Independent Directors and Woman Director, meeting with the requirement of Regulation 17(1) of the Listing Regulations and Section 149 of the Companies Act, 2013 ('Act'), read with the allied Rules. On March 31, 2017, the Board consisted of 12 (twelve) Directors, 6 (six) of whom were Independent Non-executive Directors, constituting 50% of the Board's strength and other 6 (six) were Executive Directors, 5 (five) of them being Promoters of the Company and 1 (one) Non-Promoter Whole-time Director. The Chairman is an Executive Director.

The Composition of the Board of Directors as on March 31, 2017, the number of other Directorships and Board Committee Memberships/ Chairmanships held by each director and their attendance at the Board Meetings and the last Annual General Meeting (AGM) of the Company are as follows:

Sl. No.	Name of the Director	Category	Number of Directorship in other Companies <sup>#</sup>	Number of Membership/ Chairmanship in other Company's Committee(s)*	Number of Board Meetings attended during the year	Attendance at the last AGM
1	Mr. Prahlad Rai Agarwala	Chairman, Executive, Promoter	8	Nil	4	Yes
2	Mr. Ghanshyam Prasad Agarwala	Vice-chairman, Executive, Promoter	2	Nil	1	No
3	Mr. Kunj Bihari Agarwal	Managing Director, Promoter	7	Nil	2	No
4	Mr. Ramesh Agarwal	Executive, Promoter	18	3	2	No
5	Mr. Mukesh Agarwal	Executive, Promoter	19	Nil	4	Yes
6	Mr. Arihant Kumar Baid	Executive, Non-promoter	Nil	Nil	4	Yes
7	Mr. Satya Brata Ganguly	Independent Non-Executive	7	9 (including 3 as a Chairman)	3	No



## Corporate Governance Report

Sl. No.	Name of the Director	Category	Number of Directorship in other Companies <sup>#</sup>	Number of Membership/ Chairmanship in other Company's Committee(s)*	Number of Board Meetings attended during the year	Attendance at the last AGM
8	Mr. Dipak Kumar Banerjee	Independent Non-Executive	9	9 (including 4 as a Chairman)	4	Yes
9	Mr. Dharam Chand Jain	Independent Non-Executive	5	Nil	4	No
10	Mr. Sushil Patwari	Independent Non-Executive	15	2	4	No
11	Mrs. Alka Devi Bangur	Independent Non-Executive	5	2 (including 1 as a Chairman)	4	Yes
12	Mr. Vinod Kumar Kothari	Independent Non-Executive	6	2	1	Yes

<sup>#</sup>Other Directorships includes Directorships in Public Companies, Private Limited Companies as well as Section 8 Companies (i.e., Companies formed with charitable objects, etc.)

<sup>\*</sup>Only covers Membership/ Chairmanship of Audit Committee and Stakeholders' Relationship Committee of other Public Limited Companies.

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within the limits as prescribed under the Act and the Listing Regulations.

### Board Procedure

The Board meets at least once in a quarter to review the quarterly business and the financial performance of the Company, apart from other Board business. However, the Board's function is not limited to matters requiring approval of the Board statutorily. 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, etc. The Independent Directors provide an effective monitoring role and play an important role in the deliberations at the Board and Committee Meetings and bring to the Company their expertise in the fields of business, corporate governance, strategic and risk management, finance, management and law.

The Company, from time to time, familiarises its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The detail of familiarization programme is disclosed on the website of the Company. The same is available on the website of the Company at the link, [http://rupa.co.in/site/wp-content/uploads/2015/10/Familiarization\\_Programme\\_for\\_Independent\\_Directors1.pdf](http://rupa.co.in/site/wp-content/uploads/2015/10/Familiarization_Programme_for_Independent_Directors1.pdf)

The Meetings of the Board are generally convened at the Company's Registered Office at Kolkata. In case of urgency or when the Board Meeting is not practicable to be held, the matters are resolved via circular resolution, as permitted by law, which is noted and confirmed in the subsequent Board Meeting. During the year, circular resolution was passed, which was moved vide circulation sheet dated November 1, 2016, on November 2, 2016, after receiving assent from the Directors in the matter of appointment of M/s. Singhi & Co. (Firm Registration Number 302049E), Chartered Accountants, as the Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s. S. R. Batliboi & Co. LLP (Firm Registration Number 301003E/ E300005), Chartered Accountants.

The Board Meetings are generally scheduled well in advance and the notice of the same 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 as prescribed by law, to enable the Directors to take an informed decision and, in exceptional cases, the same is tabled at the Board Meeting. The Board is also free to take up any matter, not included in the Agenda, for consideration with the permission of the Chairman and with the consent of majority of the Directors present in the Meeting, including one Independent Director.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at the Board Meeting on the overall performance of the Company. The information, as specified in Regulation 17(7) of the Listing Regulations and Secretarial Standard - 1, is made available to the Board, wherever applicable.

## Corporate Governance Report

The Minutes of the Board Meetings are circulated to all the Directors and confirmed at the subsequent Meeting. The Minutes of the Meetings of the Committees of the Board are placed before the Board Meeting of the Company for its review. Also, the Minutes of the Board Meetings of the Subsidiary Companies are placed at the Board Meetings of the Company for its review.

The Board of Directors of the Company met 4 (four) times during the Financial Year 2016-17. At least 1 (one) Board Meeting was held in every quarter and the time gap between any 2 (two) Board Meetings did not exceed 120 days as prescribed under the Listing Regulations and the Act. The Details are as follows:

Sl. No.	Date of the Board Meetings	Board strength (Number of Directors)	Number of Directors Present	Number of Independent Directors Present
1	May 30, 2016	12	10	6
2	August 05, 2016	12	9	5
3	November 12, 2016	12	9	5
4	February 10, 2017	12	9	4

### Directors seeking Re-appointment at the ensuing AGM

Mr. Prahlad Rai Agarwala, Director (DIN: 00847452), and Mr. Mukesh Agarwal, Director (DIN: 02415004), being liable to retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment.

The brief profiles of the aforesaid Directors have been given in the Explanatory Statement annexed to the Notice of the ensuing AGM.

### Inter-se Relationship amongst Directors

The relationship between the Directors inter-se has been depicted in the table below:

Sl. No.	Name	Designation	Relationship
1	Mr. Prahlad Rai Agarwala	Chairman (Whole-time Director)	Father of Mr. Ramesh Agarwal and brother of Mr. Ghanshyam Prasad Agarwala and Mr. Kunj Bihari Agarwal
2	Mr. Ghanshyam Prasad Agarwala	Vice-Chairman (Whole-time Director)	Father of Mr. Mukesh Agarwal and brother of Mr. Prahlad Rai Agarwala and Mr. Kunj Bihari Agarwal
3	Mr. Kunj Bihari Agarwal	Managing Director	Brother of Mr. Prahlad Rai Agarwala and Mr. Ghanshyam Prasad Agarwala
4	Mr. Ramesh Agarwal	Whole-time Director	Son of Mr. Prahlad Rai Agarwala
5	Mr. Mukesh Agarwal	Whole-time Director	Son of Mr. Ghanshyam Prasad Agarwala

Apart from the relations mentioned hereinabove, there is no inter-se relation among the Directors of the Company.

### Audit Committee

#### The Terms of Reference

1	Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2	Review and monitor the Auditor's independence and performance and effectiveness of audit process;
3	Examination of the Financial Statement and the Auditors' Report thereon;
4	Approval or any subsequent modification of transactions of the Company with related parties;
5	Scrutiny of inter-corporate loans and investments;

## Corporate Governance Report

6	Valuation of undertakings or assets of the Company, wherever it is necessary;
7	Reviewing, with the management, performance of Statutory and Internal Auditors;
8	Discussion with Internal Auditors of any significant findings and follow up there on;
9	To review the functioning of the Whistle Blower Mechanism;
10	Approval of appointment of Chief Financial Officer, and others.

The detailed terms of reference of the Audit Committee, as per Section 177 of the Act and Regulation 18 of the Listing Regulations, is available on the website of the Company at the link, <http://rupa.co.in/site/wp-content/uploads/2015/10/Audit-Committee.pdf>

### Composition

As on March 31, 2017, Audit Committee comprised of 6 (six) members, of which majority were Independent Directors. The composition of the Audit Committee is in accordance with the provisions of the Regulation 18 of the Listing Regulations and Section 177 of the Act. The composition of the Audit Committee is as hereunder:

Name of Member	Position	Category
Mr. Vinod Kumar Kothari	Chairman	Independent Non-Executive
Mr. Dipak Kumar Banerjee	Member	Independent Non-Executive
Mr. Satya Brata Ganguly	Member	Independent Non-Executive
Mr. Sushil Patwari*	Member	Independent Non-Executive
Mr. Ramesh Agarwal	Member	Promoter, Executive
Mr. Mukesh Agarwal	Member	Promoter, Executive

\*Mr. Sushil Patwari was appointed as the Member of the Audit Committee by the Board of the Company in its Meeting held on August 5, 2016.

The Company Secretary acts as the Secretary to the Audit Committee.

### Audit Committee Meeting and Attendance

During the Financial Year ended March 31, 2017, 4 (four) Audit Committee Meetings were held and the time gap between any 2 (two) such Meetings was not more than 120 days as prescribed under the Listing Regulations. The details of the Meetings and attendance thereof are as hereunder:

Name of Member	Meetings held during the year and Attendance			
	May 30, 2016	August 5, 2016	November 12, 2016	February 10, 2017
Mr. Vinod Kumar Kothari	Present	Present	Absent	Absent
Mr. Dipak Kumar Banerjee	Present	Present	Present	Present
Mr. Satya Brata Ganguly	Present	Present	Present	Absent
Mr. Sushil Patwari*	-	-	Present	Present
Mr. Ramesh Agarwal	Absent	Absent	Present	Present
Mr. Mukesh Agarwal	Present	Present	Present	Absent

\*Mr. Sushil Patwari was appointed as a Member of the Audit Committee by the Board of the Company in its Meeting held on August 5, 2016.

Mr. Vinod Kumar Kothari, Chairman of the Audit Committee, attended the last AGM of the Company held on August 31, 2016 and replied to the queries related to Accounts to the satisfaction of the Shareholders.

## Corporate Governance Report

### Nomination and Remuneration Committee

#### The Terms of Reference

1	Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down;
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;
3	Formulation of criteria for evaluation of Independent Directors and the Board;
4	Devising a policy on Board diversity, and others.

The detailed terms of reference of the Nomination and Remuneration Committee, as per Section 178 of the Act and Regulation 19 of the Listing Regulations, is available on the website of the Company at the link, [http://rupa.co.in/site/wp-content/uploads/2015/10/Member\\_of\\_Nomination\\_and\\_Remuneration\\_Committee1.pdf](http://rupa.co.in/site/wp-content/uploads/2015/10/Member_of_Nomination_and_Remuneration_Committee1.pdf)

#### Composition

As on March 31, 2017, Nomination and Remuneration Committee comprised of 3 (three) members, all being Independent Non-Executive Directors. The composition of the Committee is as per the provisions of Regulation 19 of the Listing Regulations and Section 178 of the Act. The composition of the Nomination and Remuneration Committee is as hereunder:

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

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

#### Nomination and Remuneration Committee Meeting and Attendance

During the Financial Year ended March 31, 2017, 3 (three) Nomination and Remuneration Committee Meetings were held. The details of the Meetings and attendance thereof are as hereunder:

Name of Member	Meetings held during the year and Attendance		
	May 30, 2016	August 5, 2016	February 6, 2017
Mr. Dipak Kumar Banerjee	Present	Present	Present
Mr. Vinod Kumar Kothari	Present	Present	Present
Mr. Sushil Patwari	Present	Present	Present

#### Performance Evaluation Criteria for Independent Directors

Pursuant to the provisions of the Listing Regulations and the Act, the criteria and the brief details of the performance evaluation carried out of Independent Directors has been given in the Board's Report.

#### Remuneration to Directors

##### Non-Executive Directors

The Non-Executive Directors are being paid sitting fees only. The sitting fees were paid to each Non-Executive Director @ ₹ 90,000/- for each Meeting of the Board, ₹ 50,000/- for each Meeting of the Audit Committee and ₹ 25,000/- for each Meeting of the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee and the Corporate Social Responsibility Committee of the Board, attended by them. Further, each Independent Director was paid sitting fees @ ₹ 90,000/- for their separate Meeting, if attended by them.

The criteria of making payment to the Non-Executive Directors of the Company have been uploaded on the website of the Company and is available at the link, [http://rupa.co.in/site/wp-content/uploads/2015/10/Remuneration\\_Policy.pdf](http://rupa.co.in/site/wp-content/uploads/2015/10/Remuneration_Policy.pdf)

## Corporate Governance Report

There were no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. The sitting fees paid during the Financial Year 2016-17, is given in the table below:

Name of Directors	Sitting Fees (₹)	Number of shares held	Period of appointment
Mr. Satya Brata Ganguly	4,20,000	Nil	Appointed in the AGM held on September 11, 2014, for a consecutive period of 5 (five) years.
Mr. Dipak Kumar Banerjee	7,25,000	Nil	
Mr. Dharam Chand Jain	4,50,000	40,000	
Mr. Sushil Patwari	6,50,000	Nil	
Mr. Vinod Kumar Kothari	4,05,000	Nil	
Mrs. Alka Devi Bangur	4,50,000	Nil	Appointed w.e.f. November 14, 2014, for a consecutive period of 5 (five) years.
<b>Total</b>	<b>31,00,000</b>	<b>40,000</b>	

### Executive Directors

The appointment of Executive Directors is governed by resolutions passed by the Board of Directors and Shareholders of the Company, which covers the terms of such appointment and payment of remuneration to them. Remuneration paid to the Executive Directors are recommended by the Nomination and Remuneration Committee and approved by the Board and the Shareholders of the Company at General Meetings and is within the limits prescribed under the Act. The remuneration package of Executive Directors comprises of salary, commission, perquisites & allowances, performance bonus, etc. Annual increments are recommended by the Nomination and Remuneration Committee to the Board for their approval. Presently, the Company does not have any stock option plan.

Further, the remuneration paid to the Executive Directors for the Financial Year 2016-17 is stated below:

Name of Directors	Salary & Allowances (₹)	Commission (₹)	Performance based Incentive (₹)	Perquisites (₹)	Total (₹)	Service Contract/ Notice Period/ Severance Fees*
Mr. Prahlad Rai Agarwala, Chairman	87,00,000	1,00,00,000	–	–	1,87,00,000	Re-appointed w.e.f. April 1, 2015 for 5 (five) years
Mr. Ghanshyam Prasad Agarwala, Vice-Chairman	81,00,000	–	–	–	81,00,000	Re-appointed w.e.f. April 1, 2016 for 5 (five) years
Mr. Kunj Bihari Agarwal, Managing Director	81,00,000	–	–	–	81,00,000	Re-appointed w.e.f. April 1, 2016 for 5 (five) years
Mr. Ramesh Agarwal, Whole-time Director	51,00,000	–	12,00,000	–	63,00,000	Re-appointed w.e.f. April 1, 2015 for 5 (five) years
Mr. Mukesh Agarwal, Whole-time Director	51,00,000	–	12,00,000	–	63,00,000	Re-appointed w.e.f. April 1, 2015 for 5 (five) years
Mr. Arihant Kumar Baid, Whole-time Director	16,83,226	–	–	–	16,83,226	Appointed w.e.f. November 5, 2015 for 5 (five) years
<b>Total</b>	<b>3,67,83,226</b>	<b>1,00,00,000</b>	<b>24,00,000</b>	<b>–</b>	<b>4,91,83,226</b>	

\*As per the terms of appointment and policy of the Company.



## Corporate Governance Report

### Stakeholders' Relationship Committee

#### Terms of Reference

The detailed terms of reference of the Stakeholders' Relationship Committee are available on the website of the Company at the link, [http://rupa.co.in/site/wp-content/uploads/2015/10/Member\\_of\\_Stake\\_Holders\\_Relationship\\_Committee11.pdf](http://rupa.co.in/site/wp-content/uploads/2015/10/Member_of_Stake_Holders_Relationship_Committee11.pdf)

#### Composition, Meeting and Attendance

The composition of the Stakeholders' Relationship Committee is in consonance with the provision of Regulation 20 of the Listing Regulations and Section 178 of the Act. During the Financial Year ended March 31, 2017, 2 (two) Stakeholders' Relationship Committee Meetings were held. The composition of the Committee and details of the Meetings and attendance thereof are as hereunder:

Name of Member	Position	Category	Meetings held during the year and Attendance	
			November 12, 2016	March 30, 2017
Mr. Sushil Patwari	Chairman	Independent Non-Executive	Present	Absent
Mr. Ramesh Agarwal	Member	Executive	Present	Present
Mr. Mukesh Agarwal	Member	Executive	Present	Present

The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee.

#### Compliance Officer

Mr. Kundan Kumar Jha was appointed as the Company Secretary and Compliance Officer of the Company, w.e.f. May 30, 2016.

#### Details of Shareholders' Complaints Received, Resolved and Pending

The Shareholders' complaints received and resolved during the Financial Year 2016-17 and those pending as on March 31, 2017, are as hereunder:

Number of Complaints Received	Number of Complaints Resolved	Number of Complaints Pending
4	4	0

All the complaints received from the Shareholders were resolved by the Company to the satisfaction of the Shareholders. Shareholders'/ Investors' complaints and other correspondence are normally attended promptly within the maximum period as specified under the law except matters constrained by disputes or legal impediments.

#### Subsidiary Companies

The Wholly-owned Subsidiaries of the Company are unlisted and non-material.

The Minutes of the Board Meetings of the Subsidiaries are placed in the Board Meetings of the Company. Statement of important and significant transactions of the Subsidiaries is placed regularly in the Board Meetings of the Company. The Audit Committee of the Company reviews Financial Statement including the investments made by the Subsidiaries.

#### CEO and CFO Certification

In terms of the provisions of the Listing Regulations, the Managing Director and the Chief Financial Officer (CFO) of the Company have given the annual certification on financial reporting to the Board and that the same forms part of this Annual Report.

## Corporate Governance Report

### General Body Meetings

Details of the location and time where the last 3 (three) Annual General Meetings of the Company were held and the Special Resolutions passed therein

Financial Year	Location	Date & Time	Special Resolutions Passed
2013-14	Gyan Manch, 11, Pretoria Street, Kolkata - 700 071	September 11, 2014 at 11:00 a.m.	<ul style="list-style-type: none"> <li>a) Authority and approval of the Company to the Board of Directors to borrow money pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013;</li> <li>b) Authority and approval of the Company to the Board of Directors under Section 180(1)(a) of the Companies Act, 2013;</li> <li>c) Approval of the Company to modify the terms of remuneration payable to Mr. Prahlad Rai Agarwala, Chairman of the Company, with effect from April 1, 2014;</li> <li>d) Approval of the Company to modify the terms of remuneration payable to Mr. Ghanshyam Prasad Agarwala, Vice-Chairman of the Company, with effect from April 1, 2014;</li> <li>e) Approval of the Company to modify the terms of remuneration payable to Mr. Kunj Bihari Agarwal, Managing Director of the Company, with effect from April 1, 2014;</li> <li>f) Approval of the Company to modify the terms of remuneration payable to Mr. Ramesh Agarwal, Whole-time Director of the Company, with effect from April 1, 2014;</li> <li>g) Approval of the Company to modify the terms of remuneration payable to Mr. Mukesh Agarwal, Whole-time Director of the Company, with effect from April 1, 2014;</li> <li>h) Approval of the Company to modify the terms of remuneration payable to Mr. Suresh Agarwal, Mr. Rajnish Agarwal, Mr. Ravi Agarwal, Mr. Manish Agarwal and Mr. Vikash Agarwal, with effect from April 1, 2014;</li> <li>i) Approval of the Company to appoint Mr. Siddhant Agarwal, relative of a Director, as Vice-President (Project &amp; Acquisition) with effect from June 1, 2014;</li> <li>j) Approval of the Company to the Board of Directors for existing and/or contracts/ arrangements to be entered into in the future with Euro Fashion Inners International Private Limited and Imoogi Fashions Private Limited, its Wholly-owned Subsidiaries.</li> </ul>
2014-15	Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017	September 15, 2015 at 11:00 a.m.	Nil
2015-16	Satyajit Ray Auditorium, Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata - 700 071	August 31, 2016 at 11:00 a.m.	Nil

## Corporate Governance Report

### Resolutions passed through Postal Ballot during the Financial Year 2016-17

- (i) The Company had issued Postal Ballot Notice, dated March 11, 2016, for passing of 4 (four) Special Resolutions and the cut-off date for determining voting rights was reckoned as March 11, 2016. The details of the said Special Resolutions are as hereunder:

1	Ratification of appointment of Mr. Prahlad Rai Agarwala (DIN: 00847452), as Chairman of the Company;
2	Ratification of appointment of Mr. Ghanshyam Prasad Agarwala (DIN: 00224805), as Vice- Chairman of the Company;
3	Re-appointment and remuneration of Mr. Ghanshyam Prasad Agarwala (DIN: 00224805), as Vice- Chairman for a period of five years with effect from April 1, 2016;
4	Re-appointment and remuneration of Mr. Kunj Bihari Agarwal (DIN: 00224857), as Managing Director of the Company for a period of five years with effect from April 1, 2016.

The said Special Resolutions were duly approved by the Shareholders on April 19, 2016, with requisite majority, as required under the Act. The details of voting pattern are as hereunder:

Special Resolution Number	Number of votes polled	Number of valid votes polled	Number of invalid votes polled	Number of valid votes – In Favour	Number of valid votes – Against	% of votes in favour, on total valid votes polled	% of votes against, on total valid votes polled
1	31596312	31596287	25	31595261	1026	99.9968	0.0032
2	30725762	30725737	25	30724711	1026	99.9967	0.0033
3	30725752	30725727	25	30724701	1026	99.9967	0.0033
4	31216562	31216537	25	31215511	1026	99.9967	0.0033

- (ii) The Company had issued Postal Ballot Notice, dated November 12, 2016, for passing of 1 (one) Ordinary Resolution for the appointment of M/s. Singhi & Co. (Firm Registration No. 302049E), Chartered Accountants, as the Statutory Auditors of the Company, in order to fill the casual vacancy caused due to the resignation of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, pursuant to Sections 139, 141 and 142 of the Act. The cut-off date for determining voting rights was reckoned as November 25, 2016. The resolution was duly approved by the Shareholders on December 29, 2016, with requisite majority, as required under the Act. The details of voting pattern are as hereunder:

Ordinary Resolution Number	Number of votes polled	Number of valid votes polled	Number of invalid votes polled	Number of valid votes – In Favour	Number of valid votes – Against	% of votes in favour, on the votes polled	% of votes against, on the votes polled
1	59590588	59590588	0	59590507	81	99.9999	0.0001

CS H.M. Choraria, Practicing Company Secretary, Proprietor of M/s. H.M. Choraria & Co., was appointed as the Scrutinizer to conduct both of the aforesaid Postal Ballot processes in a fair and transparent manner. The Company had provided the facility of voting through electronic means in addition to voting by Postal Ballot. The procedure of Postal Ballot, as contained in the respective Postal Ballot Notices, is available on the website of the Company at the links, <http://rupa.co.in/site/wp-content/uploads/2016/01/Postal-Ballot-Notice.pdf> and <http://rupa.co.in/site/wp-content/uploads/2016/12/Postal-Ballot-Notice.pdf>

There is no immediate proposal for passing any resolution through Postal Ballot process.

### Code of Conduct

The Company has adopted a comprehensive Code of Conduct as required under the Listing Regulations and the said code is available on the website of the Company at the link, [http://rupa.co.in/site/wp-content/uploads/2015/10/Code\\_of\\_Conduct\\_Rupa\\_Company\\_Ltd.pdf](http://rupa.co.in/site/wp-content/uploads/2015/10/Code_of_Conduct_Rupa_Company_Ltd.pdf)

## Corporate Governance Report

All members of the Board and Senior Management Personnel have affirmed their compliance with the provisions of the Code of Conduct as on March 31, 2017, as required under Regulation 26(3) of the Listing Regulations and a declaration to this effect signed by the Managing Director forms part of this Annual Report.

### 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 format prescribed under the Listing Regulations. The approved Financial Results are forthwith sent to the Stock Exchanges, where the Company's shares are listed and are published, within the prescribed time period, in one of the prominent English business daily, the Economic Times and a local language newspaper, Ei Samay. Presently, half-yearly report is not sent to each household of shareholders.
- ii) 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).
- iii) The NSE Electronic Application Processing System (NEAPS) and Listing Centre are web based applications designed for compliance related filings by NSE and BSE, respectively, for listed companies. All periodical compliance filings are filed electronically on NSE's NEAPS and BSE's Listing Centre.
- iv) SEBI Complaints Redressal System (SCORES): The investor complaints are processed in a centralized web based complaints redressal system mandated by the SEBI through SCORES.
- v) No formal presentations were made to the institutional investors and analysts during the year under review.
- vi) The Company has designated following e-mail IDs exclusively for redressal of the investor grievances and the necessary disclosure to this effect has also been made on the Company's website, [www.rupa.co.in](http://www.rupa.co.in):  
E-mail IDs: [cs@rupa.co.in](mailto:cs@rupa.co.in) & [mgr.cs@rupa.co.in](mailto:mgr.cs@rupa.co.in)
- vii) The Company sends reminders for the unpaid dividend to the Shareholders every year.
- viii) Management Discussion and Analysis forms part of this Annual Report, which is sent to the Shareholders of the Company.

### General Shareholder's Information

Detailed information in this regard is provided herein below:

#### i) Annual General Meeting

Date: Thursday, August 31, 2017

Time: 11.00 A.M.

Venue: Satyajit Ray Auditorium, Indian Council for Cultural Relations (ICCR) at 9A, Ho Chi Minh Sarani, Kolkata - 700 071

#### ii) Financial Year Calendar for 2017-18

The Company follows 1st April to 31st March as its Financial Year. The tentative calendar for consideration of the Financial Results during the Financial Year 2017-18, is as follows:

Financial Results for the quarter ending June 30, 2017	2nd week of August, 2017
Financial Results for the half year ending September 30, 2017	2nd week of November, 2017
Financial Results for the quarter ending December 31, 2017	1st week of February, 2018
Financial Results for the quarter and year ending March 31, 2018	3rd week of May, 2018

#### iii) Book Closure Date

From Friday, August 25, 2017 to Thursday, August 31, 2017 (both days inclusive).

#### iv) Dividend

The Dividend, as recommended by the Board of Directors, if approved at the ensuing Annual General Meeting, will be paid at par to those Members, whose name shall appear on the Register of Members as on close of business hours on Thursday, the August 24, 2017. The Dividend payout shall be made on or after September 05, 2017.

## Corporate Governance Report

### Unclaimed Dividends

The Dividend amount transferred to the Unpaid Dividend Account and remaining unpaid/ unclaimed for a period of 7 (seven) years from the date of such transfer is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The dates of declaration of Dividend and corresponding dates when unpaid/ unclaimed Dividends are due for transfer to IEPF are as hereunder:

Financial Year	Date of Declaration of Dividend	Due Date for transfer to IEPF
2009-10	September 30, 2010	November 06, 2017
2010-11	September 28, 2011	November 04, 2018
2011-12	September 29, 2012	November 05, 2019
2012-13	September 28, 2013	November 04, 2020
2013-14	September 11, 2014	October 18, 2021
2014-15	September 15, 2015	October 22, 2022
2015-16 (Interim)	March 11, 2016	April 17, 2023

**Note:** During the year ended March 31, 2017, the Company has transferred unclaimed and unpaid dividend for the Financial Year 2008-09, amounting to ₹ 92,775/- (Rupees Ninety Two Thousand Seven Hundred and Seventy Five only), to the IEPF.

### v) Stock Exchanges on which shares are listed

The shares of the Company are listed at the below mentioned Exchanges:

1	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
2	BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

Annual Listing Fees, as prescribed, has been paid for the Financial Year 2017-18.

### vi) Stock Code

NSE - RUPA

BSE - 533552

Demat ISIN for NSDL and CDSL - INE895B01021

### vii) Market Price Data (Face Value of ₹ 1/- each)

The monthly high and low quotations and volume of shares traded on BSE and NSE during the year are given below:

Month & Year	BSE			NSE		
	Month's high price (₹)	Month's low price (₹)	Volume (Numbers)	Month's high price (₹)	Month's low price (₹)	Volume (Numbers)
April, 2016	336	265.3	4,27,850	337.65	268.3	10,45,664
May, 2016	314.2	285	45,097	321.95	287.85	1,86,580
June, 2016	311.9	285	34,552	311.5	285	1,93,628
July, 2016	306	272	26,360	304.3	285	98,304
August, 2016	296.5	275	14,142	298	275	77,969
September, 2016	305	265	25,560	304.9	260.1	1,24,280
October, 2016	298	279.2	11,498	297.9	274.35	86,481

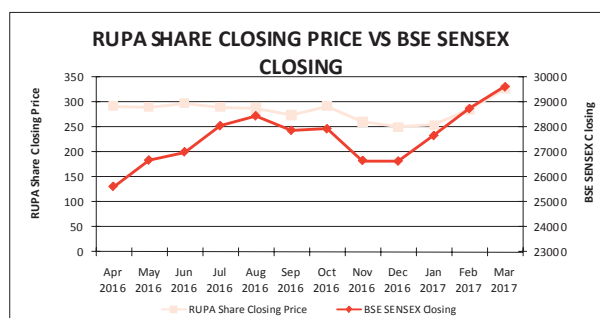


## Corporate Governance Report

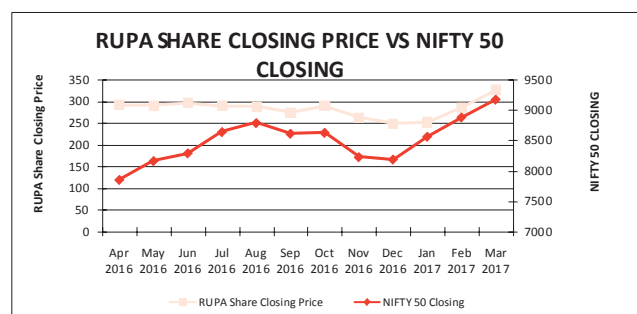
Month & Year	BSE			NSE		
	Month's high price (₹)	Month's low price (₹)	Volume (Numbers)	Month's high price (₹)	Month's low price (₹)	Volume (Numbers)
November, 2016	298.15	248	29,175	293.5	231	49,411
December, 2016	270	245.1	6,817	264.95	245.6	30,335
January, 2017	260.9	244	8,907	262	241.25	44,725
February, 2017	318.5	246.45	1,20,370	318.65	245	6,60,125
March, 2017	351.9	251	61,11,918	351.7	270	91,63,370

viii) Share Price Performance in comparison to broad-based indices, namely, BSE Sensex and NSE Nifty, respectively

Financial Year	BSE		NSE	
	% change in RUPA share price	% change in BSE SENSEX	% change in RUPA share price	% change in CNX Nifty
2016-17	+19.02	+16.88	+19.47	+18.55



The graph is made on the basis of monthly closing price of RUPA share and monthly BSE SENSEX closing



The graph is made on the basis of monthly closing price of RUPA share and monthly NSE Nifty 50 closing

ix) The shares of the Company are not suspended from trading.

x) Registrar and Share Transfer Agents (RTA)

Name: Maheshwari Datamatics Pvt. Ltd.

Address: 23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001

Tel: +91-33-2243 5029/2248 2248

Fax: +91-33-2248 4787; E-mail ID: mdpldc@yahoo.com

xi) Address for Correspondence

RTA	Company's Registered Office
<b>Maheshwari Datamatics Pvt. Ltd.</b> 23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001 Tel: +91-33-2243 5029/ 2248 2248 Fax: +91-33-2248 4787 E-mail ID: mdpldc@yahoo.com	<b>Rupa &amp; Company Limited</b> Metro Tower, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata – 700 071 Tel: +91-33-3057 3100; Fax: +91-33-2288 1362 E-mail ID: cs@rupa.co.in

## Corporate Governance Report

### xii) Share Transfer System

The transfer of shares in physical form is processed and completed by the RTA within 15 days of receipt of all completed documents. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary audits the System of Transfer and a Certificate to that effect is issued half yearly as required under Regulation 40(9) of the said Regulations. The Company provides investor and depository services through its RTA.

### xiii) Distribution of Shareholding as on March 31, 2017

Shareholding Range	Demat Mode			Physical Mode			Total			
	Holders	Shares	% of total shares	Holders	Shares	% of total shares	Holders	% of total holders	Shares	% of total shares
Up to 500	6594	582211	0.73	133	1379	0.00	6727	90.35	583590	0.73
501 – 1000	287	233444	0.29	10	10000	0.01	297	3.99	243444	0.31
1001 – 2000	123	194207	0.24	37	74000	0.09	160	2.15	268207	0.34
2001 – 3000	56	143924	0.18	3	9000	0.01	59	0.79	152924	0.19
3001 – 4000	34	120686	0.15	9	36000	0.05	43	0.58	156686	0.20
4001 – 5000	33	159082	0.20	4	20000	0.03	37	0.50	179082	0.22
5001 – 10000	52	385034	0.49	9	82000	0.10	61	0.82	467034	0.59
10001 and above	56	77208423	97.09	5	265170	0.34	61	0.82	77473593	97.42
<b>Total</b>	<b>7235</b>	<b>79027011</b>	<b>99.37</b>	<b>210</b>	<b>497549</b>	<b>0.63</b>	<b>7445</b>	<b>100.00</b>	<b>79524560</b>	<b>100.00</b>

### xiv) Shareholding Pattern as on March 31, 2017

Category	Number of Shares held	% of Share Capital
<b>Promoter &amp; Promoter Group Shareholding</b>		
Promoter & Promoter Group (Indian)	5,82,80,046	73.29
<b>Sub-total (A)</b>	<b>5,82,80,046</b>	<b>73.29</b>
<b>Public Shareholding</b>		
<b>Public – Institutions</b>		
Banks, Financial Institutions	2,287	0.00
Foreign Portfolio Investors	3,768	0.00
Foreign Institutional Investors	5,51,800	0.69
<b>Sub-total (B)</b>	<b>5,57,855</b>	<b>0.69</b>
<b>Public – Non-Institutions</b>		
Bodies Corporate	1,84,09,770	23.15
Indian Public	20,19,542	2.54
Non-Resident Individuals	60,155	0.08
Others	1,97,192	0.25
<b>Sub-total (C)</b>	<b>2,06,86,659</b>	<b>26.02</b>
<b>Total (A+B+C)</b>	<b>7,95,24,560</b>	<b>100.00</b>

## Corporate Governance Report

### xv) Dematerialization of Shares

As on March 31, 2017, 99.37% of the equity shares of the Company were held in dematerialized form, with 100% of the shareholding of Promoter(s) and Promoter Group being in dematerialized form. The Company is into an agreement 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 two depositories.

#### Status of Dematerialization as on March 31, 2017

Particulars	Number of Shares	% to Total Paid-up Capital	Number of Holders
NSDL	7,70,02,400	96.83	4542
CDSL	20,24,611	2.54	2693
<b>Total Dematerialized</b>	<b>7,90,27,011</b>	<b>99.37</b>	<b>7235</b>
Physical	4,97,549	0.63	210
<b>Total</b>	<b>7,95,24,560</b>	<b>100.00</b>	<b>7445</b>

### xvi) 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.

### xvii) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not have derivative and commodity instruments. Risk to Company from foreign currency exposure on import/ export transactions is very minimal. Further, such risks are managed through Internal Finance Controls. The details of foreign currency transactions are disclosed in Note 2.9 and Note 36 in the Notes to the Standalone Financial Statements.

### xviii) Plant Locations

Jalan Industrial Complex, Bombay Road (National Highway 6) P.O. - Begri, Vill. - Biprannapara Howrah, West Bengal – 711 411	16, Shastri Nagar, 3rd Street, Angeripalayam Road, Tirupur, Tamil Nadu – 640 602
E-4, Sec. D-1 (P-3), Tronica City, Ghaziabad, U.P. – 201 102	284/11, Garvebhavipalya, Hosur Road, Near Saibaba Temple, Bengaluru, Karnataka – 560 068

## Disclosures

### i) Disclosure on materially significant related party transactions, 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 subsidiaries, its promoters, directors or management, or their relatives, etc. that may have potential conflict with the interests of the Company at large. Further, disclosure of transactions with related parties is set out in Note 37 in Notes to the Financial Statements, forming part of this Annual Report.

The policy on Related Party Transactions and policy for determining 'material' subsidiaries has been uploaded on the website of the Company and the same are available at the links:

<http://rupa.co.in/site/wp-content/uploads/2015/10/policy-on-related-party-transactions.pdf> and <http://rupa.co.in/site/wp-content/uploads/2015/10/Policy-on-Determination-of-Materiality1.pdf>, respectively.

### ii) 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 3 (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 on the

## Corporate Governance Report

Company 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 3 (three) years.

### iii) Establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee

In terms of Regulation 22 of the Listing Regulations and Section 177 of the Act, read with the Rules made thereunder, the Company has established a vigil mechanism and framed a 'Whistle Blower Policy'.

Audit Committee looks into the complaints raised, if any, and their redressal. No personnel have been denied access to the Audit Committee and there were no cases reported during the Financial Year ended March 31, 2017.

The Policy has been uploaded on the website of the Company and the same is available at the link, <http://rupa.co.in/site/wp-content/uploads/2015/10/WhistleBlowerPolicy1.pdf>

### Non-Compliance with the requirements of Corporate Governance Report

There has been no non-compliance with any of the requirement of Corporate Governance Report as prescribed under Regulation 34, read with Para C of Schedule V of the Listing Regulations.

### Adoption of the discretionary requirements under Listing Regulations

All the mandatory requirements of the Listing Regulations are being complied with and the Discretionary or Non-mandatory requirements, as specified in Part E of Schedule II to the Listing Regulations, are reviewed by the Board, from time to time, and adopted wherever necessary. The Company has adopted the following discretionary requirements:

- The Auditor's Report on the Company's Financial Statements is unmodified.
- The Company has appointed separate person for the post of Chairman and Managing Director.
- The Report of the Internal Auditors is placed before the Audit Committee on a quarterly basis and the same is reviewed by the Audit Committee.

### Compliance with Corporate Governance Requirements

The Company has complied with the Corporate Governance requirements as specified in the Listing Regulations.

### 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 RTA and can be downloaded from the website of the Company and the same is available at the link, <http://rupa.co.in/investors/investor-services/nomination-form/>

### Electronic Clearing Service

The SEBI has made it mandatory for all the 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 and in the absence of bank account details, the Company shall print the address of the investors on such payment instructions. 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 their bank account details.

### Demat Suspense Account/ Unclaimed Suspense Account

There were no shares underlying in the demat suspense account or unclaimed suspense account.

**Auditors' Certificate regarding compliance with the conditions of Corporate Governance**

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

We have examined the compliance of conditions of Corporate Governance by Rupa & Company Limited, for the Financial Year ended on March 31, 2017, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to 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 provisions as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with Stock Exchanges.

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 **Singhi & Co.**  
Chartered Accountants  
ICAI Firm Registration Number: 302049E

Sd/-  
**Aditya Singhi**  
Partner

Place: Kolkata  
Date: May 26, 2017

Membership No.: 305161

**DECLARATION AFFIRMING COMPLIANCE WITH THE CODE OF CONDUCT**

*[Regulation 34, read with Schedule V(D), of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

This is to confirm that the Company has adopted a "Code of Conduct and Business Ethics" for its Board Members, Senior Management Personnel and all other employees and that the same is available on the website of the Company, [www.rupa.co.in](http://www.rupa.co.in).

I, hereby declare that all the Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the aforesaid Code for the Financial Year ended March, 31, 2017.

Sd/-  
**Kunj Bihari Agarwal**  
Managing Director  
Rupa & Company Limited  
DIN: 00224857

Place: Kolkata  
Date: May 26, 2017



### **Certification by Managing Director and Chief Financial Officer in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We, the undersigned, in our respective capacities as the Managing Director and the Whole-time Director-cum-Chief Financial Officer of Rupa & Company Limited ("the Company"), in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereby certify that:

- A. We have reviewed the Financial Statements, including the Cash Flow Statement, of the Company for the Financial Year ended March 31, 2017 and to the best of our knowledge and belief, we state that:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated, wherever applicable, to the Auditors and the Audit Committee:
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**Kunj Bihari Agarwal**

*Managing Director*

*Rupa & Company Limited*

DIN: 00224857

Sd/-

**Ramesh Agarwal**

*Whole-time Director-cum-*

*Chief Financial Officer*

*Rupa & Company Limited*

DIN: 00230702

Place: Kolkata

Date: May 26, 2017

## Business Responsibility Report

### Business Responsibility Report

for the Financial Year ended March 31, 2017

*[Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

#### Section A: General Information about the Company

1	<b>Corporate Identity Number (CIN) of the Company</b>	L17299WB1985PLC038517
2	<b>Name of the Company</b>	Rupa & Company Limited
3	<b>Registered address</b>	Metro Tower, 8 <sup>th</sup> Floor, 1, Ho Chi Minh Sarani, Kolkata - 700 071
4	<b>Website</b>	www.rupa.co.in
5	<b>E-mail ID</b>	cs@rupa.co.in
6	<b>Financial Year reported</b>	2016-17
7	<b>Sector(s) that the Company is engaged in (industrial activity code-wise)</b>	Manufacture of knitted apparel including hosiery 14309
8	<b>Key products/ services that the Company manufactures/ provides</b>	Manufacturing and sale of Hosiery Goods
9	<b>Total number of locations where business activity is undertaken by the Company</b> a) Number of International Locations b) Number of National Locations	Nil 4 (manufacturing activity). The details are given in the Corporate Governance Report forming part of this Annual Report.
10	<b>Markets served by the Company</b>	The Company's products have national presence and some of the products are exported as well.

#### Section B: Financial Details of the Company

1	<b>Paid-up Capital (INR)</b>	₹ 7,95,24,560/-
2	<b>Total Turnover (INR)</b>	₹ 10,84,21,76,483/-
3	<b>Total Profit after Taxes (INR)</b>	₹ 77,10,77,959/-
4	<b>Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after taxes</b>	₹ 2,10,13,258/-, i.e., 2.73%
5	<b>List of activities in which expenditure in 4 above has been incurred</b>	The same has been detailed out in the Annual Report on CSR Activities, annexed to the Board's Report, marked as Annexure-V thereto, forming part of this Annual Report

#### Section C: Other Details

1	<b>Does the Company have any Subsidiary Company/ Companies?</b>	Yes, the Company has 3 (three) Wholly-owned Subsidiaries.
2	<b>Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company?</b>	No, the Subsidiary Companies do not participate in the BR initiatives of the Company. However, the Company encourages its subsidiary companies to participate in the BR initiatives of the Company.
3	<b>Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company?</b>	Other entity/ entities (e.g., suppliers, distributors, etc.) that the Company does business with, do not participate in the BR initiatives of the Company.

## Business Responsibility Report

### Section D: BR (Business Responsibility) Information

The Board of Directors of the Company has entrusted the Corporate Social Responsibility (CSR) Committee of the Board, with the responsibility of BR implementation, reporting and other related matters. The terms of reference of the CSR Committee has been modified to include the activities relating to BR implementation and other related matters and the same is available on the website of the Company at the link, <http://rupa.co.in/site/wp-content/uploads/2015/10/Corporate-Social-Responsibility-Committee.pdf>

#### 1. Details of Director/ Directors responsible for BR

##### a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies

1	<b>DIN</b>	00224857
2	<b>Name</b>	Mr. Kunj Bihari Agarwal
3	<b>Designation</b>	Managing Director

##### b) Details of the BR head

No.	Particulars	Details
1	DIN (if applicable)	NA
2	Name	Mr. L.S.S. Lal
3	Designation	Vice President (Corporate Planning and Strategic Management)
4	Telephone Number	+91-33-30573100
5	E-mail ID	lsslal@rupa.co.in

2. **Principle-wise (as per NVGs) BR Policy/policies:** Rupa operates with a strong belief that giving back to the society and contributing towards its sustainable development is every organizations responsibility. The Company practices highest standards of corporate and individual behaviour in the conduct of business and the discharge of their duties. The Company always focuses on the areas of ethical risk, integrity and honesty, provides guidance to help individuals to recognize and deal with ethical issues and help foster a culture of honesty, integrity and accountability.

The BR Policy of the Company is based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) issued by the Ministry of Corporate Affairs, Government of India.

This Policy is supported by the Code of Conduct and Business Ethics of the Company which describes the standards that everyone, at Rupa & Company Limited, follows.

The National Voluntary Guidelines provide the following nine principles.

Principle 1: Ethics, Transparency and Accountability [P1]	Principle 6: Environment [P6]
Principle 2: Products Lifecycle Sustainability [P2]	Principle 7: Policy Advocacy [P7]
Principle 3: Employees' Well-being [P3]	Principle 8: Inclusive Growth [P8]
Principle 4: Stakeholder Engagement [P4]	Principle 9: Customer Value [P9]
Principle 5: Human Rights [P5]	

##### a) Details of Compliance (Reply in Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

## Business Responsibility Report

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3	Does the policy conform to any national/ international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The BR Policy has been signed by the Chairman of the Company.								
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is authorised to oversee the implementation of the Business Responsibility Policy, reporting and other related matters.								
6.	Indicate the link for the policy to be viewed online?	The BR Policy can be viewed at: <a href="http://rupa.co.in/site/wp-content/uploads/2015/10/Business_Responsibility_Policy1.pdf">http://rupa.co.in/site/wp-content/uploads/2015/10/Business_Responsibility_Policy1.pdf</a> For further reference on various policies, the same can be viewed in link, as mentioned in the following notes:								
		6a		6b	6c	6d			6e	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Audit/ evaluation has been carried out with the internal resources.								

### Notes to the Clause 2(a)(6):

6(a) - Code of Conduct and Business Ethics: [http://rupa.co.in/investors/corporate-governance/code-of-conduct/](http://rupa.co.in/investors/corporate-governance/code-of-conduct/WhistleBlowerPolicy1.pdf)

Whistle Blower Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/WhistleBlowerPolicy1.pdf>

6(b) - Whistle Blower Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/WhistleBlowerPolicy1.pdf>

6(c) - CSR Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/corporate-social-responsibility-policy.pdf>

Whistle Blower Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/WhistleBlowerPolicy1.pdf>

Dividend Distribution Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/Dividend-Distribution-Policy.pdf>

6(d) - Whistle Blower Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/WhistleBlowerPolicy1.pdf>

6(e) - CSR Policy: <http://rupa.co.in/site/wp-content/uploads/2015/10/corporate-social-responsibility-policy.pdf>

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not applicable.

## Business Responsibility Report

### 3. Governance related to BR

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:** The CSR Committee of Board of Directors assesses the BR Performance of the Company annually.
- b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?** – The Company has published its first Business Responsibility Report which forms part of this Annual Report for the Financial Year 2016-17. It is also available on the Company's website, [www.rupa.co.in](http://www.rupa.co.in).

### Section E: Principle-wise Performance

#### Principle 1

- 1) **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?** – The Policy relating to ethics, bribery and corruption covers only the Company and its employees. The Company strives to maintain the highest standards of ethics in all spheres of its business activities. The Board of Directors and Senior Management of the Company aim at inculcating ethical behavior at all levels across the Company making it an essential part of the work culture so that every employee of the Company conducts oneself and lead on behalf of the Company with professionalism, honesty and integrity, and confirm to high moral and ethical ground. Apart from BR Policy, the Company has following policies dealing with ethics, transparency and accountability:

*Code of Conduct and Business Ethics:* This Code is applicable for Company's directors, senior management and employees. All those concerned are required to strictly adhere to this Code of Conduct and Business Ethics. Any violation of any Code of Conduct is/ shall be viewed strictly and shall lead to disciplinary action, up to and including discharge. The Company ensures maximum appropriate disclosure to its various stakeholders without impacting its strategic intent.

*Whistle Blower Policy:* Company's Whistle Blower mechanism provides an avenue to address concerns, in line with the Company's policy of highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, as well as timely redressal of concerns and disclosures to build and strengthen a culture of transparency and trust in the Company.

The Policy does not extended to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others. However, the Company encourages them to participate in the BR initiatives of the Company.

- 2) **How many stakeholder complaints have been received in the Financial Year under review and what percentage was satisfactorily resolved by the management?** – During the Financial Year, 4 (four) Shareholders' complaints were received and resolved by the Company. No complaints were pending as on March 31, 2017. All complaints received, were solved by the Company to the satisfaction of the Shareholders. Customers' complaints and other correspondence are attended promptly by the Company.

#### Principle 2

- 1) **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities** – The Company is engaged in manufacturing and sale of the Hosiery and related products and services. The Company ensures that the goods it produces are safe and sustainable. All the manufacturing units of the Company meets appropriate environmental norms. The Company ensures that its business goals are pursued without compromising on social or environmental concerns.
- 2) **For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.)** – The Company ensures that it keeps balance of the social, environmental and economical impact of the business it conducts. The Company also ensures that its business goals are pursued without compromising any of the three elements, throughout the life cycle of the goods, from design to disposal/ delivery, i.e., from acquisition of raw materials through manufacturing and processing, smart packaging, distribution and transportation, use and reuse,



## Business Responsibility Report

recycling and disposal. The details of steps taken by the Company for conservation of energy has been detailed out in Annexure – II to the Board's Report, forming part of this Annual Report.

- 3) **Does the Company have procedures in place for sustainable sourcing (including transportation)?** – The Company strives to use all the resources viz. raw materials, natural resources and other resources, like, electricity, air, power, etc., sustainably, with maximum optimisation at all stages, including recycling the same to the extent possible. The Company also regularly advises its employees, workers, engineers, value chain members including suppliers and distributors, customers and recyclers, on optimum utilisation of resources.
- 4) **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?** – The Company strives to procure goods from local & small producers. The Company also outsources its jobs to local contractors and job-workers.
- 5) **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).** – The Company ensures that the waste products generated during the process of manufacturing are re-cycled or the by-products generated, if any, are put to best possible use to safeguard the environment from over utilization of resources and minimize the hazards. The Company strives to reduce its own environmental footprints, influence the stakeholders in order to encourage them to reduce their footprints and engage with the employees to help reduce their personal footprints.

The waste cutting fabrics are being sold to third party for recycling thereof to make it reusable in some manner. About 5-10% of the wastes have been recycled.

### Principle 3

- 1) **Total number of permanent employees** – 598, as on March 31, 2017
- 2) **Total number of employees hired on temporary/ contractual/ casual basis** – 1318, as on March 31, 2017
- 3) **Number of permanent women employees** – 48, as on March 31, 2017
- 4) **Number of permanent employees with disabilities** – The Company does not follow differential recruitment policy based on employees' demographic details and physical abilities. Hence, this number is not tracked.
- 5) **Do you have an employee association that is recognized by management** – No, there is no trade union in the factories of the Company. Employees have formed Works Committee in manufacturing units to address the grievances.
- 6) **Percentage of permanent employees who are members of this recognized employee association** – Not applicable.
- 7) **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year.**

No.	Category	No of complaints filed during the Financial Year	No of complaints pending as on end of the Financial Year
1.	Child labour/ forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

- 8) **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?** – Human Resources function is instrumental in creating and developing human capital in alignment with the Company's requirement. One of the key focus areas in the Company's objective is to groom and to train employees. It imparts specialized and technical training to its employees at regular intervals, which enrich their knowledge, skill and competency to perform their job effectively and efficiently. Workplace safety training is also being provided to the workmen to enhance their knowledge and skills, they need to protect equipment, facilities and unintentional physical injuries. Training has been provided to more than 40% of the workforce during the year.

## Business Responsibility Report

### Principle 4

- 1) **Has the Company mapped its internal and external stakeholders? Yes/No** – Yes, the Company has mapped its internal and external stakeholders. We recognise employees, business associates (network of suppliers, stockists and dealers), customers, shareholders/ investors, communities surrounding our operations and regulatory authorities as our key stakeholders.
- 2) **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?** – The Company believes that all its stakeholders are not equally influential and therefore it encourages to proactively engage with and responds to safeguard the interest of those that are disadvantaged, vulnerable and marginalized and who are at an underdeveloped area. The Corporate Social Responsibility (CSR) initiatives undertaken by the Company has been driven towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders.
- 3) **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?** – The initiatives taken by the Company have been detailed out in the Annual Report on CSR activities, which has been annexed to the Board's Report, marked as Annexure – V, forming part of this Annual Report.

### Principle 5

- 1) **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?** – In Rupa, the issues related to human rights are covered under the Code of Conduct and Business ethics and Whistle blower Policy, apart from the BR Policy, which covers only the Company and its employees. The Company understands and continuously strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights.
- 2) **How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?** – No complaint was received pertaining to human rights violation during the past Financial Year. Details of complaints received from shareholders have been dealt in clause 2 of Principle 1.

### Principle 6

- 1) **Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?** – The Policy related to Principle 6 cover only the Company. However, the Company encourages that the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others should follow the underlying standard stated under this principle.
- 2) **Does the Company has strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage, etc.** – The Company ensures undertaking of pollution control measures not only at all stages of production but also within the workplace, i.e., within the administrative offices, units, depots and such other places where the Company operates.
- 3) **Does the Company identify and assess potential environmental risks? Y/N** – The Company assesses the potential environmental risks periodically by gauging the environmental impacts of the existing practices and procedures adopted by the Company and the extent to which practices can be modified so as to mitigate the environmental damage and to reduce adverse impact on environment by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
- 4) **Does the Company has any project related to Clean Development Mechanism?** – No, the Company does not have any project related to Clean Development Mechanism.
- 5) **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?** – The Company continuously endeavour to use the latest energy efficient technologies to ensure optimal utilisation of the resources without having to compromise with the quality of its products. The Company has in place an Environment Management Systems (EMS) which deals with preventing, mitigating and controlling environmental damages and disasters and also devises plans to deal with contingencies.

## Business Responsibility Report

- 6) **Are the emissions/ waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?** – During the Financial Year, the emissions, solid waste and effluent generated were within the limits as prescribed by CPCB or SPCB.
- 7) **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year** – No show cause/ legal notices have been received from CPCB/SPCB during the Financial Year.

### Principle 7

- 1) **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with** – The Company strives to engage with the Government and be a part of various chambers and associations to make recommendations/ representations before regulators and associations for advancement and improvement of the industry to which it pertains. The executives of the Company participate and play an active role in committees, associations etc constituted for industry reforms and advancement. The Company or its executive(s) is the member of, or associated with the (a) Bharat Chamber of Commerce; (b) Merchant Chamber of Commerce; (c) Federation of Hosiery and Manufacturers Association; (d) West Bengal Hosiery Association; and (e) South India Hosiery Association.
- 2) **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No;** – The Company performs the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and takes into account the Company's interest as well as the larger national interest.  
  
The Company believes that policy advocacy must preserve and expand public good and thus, it does not advocates any policy change to benefit itself alone or a select few.

### Principle 8

- 1) **Does the Company has specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?** – Yes, the Company supports the principles of inclusive growth and equitable development through not just its Corporate Social Responsibility initiatives but through its core business as well.
- 2) **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?** – The Company undertakes programmes/ projects directly through in-house team as well as through other trusts, NGOs, etc.
- 3) **Have you done any impact assessment of your initiative?** – Yes, the Company internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.
- 4) **Company's direct/ indirect contribution to community development projects and the details of the projects undertaken** – The Company's contribution to the community development projects undertaken during the year through its CSR activities is ₹ 2,10,13,258/-. The details are given in Annexure – V to the Board's Report, forming part of this Annual Report. Apart from this, the Company also contributes, directly or indirectly, towards development projects for the community benefit.
- 5) **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?** – The Company continuously engages with communities surrounding their operations through focused approach. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are, thus, designed and delivered in a transparent manner in line with inputs from the community itself. We also try to create sustainable infrastructure/ programmes so that it should be continued on sustainable basis. The Company also takes reports from the implementing agencies to ensure the utilisation of the fund.

## Business Responsibility Report

### Principle 9

- 1) **What percentage of customer complaints/consumer cases are pending as on the end of financial year?** – The Company addresses the customer/ consumer complaints, if any, promptly on priority basis. There was no customer/ consumer complaint pending as at the end of the Financial Year.
- 2) **Does the Company display product information on the product label, over and above what is mandated as per local laws?** – The Company understands the importance of fair disclosure of the description of its products and thereby, ensures to disclose, truthfully and factually, such relevant information including risks about the product, as may be required statutorily, through labelling so that the consumers can exercise their freedom to consume in a responsible manner.
- 3) **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year** – No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of Financial Year.
- 4) **Did your Company carry out any consumer survey/ consumer satisfaction trends?** – The Company engages with its consumers on an ongoing basis and conducts methodical research on their satisfaction with respect to its products and advertisements. These surveys are conducted through third party market research firms. We undertake regular brand tracking exercises to assess brand preference scores and impact of our advertisements.

## Independent Auditor's Report

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

### Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **Rupa & Company Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the Standalone Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.



## Independent Auditor's Report

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. [Refer Note 14 & 30 to the Financial Statements]
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There was no delay during this year in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the Financial Statements as regards to its holding and dealings in Specified Bank Notes [as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance] during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. [Refer Note 44 to the Financial Statements]

For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E

Place: Kolkata  
Date: May 26, 2017

Sd/-  
**Aditya Singhi**  
Partner  
Membership No. 305161

## Annexure A to the Independent Auditor's Report

**The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2017, we report that:**

- i. (a) In respect of Fixed Assets, the Company has maintained proper records excluding for quantitative details which the Company is in the process of updating.
- (b) According to the information and explanation given to us, the Fixed Assets of the Company have not been physically verified during the year.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. In respect of inventories, physical verification has been conducted at reasonable intervals during the year by the management and in our opinion the frequency of verification is reasonable. According to the information and explanation given to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records. Inventories lying with outside parties have been confirmed by them at the year end.
- iii. The Company has granted loan to one body corporate covered in the register maintained under Section 189 of the Companies Act, 2013.
  - a) In our opinion, the rate of interest and other terms and conditions on which the loan has been granted were not, prima-facie, prejudicial to the interest of the Company.
  - b) In case of the loan granted to the body corporate covered in the register maintained under Section 189 of the Companies Act, 2013, the loan and interest is repayable on demand.
  - c) There are no overdue amount in respect of loan granted to body corporate covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations provided to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public.
- vi. To the best of our knowledge and as explained, the Central Government has not specified maintenance of the cost records under Section 148(1) of the Companies Act, 2013 in regard to the activities of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed dues as above were outstanding as at March 31, 2017 for a period of more than six months from the date they became payable. The provision related to Excise Duty is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Cess and Service Tax which have not been deposited on account of any dispute and the forum where the dispute is pending are as under:

## Annexure A to the Independent Auditor's Report

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Demand Relating to non-submission of C Forms & other disputes/disallowances	44,50,608	Financial Year 2005-06	West Bengal Commercial Taxes Appellate Tribunal & Revisional Board
		74,40,055	Financial Year 2014-15	Senior Joint Commissioner Taxes (Appeal)
The West Bengal Value Added Tax, 2003	Demand Relating to export & other disallowances / disputes	41,32,162	Financial Year 2014-15	Senior Joint Commissioner Taxes (Appeal)
The Income Tax Act, 1961	Disallowance of certain expenditure	29,89,200	Assessment Year 2008-09 to 2013-14	Commissioner of Income Tax (Appeals)

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions. There were no repayment due to debenture holders during the year.
- ix. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Further, the Company has not raised any money during the year by way of term loans.
- x. Based on our audit procedures and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approval mandated with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E

Place: Kolkata  
Date: May 26, 2017

Sd/-  
**Aditya Singhi**  
Partner  
Membership No. 305161

## Annexure B to the Independent Auditor's Report

The Annexure referred to in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our Independent Auditors’ Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of Section 143 of the Act of Rupa & Company Limited for the year ended March 31, 2017, we report that:

We have audited the internal financial controls over financial reporting of Rupa & Company Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

## **Annexure B to the Independent Auditor's Report**

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Singhi & Co.**  
*Chartered Accountants*  
Firm's Registration No. 302049E

Place: Kolkata  
Date: May 26, 2017

Sd/-  
**Aditya Singhi**  
*Partner*  
Membership No. 305161



## Balance Sheet

as at March 31, 2017

(Amount in ₹)

	Notes	As at March 31, 2017	As at March 31, 2016
<b>Equity &amp; Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	7,96,29,060	7,96,29,060
Reserves & Surplus	4	4,35,05,36,288	3,57,94,58,329
		<b>4,43,01,65,348</b>	<b>3,65,90,87,389</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	77,77,707	4,28,88,824
Deferred Tax Liabilities (Net)	6	13,64,69,739	14,56,48,250
		<b>14,42,47,446</b>	<b>18,85,37,074</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	79,59,66,749	1,38,79,70,943
Trade Payables	8		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than to micro and small enterprises		95,04,48,648	85,53,72,175
Other Current Liabilities	9	65,99,62,678	63,30,22,789
Short Term Provisions	10	10,22,23,817	4,91,35,622
		<b>2,50,86,01,892</b>	<b>2,92,55,01,529</b>
		<b>7,08,30,14,686</b>	<b>6,77,31,25,992</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	1,53,26,62,192	1,51,99,76,817
Intangible Assets	12	3,24,29,485	92,59,094
Capital Work-in-progress		-	6,46,75,130
Intangible Assets under Development		-	2,31,55,565
Non-Current Investments	13	8,13,18,000	4,13,15,000
Long Term Loans & Advances	14	28,16,32,745	18,63,39,137
Other Non-Current Assets	15	16,96,692	15,01,328
		<b>1,92,97,39,114</b>	<b>1,84,62,22,071</b>
<b>Current Assets</b>			
Inventories	16	2,88,48,44,024	2,99,90,72,180
Trade Receivables	17	2,03,87,98,196	1,72,13,92,014
Cash & Bank Balances	18	10,45,79,351	6,48,16,164
Short Term Loans & Advances	19	8,83,00,378	8,08,92,416
Other Current Assets	20	3,67,53,623	6,07,31,147
		<b>5,15,32,75,572</b>	<b>4,92,69,03,921</b>
		<b>7,08,30,14,686</b>	<b>6,77,31,25,992</b>
Summary of Significant Accounting Policies	2		

The accompanying Notes form an integral part of the Financial Statement.

As per our report of even date

For **Singhi & Co.**

Chartered Accountants

Firm's Registration No. 302049E

Sd/-

**Aditya Singhi**

Partner

Membership No. 305161

Place: Kolkata

Date: May 26, 2017

For and on behalf of the Board of Directors

Sd/-

**Prahlad Rai Agarwala**

Chairman

DIN: 00847452

Sd/-

**Ramesh Agarwal**

Whole-time Director-cum-

Chief Financial Officer

DIN: 00230702

Sd/-

**Kunj Bihari Agarwal**

Managing Director

DIN: 00224857

Sd/-

**Mukesh Agarwal**

Whole-time Director

DIN: 02415004

Sd/-

**Kundan Kumar Jha**

Company Secretary

Membership No. ACS17612

**Statement of Profit & Loss**

for the year ended March 31, 2017

(Amount in ₹)

	Notes	2016-17	2015-16
<b>Revenue</b>			
Revenue from Operations	21	10,84,21,76,483	10,13,02,95,623
Other Income	22	3,38,83,789	3,77,48,804
<b>Total Revenue</b>		<b>10,87,60,60,272</b>	<b>10,16,80,44,427</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	4,79,57,49,219	4,29,90,18,515
Decrease/ (Increase) in Inventories of Finished Goods, Work-in-progress and Traded Goods	24	14,58,49,861	55,29,36,430
Employee Benefits Expense	25	35,04,36,866	29,53,56,819
Finance Cost	26	10,51,93,019	18,75,89,255
Depreciation & Amortisation Expense	27	15,04,87,036	15,17,03,052
Other Expenses	28	4,13,98,44,825	3,66,97,67,395
<b>Total Expenses</b>		<b>9,68,75,60,826</b>	<b>9,15,63,71,466</b>
<b>Profit before Exceptional Items and Tax</b>		<b>1,18,84,99,446</b>	<b>1,01,16,72,961</b>
Exceptional Item		-	12,29,99,820
<b>Profit before Tax</b>		<b>1,18,84,99,446</b>	<b>1,13,46,72,781</b>
Tax Expense			
Current Tax (After adjustment of refund of income tax for earlier years: Nil) (March 31, 2016: ₹ 28,24,875)		42,66,00,000	35,90,75,125
Deferred Tax		(91,78,513)	(39,39,493)
<b>Profit for the Year</b>		<b>77,10,77,959</b>	<b>77,95,37,149</b>
<b>Earning per Equity Share - Basic and Diluted</b> (Nominal value per equity share ₹ 1)	34	9.70	9.80
Summary of Significant Accounting Policies	2		

The accompanying Notes form an integral part of the Financial Statement.

As per our report of even date  
For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E  
Sd/-  
**Aditya Singhi**  
Partner  
Membership No. 305161  
Place: Kolkata  
Date: May 26, 2017

**For and on behalf of the Board of Directors**

Sd/-  
**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Sd/-  
**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

Sd/-  
**Mukesh Agarwal**  
Whole-time Director  
DIN: 02415004

Sd/-  
**Ramesh Agarwal**  
Whole-time Director-cum-  
Chief Financial Officer  
DIN: 00230702

Sd/-  
**Kundan Kumar Jha**  
Company Secretary  
Membership No. ACS17612

**Cash Flow Statement**

for the year ended March 31, 2017

(Amount in ₹)

	2016-17		2015-16	
<b>A. Cash Flow arising from Operating Activities</b>				
Profit before Tax		1,18,84,99,446		1,13,46,72,781
Adjustment to reconcile Profit before Tax to Net Cash Flows				
(a) Depreciation and Amortisation	15,04,87,036		15,17,03,052	
(b) Finance Cost	10,51,93,019		18,75,89,255	
(c) Loss on disposal of Fixed Assets (Net)	45,966		14,60,967	
(d) Bad Debts/ Advances & Claims written off	6,57,55,023		1,43,16,021	
(e) Provision for Doubtful Trade Receivables	-		20,56,699	
(f) Intangibles under Development written off	2,31,55,565		-	
(g) Unspent Liabilities written back	(36,91,811)		(2,89,42,590)	
(h) Dividend Income (Exceptional Item)	-		(12,29,99,820)	
(i) Interest Income	(2,01,90,924)	32,07,53,874	(41,61,134)	20,10,22,450
Operating Profit before Working Capital Changes		1,50,92,53,320		1,33,56,95,231
Changes in Working Capital				
(a) Increase/ (Decrease) in Trade Payables	9,50,76,472		(21,83,19,052)	
(b) Increase in Other Current Liabilities	5,76,43,458		1,51,84,443	
(c) Increase in Short Term Provisions	85,06,603		24,80,048	
(d) (Increase)/ Decrease in Short-term Loans & Advances	(74,07,962)		2,30,68,735	
(e) Increase/ (Decrease) in Long-term Loans & Advances	3,52,942		36,27,086	
(f) Decrease in Inventories	11,42,28,156		60,85,58,587	
(g) (Increase)/ Decrease in Trade Receivables	(34,12,12,240)		8,98,08,552	
(h) (Increase)/Decrease in Other Current Assets	(1,01,23,283)	(8,29,35,854)	2,11,68,920	54,55,77,319
Cash Generated from Operations		1,42,63,17,466		1,88,12,72,550
(a) Less: Direct Taxes Paid (Net of Refund)		(38,53,13,543)		(39,13,39,694)
Net Cash from Operating Activities		1,04,10,03,923		1,48,99,32,856
<b>B. Cash Flow arising from Investing Activities</b>				
(a) Sale of Fixed Assets		10,74,788		25,85,000
(b) Interest Received		1,23,42,766		41,61,134
(c) Purchase of Fixed Assets		(9,98,65,580)		(27,95,25,915)
(d) Investment/(Redemption) of Fixed Deposits (Net)		(10,74,748)		12,42,323
(e) Dividend received		-		12,29,99,820
(f) Investment in a Subsidiary Company		(4,00,00,000)		(1,00,000)
(g) Purchase of Non-Current Investments		(3,000)		-
Net Cash used in Investing Activities		(12,75,25,774)		(14,86,37,638)

## Cash Flow Statement

for the year ended March 31, 2017

(Amount in ₹)

	2016-17	2015-16
<b>C. Cash Flow arising from Financing Activities</b>		
(a) Dividend (including Interim Dividend) and Tax paid thereon	-	(50,14,60,582)
(b) Interest Paid	(10,53,62,957)	(18,93,98,357)
(c) Proceed of Long Term Borrowings	-	1,93,65,344
(d) (Repayment) of Long Term Borrowings	(5,17,77,778)	(4,47,77,778)
(e) Proceed / (Repayment) of Short Term Borrowings (Net)	(59,20,04,194)	(61,33,64,528)
(f) Loan to a Subsidiary Company	(12,54,49,417)	-
<b>Net Cash used in Financing Activities</b>	<b>(87,45,94,346)</b>	<b>(1,32,96,35,901)</b>
<b>Net increase/(decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>3,88,83,803</b>	<b>1,16,59,317</b>
Cash & Cash Equivalents at the beginning of the period <sup>#</sup>	5,01,44,927	3,84,85,610
<b>Cash &amp; Cash Equivalents at the end of the period<sup>#</sup></b>	<b>8,90,28,730</b>	<b>5,01,44,927</b>

<sup>#</sup>As disclosed in Note 18 and includes ₹ 13,00,708 (March 31, 2016: ₹ 9,45,465) lying in Unclaimed Dividend Account, which is not available for use by the Company.

### Notes:

- (1) Closing Cash and Cash Equivalents represent balances of cash and cash equivalents as indicated in Note 19 to the Financial Statement.
- (2) The above Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statement as prescribed under the Act.
- (3) Previous years figures have been regrouped / reclassified, wherever necessary.

As per our report of even date  
For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E  
Sd/-  
**Aditya Singhi**  
Partner  
Membership No. 305161  
Place: Kolkata  
Date: May 26, 2017

### For and on behalf of the Board of Directors

Sd/-  
**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Sd/-  
**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

Sd/-  
**Mukesh Agarwal**  
Whole-time Director  
DIN: 02415004

Sd/-  
**Ramesh Agarwal**  
Whole-time Director-cum-  
Chief Financial Officer  
DIN: 00230702

Sd/-  
**Kundan Kumar Jha**  
Company Secretary  
Membership No. ACS17612

# Notes to the Financial Statement

as at and for the year ended March 31, 2017

## 1 Corporate Information

Rupa & Company Limited (the Company) is a public company domiciled in India. Its shares are listed on the National Stock Exchange of India Ltd. and BSE Limited. The Company is primarily 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 Summary of 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 (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

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. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

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 on tangible fixed assets is provided under straight line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its tangible fixed assets:

Class of Assets	Useful Lives estimated by the management (Years)
Factory Buildings	30
Non-factory Buildings	60
Plant and Machinery	10 to 15
Computer and Data Processing Equipments	3 to 6
Furnitures and Fixtures	10
Vehicles	8
Office Equipments	5



## Notes to the Financial Statement

as at and for the year ended March 31, 2017

The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and machinery as 10 years. These lives are lower than those indicated in Schedule II to the Companies Act, 2013.

Leasehold land is amortized on a straight line basis over the period of lease, i.e., 90 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 & Trademarks	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 long-term 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.

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

### 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 is determined on specific identification basis except packing materials, accessories and dyes and chemicals which are determined on weighted average 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 (measured in kgs) is determined on specific identification basis and cost of work-in-progress (measured in pieces) 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 arising on the settlement/conversion of monetary items are recognized as income or expenses in the period in which they arise.

#### 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:** Revenue from sale of goods is recognised upon passage of title to the customers, in accordance with the Sales of Goods Act, 1930. Sales are net of discounts, 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 completed service method.

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

**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.

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

### 2.11 Retirement and Other Employee Benefits

- (i) **Provident & Pension Fund:** Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the Statement of Profit and Loss of the period when the contributions to the respective funds are due. The Company has no obligation other than contributions to the respective funds. The Company recognises contribution payable to the Provident Fund Scheme as an expenditure, when an employee renders the selected 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.
- (iii) The leave balances of the employees are only encashable during the year and cannot be accumulated and carried forwarded to next year.

### 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.

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

### 2.13 Provisions, Contingent Liabilities and Contingent Assets

**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.

**Contingent Assets:** A contingent asset is neither provided for nor disclosed

### 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. 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 is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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 Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>3. Share Capital</b>		
<b>Authorised</b>		
20,00,00,000 (March 31, 2016: 20,00,00,000) Equity Shares of ₹ 1/- each	20,00,00,000	20,00,00,000
<b>Issued</b>		
7,97,33,560 (March 31, 2016: 7,97,33,560) Equity Shares of ₹ 1/- each	7,97,33,560	7,97,33,560
<b>Subscribed and Paid-up</b>		
7,95,24,560 (March 31, 2016: 7,95,24,560) Equity Shares of ₹ 1/- each, fully paid-up	7,95,24,560	7,95,24,560
2,09,000 (March 31, 2016: 2,09,000) Forfeited Shares of ₹ 1/- each, ₹ 0.50 per share paid-up	1,04,500	1,04,500
	<b>7,96,29,060</b>	<b>7,96,29,060</b>

a) There is no change in the number of shares in the current year and previous 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2017 the Company has paid an Interim Dividend of Nil per share (March 31, 2016, ₹ 2.75 per share) and proposed Final Dividend of ₹2.75 /- per share (March 31, 2016: Nil) subject to approval of members in the ensuing Annual General Meeting.

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

	As at March 31, 2017		As at March 31, 2016	
	No of Shares	%	No of Shares	%
<b>Equity Shares of ₹ 1/- each, fully paid up</b>				
Prahlad Rai Agarwala*	1,67,63,656	21.08%	1,80,70,000	22.72%
Rajnish Enterprises Limited	1,58,21,190	19.89%	1,58,21,190	19.89%
Karuna Impex Enterprises Limited	-	-	86,50,000	10.88%
MLD Commercial Private Limited	86,50,000	10.88%	-	-
Purvanchal Leasing Limited	58,07,670	7.30%	58,07,670	7.30%

\*Holding shares jointly with Ghanshyam Prasad Agarwala and Kunj Bihari Agarwal, on behalf of a partnership firm.

As per records of the Company, including its register of shareholders/ members as on March 31, 2017, the above shareholding represents legal ownership of shares.

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>4 Reserves &amp; Surplus</b>		
<b>Capital Subsidy</b>		
Balance as per the last Financial Statement	60,75,040	60,75,040
<b>General Reserve</b>		
Balance as per the last Financial Statement	42,31,16,862	42,31,16,862
Balance as at the end of the year	42,31,16,862	42,31,16,862
<b>Securities Premium Account</b>		
Balance as per the last Financial Statement	68,80,30,890	68,80,30,890
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as per the last Financial Statement	2,46,22,35,537	1,94,59,11,584
Profit for the year	77,10,77,959	77,95,37,149
<b>Less: Appropriations</b>		
Interim Dividend: Nil per share (March 31, 2016: ₹ 2.75 )	-	21,86,92,540
Tax on Interim Equity Dividend	-	4,45,20,656
<b>Total Appropriations</b>	-	26,32,13,196
Net Surplus in the Statement of Profit & Loss	3,23,33,13,496	2,46,22,35,537
<b>Total Reserves &amp; Surplus</b>	4,35,05,36,288	3,57,94,58,329

(Amount in ₹)

	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
<b>5. Long Term Borrowings</b>				
<b>Secured Term Loans</b>				
Indian Rupee loans from a Bank	77,77,707	4,28,88,824	3,51,11,111	5,17,77,772
	77,77,707	4,28,88,824	3,51,11,111	5,17,77,772
Less: Amount disclosed under the head "Other Current Liabilities" (Note 9)	-	-	(3,51,11,111)	(5,17,77,772)
	77,77,707	4,28,88,824	-	-

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, West Bengal. Further, term loan of ₹ 55,55,555 (March 31, 2016: ₹ 2,77,77,778) is also secured by personal guarantee of three Directors of the Company.

Term Loan with a balance of ₹ 55,55,555 (March 31, 2016: ₹ 2,77,77,778) is repayable in 1 quarterly installment of ₹ 55,55,556 by June 14, 2017 and carries interest @ 11.95% per annum (March 31, 2016: 12.00% per annum).

Term Loan with a balance of ₹ 2,33,33,333 (March 31, 2016: ₹ 3,88,88,889) is repayable in 6 equal quarterly installments of ₹ 38,88,889 by September 28, 2018 and carries interest @ 12.30% per annum (March 31, 2016: 12.30% per annum).

Term Loan with a balance of ₹ 1,39,99,930 (March 31, 2016: ₹ 2,79,99,929) is repayable in 4 equal quarterly installments of ₹ 35,00,000 by March 31, 2018 and carries interest @ 11.05% per annum (March 31, 2016: 11.10% per annum).



## Notes to the Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>6. Deferred Tax Liabilities</b>		
<b>Deferred Tax Liability</b>		
Fixed Assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	14,34,89,558	14,63,60,032
<b>Gross Deferred Tax Liability (A)</b>	<b>14,34,89,558</b>	<b>14,63,60,032</b>
<b>Deferred Tax Asset</b>		
Provision for Doubtful Debts and Advances	7,11,782	7,11,782
Provision for Litigation, Claims and Contingencies	24,41,732	-
Provision for Gratuity	38,66,305	-
<b>Gross Deferred Tax Asset (B)</b>	<b>70,19,819</b>	<b>7,11,782</b>
<b>Net Deferred Tax Liabilities [(A) - (B)]</b>	<b>13,64,69,739</b>	<b>14,56,48,250</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>7. Short Term Borrowings</b>		
<b>Secured:</b>		
<b>From Banks</b>		
Cash Credit	29,59,66,749	48,79,70,943
Commercial Paper	50,00,00,000	-
Working Capital Demand Loans		
Indian Rupee loans	-	90,00,00,000
	<b>79,59,66,749</b>	<b>1,38,79,70,943</b>

Cash Credit including Working Capital Demand Loan & Commercial Paper are secured by hypothecation of inventories, book debts and other current assets of the Company and further secured by second charge of movable and immovable fixed assets of Domjur Unit, West Bengal.

Working Capital Demand Loans has been repaid during the year and carried interest @5.90% to 9.60% p.a. (March 31, 2016: @6.10% to 9.60% p.a.).

Cash Credit are repayable on demand and carries interest @9.00% to 11.50% p.a. (March 31, 2016: @10.40% to 12.50% p.a.).

Commercial Paper is repayable on May 5, 2017 and carries interest @ 6.75% p.a. (March 31, 2016: Nil).

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>8. Trade Payables</b>		
Total outstanding dues of micro and small enterprises (Refer Note 31)	-	-
Total outstanding dues of creditors other than to micro and small enterprises	95,04,48,648	85,53,72,175
	<b>95,04,48,648</b>	<b>85,53,72,175</b>

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>9. Other Current Liabilities</b>		
Capital Creditors	48,85,918	1,17,65,939
Current Maturities of Long Term Borrowings (Refer Note 5)	3,51,11,111	5,17,77,772
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	13,00,708	9,45,465
Security Deposits from Customers	28,39,50,099	26,90,48,720
Advances from Customers	14,29,841	14,58,300
Interest Accrued but not due on borrowings	1,25,277	2,95,217
Statutory Dues payable	6,71,48,418	8,07,59,500
Book Overdraft in Current Account	7,53,542	49,54,319
Payable to Employees	5,12,06,428	5,57,03,621
Dealers Incentive payable	20,50,84,309	15,21,63,825
Others	89,67,027	41,50,111
	<b>65,99,62,678</b>	<b>63,30,22,789</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>10. Short Term Provisions</b>		
Provision for Income tax (Net of Advance)	8,39,96,709	3,94,15,117
Provision for Litigation, Claims and Contingencies	70,55,399	70,55,399
Provision for Gratuity (Refer Note 32)	1,11,71,709	26,65,106
	<b>10,22,23,817</b>	<b>4,91,35,622</b>

The Company has estimated the provision for pending litigation, claims and demands based on the assessment of probability for these demands being crystallising against the Company in due course.

The table below gives information about movement in litigations, claims and contingencies provisions.

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
At the beginning of the year [Refer Note 30 (c)]	70,55,399	70,55,399
Add: Arisen during the year	-	-
Less: Utilised/Unused amount reversed during the year	-	-
	<b>70,55,399</b>	<b>70,55,399</b>

**Notes to the Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

	Land		Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
<b>11. Tangible Assets</b>								
<b>Cost</b>								
As at April 1, 2015	10,26,69,181	2,84,17,068	59,81,63,763	96,22,14,036	6,68,01,326	5,22,59,608	4,78,93,831	1,85,84,18,813
Additions	1,05,70,088	-	22,37,74,761	7,64,02,650	35,34,730	1,97,17,395	84,14,012	34,24,13,636
Disposals	-	-	-	-	-	82,97,304	-	82,97,304
<b>As at March 31, 2016</b>	<b>11,32,39,269</b>	<b>2,84,17,068</b>	<b>82,19,38,524</b>	<b>1,03,86,16,686</b>	<b>7,03,36,056</b>	<b>6,36,79,699</b>	<b>5,63,07,843</b>	<b>2,19,25,35,145</b>
Additions	4,85,18,023	-	7,16,51,471	2,29,64,705	27,30,421	94,06,972	52,05,158	16,04,76,750
Disposals	-	-	-	8,11,452	-	31,81,863	-	39,93,315
<b>As at March 31, 2017</b>	<b>16,17,57,292</b>	<b>2,84,17,068</b>	<b>89,35,89,995</b>	<b>1,06,07,69,939</b>	<b>7,30,66,477</b>	<b>6,99,04,808</b>	<b>6,15,13,001</b>	<b>2,34,90,18,580</b>
<b>Depreciation</b>								
As at April 1, 2015	-	7,57,175	7,51,35,809	36,31,91,931	3,40,34,447	1,83,38,444	3,57,61,920	52,72,19,726
Charge for the year	-	4,93,000	1,49,65,303	11,51,68,085	55,35,053	77,63,292	56,65,206	14,95,89,939
Disposals	-	-	-	-	-	42,51,337	-	42,51,337
<b>As at March 31, 2016</b>	<b>-</b>	<b>12,50,175</b>	<b>9,01,01,112</b>	<b>47,83,60,016</b>	<b>3,95,69,500</b>	<b>2,18,50,399</b>	<b>4,14,27,126</b>	<b>67,25,58,328</b>
Charge for the year	-	3,21,638	1,88,20,533	10,87,18,949	59,00,204	70,78,087	58,31,210	14,66,70,621
Disposals	-	-	-	5,42,069	-	23,30,492	-	28,72,561
<b>As at March 31, 2017</b>	<b>-</b>	<b>15,71,813</b>	<b>10,89,21,645</b>	<b>58,65,36,896</b>	<b>4,54,69,704</b>	<b>2,65,97,994</b>	<b>4,72,58,336</b>	<b>81,63,56,388</b>
<b>Net Block</b>								
<b>As at March 31, 2016</b>	<b>11,32,39,269</b>	<b>2,71,66,893</b>	<b>73,18,37,412</b>	<b>56,02,56,670</b>	<b>3,07,66,556</b>	<b>4,18,29,300</b>	<b>1,48,80,717</b>	<b>1,51,99,76,817</b>
<b>As at March 31, 2017</b>	<b>16,17,57,292</b>	<b>2,68,45,255</b>	<b>78,46,68,350</b>	<b>47,42,33,043</b>	<b>2,75,96,773</b>	<b>4,33,06,814</b>	<b>1,42,54,665</b>	<b>1,53,26,62,192</b>

**Note:**

Term Loan from a bank amounting ₹ 4,28,28,818/- is secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed assets of Domjur Unit, West Bengal. Cash Credit including Working Capital Demand Loan & Commercial Paper amounting ₹ 79,59,66,749/- are secured by second charge of movable and immovable fixed assets of Domjur Unit, West Bengal.

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	Copyrights and Trademarks	Computer Software	Total
<b>12. Intangible Assets</b>			
<b>Cost</b>			
As at April 1, 2015	6,50,00,000	2,91,61,892	9,41,61,892
Additions	-	83,54,284	83,54,284
As at March 31, 2016	<b>6,50,00,000</b>	<b>3,75,16,176</b>	<b>10,25,16,176</b>
Additions	-	2,69,86,806	2,69,86,806
<b>As at March 31, 2017</b>	<b>6,50,00,000</b>	<b>6,45,02,982</b>	<b>12,95,02,982</b>
<b>Amortisation</b>			
As at April 1, 2015	6,50,00,000	2,61,43,969	9,11,43,969
Charge for the year	-	21,13,113	21,13,113
As at March 31, 2016	<b>6,50,00,000</b>	<b>2,82,57,082</b>	<b>9,32,57,082</b>
Charge for the year	-	38,16,415	38,16,415
<b>As at March 31, 2017</b>	<b>6,50,00,000</b>	<b>3,20,73,497</b>	<b>9,70,73,497</b>
<b>Net Block</b>			
As at March 31, 2016	-	<b>92,59,094</b>	<b>92,59,094</b>
<b>As at March 31, 2017</b>	-	<b>3,24,29,485</b>	<b>3,24,29,485</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>13. 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 (March 31, 2016: 10,000) Equity Shares of ₹ 10 each in Imoogi Fashions Pvt. Ltd.	1,00,000	1,00,000
41,00,000 (March 31, 2016: 41,00,000) Equity Shares of ₹ 10 each in Euro Fashion Inners International Pvt. Ltd.	4,10,00,000	4,10,00,000
40,10,000 (March 31, 2016: 10,000) Equity Shares of ₹ 10 each in Oban Fashions Pvt. Ltd.	4,01,00,000	1,00,000
<b>Investment in Others</b>		
1,800 (March 31, 2016: 1,500) Equity Shares of ₹ 10 each in West Bengal Hosiery Park Infrastructure Limited	18,000	15,000
	<b>8,12,18,000</b>	<b>4,12,15,000</b>
<b>Non-Trade Investments</b>		
<b>In Mutual Funds (quoted)</b>		
10,000 (March 31, 2016: 10,000) Mutual Fund Units of ₹ 10 each in HDFC Large Cap Fund	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>
	<b>8,13,18,000</b>	<b>4,13,15,000</b>
Aggregate amount of quoted investments	1,00,000	1,00,000
Market Value of quoted investments	9,05,300	8,19,600
Aggregate amount of unquoted investments	<b>8,12,18,000</b>	<b>4,12,15,000</b>

**Notes to the Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>14. Long Term Loans and Advances</b>		
<b>(Unsecured, considered good)</b>		
Capital Advances*	13,57,63,922	16,55,66,789
Security Deposits	2,04,19,406	2,07,72,348
Loan to a Subsidiary	12,54,49,417	-
	<b>28,16,32,745</b>	<b>18,63,39,137</b>

\*Includes advance amounting to ₹ 4,00,92,000 (March 31, 2016: ₹ 4,00,92,000) given to West Bengal Housing Infrastructure Development Corporation (WB HIDCO) towards offer for allotment of land on a freehold basis. WB HIDCO later decided to allot land on a leasehold basis which the Company has challenged and the matter is sub-judice with the Hon'ble Calcutta High Court.

(Amount in ₹)

<b>Security Deposits includes</b>		
Dues from private companies in which any director is a director	55,40,001	55,40,001

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>15. Other Non Current Assets</b>		
<b>(Unsecured, considered good)</b>		
Non-Current bank balances (Note 18)	16,96,692	15,01,328
	<b>16,96,692</b>	<b>15,01,328</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>16. Inventories</b>		
<b>(At lower of cost and net realisable value)</b>		
Raw Materials & Packing Materials (Refer Note 23)	31,82,59,648	28,66,37,943
Work-in-progress (Refer Note 24)	75,39,19,742	96,67,55,897
Finished Goods (Refer Note 24)	1,81,26,64,634	1,74,56,78,340
	<b>2,88,48,44,024</b>	<b>2,99,90,72,180</b>
<b>Note</b>		
The above includes Stock in transit		
Work-in-progress	52,48,280	1,23,21,289
Finished Goods	1,38,03,977	7,64,74,304

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>17. Trade Receivables</b>		
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment		
- Considered Good	4,70,14,853	2,32,49,312
- Considered Doubtful	20,56,699	20,56,699
Less: Provision for Doubtful Trade Receivables	(20,56,699)	(20,56,699)
	<b>4,70,14,853</b>	<b>2,32,49,312</b>
<b>Other Receivables</b>		
- Considered Good	1,99,17,83,343	1,69,81,42,702
	<b>2,03,87,98,196</b>	<b>1,72,13,92,014</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>18. Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand (certified by the management)	16,46,534	14,33,501
<b>Balances with Banks</b>		
On Current Accounts	6,57,27,344	2,65,99,447
On Cash Credit Account	2,03,54,144	2,11,66,514
Unpaid Dividend Account	13,00,708	9,45,465
	<b>8,90,28,730</b>	<b>5,01,44,927</b>
<b>Other Bank Balances*</b>		
Deposits with original maturity of more than 3 months but less than 12 months	1,55,50,621	1,37,51,970
Deposits with original maturity of more than 12 months	16,96,692	24,20,595
	<b>1,72,47,313</b>	<b>1,61,72,565</b>
Less: Amount disclosed under "Other Non Current Assets" (Note 15)	(16,96,692)	(15,01,328)
	<b>1,55,50,621</b>	<b>1,46,71,237</b>
	<b>10,45,79,351</b>	<b>6,48,16,164</b>

\*Held as lien by Bank against Bank Guarantees



**Notes to the Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>19. Short Term Loans &amp; Advances</b>		
<b>(Unsecured, considered good)</b>		
Advances to Subsidiaries	1,15,57,119	1,59,15,620
Advances against supply of goods and services	6,64,01,841	5,99,45,033
<b>Other Loans and Advances</b>		
Prepaid Expenses	1,03,41,418	50,31,763
	<b>8,83,00,378</b>	<b>8,08,92,416</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>20. Other Current Assets</b>		
<b>(Unsecured, considered good)</b>		
Claims & Refund Receivable	2,89,05,465	6,07,31,147
Interest Accrued on loan to a Subsidiary Company	78,48,158	-
	<b>3,67,53,623</b>	<b>6,07,31,147</b>

(Amount in ₹)

	2016-17	2015-16
<b>21. Revenue</b>		
<b>Revenue from Operations</b>		
<b>Sale of Products</b>		
Finished Goods	10,53,96,62,390	9,84,33,41,121
Semi-Finished Goods	3,34,70,667	2,94,71,467
<b>Sale of Services</b>	21,44,38,139	21,14,92,331
<b>Other Operating Revenue</b>		
Sale of Power	86,64,294	47,03,844
Scrap sale	1,54,40,920	1,12,25,247
Sales Tax Subsidy	1,40,77,798	1,59,21,509
Export Incentive	1,64,22,275	1,41,40,104
	<b>10,84,21,76,483</b>	<b>10,13,02,95,623</b>

**Notes:**

Sales are net of discount and rebates amounting to ₹ 74,42,85,348 (March 31, 2016: ₹ 73,60,08,131)

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	2016-17	2015-16
<b>Details of product sold</b>		
<b>Finished Goods Sold</b>		
Hosiery Goods	10,53,96,62,390	9,84,33,41,121
<b>Semi Finished Goods Sold</b>		
Processed Yarn	1,15,315	71,925
Processed Fabric	3,33,55,352	2,93,99,542
	<b>3,34,70,667</b>	<b>2,94,71,467</b>
<b>Details of Services Rendered</b>		
Dyeing, Bleaching & Knitting	21,44,38,139	21,14,92,331
	<b>10,78,75,71,196</b>	<b>10,08,43,04,919</b>

(Amount in ₹)

	2016-17	2015-16
<b>22. Other Income</b>		
<b>Interest Income</b>		
on Bank Deposits	59,49,549	27,45,051
on Receivables	55,21,018	14,16,083
on Loan to a Subsidiary Company	87,20,357	-
Unspent Liabilities written back	36,91,811	2,89,42,590
Net Foreign Exchange Gain	-	38,01,090
Miscellaneous Income	33,07,985	8,43,990
Insurance Claim Received	66,93,069	-
	<b>3,38,83,789</b>	<b>3,77,48,804</b>

(Amount in ₹)

	2016-17	2015-16
<b>23. Cost of Materials Consumed</b>		
Opening Inventory	28,66,37,943	34,22,60,100
Add: Purchases	4,82,73,70,924	4,24,33,96,358
Less: Inventory at the end of the year	31,82,59,648	28,66,37,943
Cost of raw materials consumed	<b>4,79,57,49,219</b>	<b>4,29,90,18,515</b>
<b>Details of Raw Materials Consumed</b>		
Yarn/Than	3,34,96,26,846	2,86,24,28,536
Packing Material, Accessories & Other Material	1,44,61,22,373	1,43,65,89,979
	<b>4,79,57,49,219</b>	<b>4,29,90,18,515</b>

**Notes to the Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

	2016-17	2015-16
<b>24. Increase in Inventories of Finished Goods, Work-in-progress and Stock-in-trade</b>		
<b>Stock at the end of the year</b>		
Finished Goods	1,81,26,64,634	1,74,56,78,340
Work-in-progress	75,39,19,742	96,67,55,897
	<b>2,56,65,84,376</b>	<b>2,71,24,34,237</b>
<b>Stock at the beginning of the year</b>		
Finished Goods	1,74,56,78,340	2,07,48,00,313
Traded Goods	-	99,37,261
Work-in-progress	96,67,55,897	1,18,06,33,093
	<b>2,71,24,34,237</b>	<b>3,26,53,70,667</b>
	<b>14,58,49,861</b>	<b>55,29,36,430</b>

(Amount in ₹)

<b>Details of inventory</b>		
<b>Finished Goods</b>		
Hosiery Goods	1,81,26,64,634	1,74,56,78,340
<b>Work-in-progress</b>		
Hosiery Goods	75,39,19,742	96,67,55,897

(Amount in ₹)

	2016-17	2015-16
<b>25. Employee Benefits Expenses</b>		
Salaries, Wages and Bonus*	33,23,77,138	28,67,16,975
Contribution to Provident and Other Funds	53,60,792	35,68,424
Gratuity	1,06,03,558	27,30,306
Staff Welfare Expenses	20,95,378	23,41,114
	<b>35,04,36,866</b>	<b>29,53,56,819</b>

\*Includes Commission to Key Management Personnel: ₹ 1,00,00,000/- (March 31, 2016: Nil)

(Amount in ₹)

	2016-17	2015-16
<b>26. Finance Cost</b>		
Interest Expense	9,93,52,086	18,08,35,947
[Net of Interest Rebate Subsidy from Technology Upgradation Fund Scheme: ₹ 1,09,38,621 (March 31, 2016: ₹ 18,10,503)]		
Bank Charges	58,40,933	67,53,308
	<b>10,51,93,019</b>	<b>18,75,89,255</b>

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	2016-17	2015-16
<b>27. Depreciation &amp; Amortisation Expense</b>		
Depreciation of Tangible Assets	14,66,70,621	14,95,89,939
Amortisation of Intangible Assets	38,16,415	21,13,113
	<b>15,04,87,036</b>	<b>15,17,03,052</b>

(Amount in ₹)

	2016-17	2015-16
<b>28. Other Expenses</b>		
Consumption of Stores and Spares	66,59,464	65,10,649
Sub-contracting/ Job Worker Expenses	2,23,87,79,233	1,95,74,48,076
Power & Fuel	12,36,73,977	11,00,17,313
Freight Outwards and Forwarding Expenses	13,76,84,128	13,36,56,449
Rent	2,77,45,715	2,52,32,766
Rates and Taxes	65,50,840	1,32,48,744
Insurance	98,87,470	83,41,807
Repairs and Maintenance:		
- Plant and Machinery	1,74,52,355	1,63,74,699
- Building	66,02,230	25,49,829
- Others	2,09,22,317	1,68,60,344
Advertising	79,77,78,164	79,61,79,619
Dealer's Incentive & Sales Promotion	25,38,17,244	17,61,96,546
Business Convention	3,81,16,838	4,10,65,399
Brokerage	13,89,87,525	13,69,24,226
Travelling and Conveyance	6,69,19,292	6,43,88,462
Communication Costs	1,30,18,665	1,29,46,572
Legal and Professional Fees	3,40,19,555	2,76,73,084
Directors' Sitting Fees	35,61,050	35,37,922
Payment to Auditor (Refer Note below)	28,52,185	28,22,103
Intangible Assets under Development Written off	2,31,55,565	-
Bad Debts/ Advances & Claims written off	6,57,55,023	1,43,16,021
Provision for Doubtful Trade Receivables	-	20,56,699
Loss on Sale of Fixed Assets (Net)	45,966	14,60,967
Net Foreign Exchange Loss	5,82,564	-
Royalty on Sales	7,49,543	6,84,253
Contribution for CSR Activities	2,10,13,258	2,27,37,999
Miscellaneous Expenses	8,35,14,659	7,65,36,847
	<b>4,13,98,44,825</b>	<b>3,66,97,67,395</b>

**Notes to the Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

**Note**

	2016-17	2015-16
<b>Payment to Auditor</b>		
<b>As Statutory Auditor</b>		
- For Audit Fees	13,00,000	10,00,000
- For Limited Reviews	9,50,000	9,00,000
- For Certification	55,000	50,000
- For Others	50,000	-
Out of Pocket Expenses	1,34,337	15,549
Service Tax	3,62,848	2,84,054
<b>As Branch Auditor</b>		
- For Audit Fees	-	4,00,000
- For Limited Reviews	-	1,00,000
- For Certification	-	-
- For Others	-	-
Out of Pocket Expenses	-	-
Service tax	-	72,500
	<b>28,52,185</b>	<b>28,22,103</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>29. Capital and Other Commitments</b>		
Estimated amount of contracts remaining to be executed and not provided for (Net of Advances)	59,05,416	2,26,95,376

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>30. Contingent Liabilities</b>		
a) Demands/ claims by various government authorities and others not acknowledged as debts and contested by the government		
Income Tax matters	29,89,200	14,80,370
Sales Tax matters	1,60,22,825	55,66,298
	<b>1,90,12,025</b>	<b>70,46,668</b>
b) Bank Guarantees Outstanding	2,20,30,000	2,40,67,000
c) During the year 2013-14, the Company had challenged, before the Hon'ble 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. Accordingly, the liability of ₹ 4,08,74,519 (March 31, 2016: ₹ 3,24,14,820) has not been provided for.	4,08,74,519	3,24,14,820

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>31. 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	-	-
Interest due on above	-	-
Total	-	-
Amount of interest paid by the Company to the suppliers in terms of Section 16 of the MSMED Act, 2006, along with 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	-	-
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	-	-

\*As per information available with the Company, there are no suppliers covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provision/ payment have been made by the Company to such creditors, if any.

### 32. 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:

(Amount in ₹)

	2016-17	2015-16
<b>Statement of Profit and Loss</b>		
<b>Net employee benefit expense recognized in employee costs</b>		
Current service cost	47,80,131	30,44,158
Past service cost	55,89,085	-
Interest cost on defined benefit obligation	18,79,539	14,10,539
Expected return on plan assets	(13,60,659)	(12,92,678)
Net actuarial (gain) / loss recognized in the year	(2,84,538)	(4,31,713)
<b>Net benefit expense</b>	<b>1,06,03,558</b>	<b>27,30,306</b>
Actual return on plan assets	15,06,102	14,15,173



**Notes to the Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>Balance Sheet</b>		
<b>Net Defined Benefit liability / (asset)</b>		
Present value of defined benefit obligation	3,06,42,384	1,94,78,667
Fair value of plan assets	1,94,70,675	1,68,13,561
<b>Net Defined Benefit liability / (asset)</b>	<b>1,11,71,709</b>	<b>26,65,106</b>
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	1,94,78,667	1,56,88,456
Current service cost	47,80,131	30,44,158
Past service cost	55,89,085	-
Interest cost	18,79,539	14,10,539
Benefits paid	(9,45,943)	(3,55,268)
Actuarial (gains)/ losses on obligation	(1,39,095)	(3,09,218)
<b>Closing Defined Benefit obligation</b>	<b>3,06,42,384</b>	<b>1,94,78,667</b>
<b>Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	1,68,13,561	1,55,03,398
Expected return	13,60,659	12,92,678
Contributions by employer	20,96,955	2,50,258
Benefits paid	(9,45,943)	(3,55,268)
Actuarial gains/ (losses) on plan assets	1,45,443	1,22,495
<b>Closing fair value of plan assets</b>	<b>1,94,70,675</b>	<b>1,68,13,561</b>

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2017	As at March 31, 2016
Investments with insurer	100%	100%

The principal assumptions are shown below:

	As at March 31, 2017	As at March 31, 2016
Discount rate	7.50%	8.00%
Salary Growth rate	6.00%	5.00%
Expected rate of return on assets	7.50%	8.00%
Withdrawal Rates (Varying between per annum depending upon the duration and age of the employees)	1% - 8%	1% - 8%

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

Amounts for the current and previous four years are as follows:

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined benefit obligation	3,06,42,384	1,94,78,667	1,56,88,456	1,26,66,499	98,53,957
Plan assets	1,94,70,675	1,68,13,561	1,55,03,398	1,32,20,297	1,16,07,772
Surplus/ (deficit)	(1,11,71,709)	(26,65,106)	(1,85,058)	5,53,798	17,53,815
Experience (gain)/ loss adjustments on plan liabilities	42,90,049	-	4,24,115	1,97,029	-
Experience gain/ (loss) adjustments on plan assets	1,45,443	1,22,495	(19,076)	(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.

### Defined Contribution Plan

The Company has recognised the following amount as an expense and included under, "Contribution to Provident & Other Funds":

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
Contribution to Provident/ Pension Funds	53,60,792	35,68,424

### 33. 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 sub-leases. The leases are cancellable.

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
Lease payments made for the year	2,77,45,715	2,52,32,766

(Amount in ₹)

	2016-17	2015-16
<b>34. Earnings Per Share</b>		
Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	77,10,77,959	77,95,37,149
Weighted average number of Equity Shares (in number) (b)	7,95,24,560	7,95,24,560
Basic & Diluted Earnings Per Share (a/b) (Nominal Value: ₹ 1 per share)	9.70	9.80

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

### 35. Segment Reporting

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:

(Amount in ₹)

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	India	Overseas	Total	India	Overseas	Total
Revenue from Operations	10,62,19,75,093	22,02,01,390	10,84,21,76,483	9,95,30,26,707	17,72,68,916	10,13,02,95,623
<b>Carrying amount</b>						
Segment assets	7,02,73,23,397	5,56,91,289	7,08,30,14,686	6,73,10,83,549	4,20,42,443	6,77,31,25,992
<b>Additions</b>						
Tangible assets	16,04,76,750	-	16,04,76,750	34,24,13,636	-	34,24,13,636
Intangible assets	2,69,86,806	-	2,69,86,806	83,54,284	-	83,54,284

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>36. Unhedged Foreign Currency Exposure</b>		
a) Particulars of unhedged foreign currency exposure as on the Balance Sheet date, are as follows:		
Trade Receivable	3,15,53,029	3,89,52,182
EEFC Bank Account	2,41,38,260	30,90,261

### 37. Related Party Disclosure

**Names of related parties and related party relationship**

**Related parties where control exists**

<b>Subsidiary Companies</b>	Euro Fashion Inners International Pvt. Ltd.
	Imoogi Fashions Pvt. Ltd.
	Oban Fashions Pvt Ltd (w.e.f. December 29, 2015)

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

<b>Key Management Personnel</b>	Mr. Prahlad Rai Agarwala	Chairman
	Mr. Ghanshyam Prasad Agarwala	Vice-Chairman
	Mr. Kunj Bihari Agarwal	Managing Director
	Mr. Ramesh Agarwal	Whole-time Director-cum-Chief Financial Officer (Chief Financial Officer, w.e.f. February 10, 2017)
	Mr. Mukesh Agarwal	Whole-time Director
	Mr. Arihant Kumar Baid	Whole-time Director (w.e.f. November 5, 2015)
	Mr. Neeraj Sureka	Chief Financial Officer (Up to November 17, 2016)
	Mr. Sudip Chatterjee	Company Secretary (Up to December 21, 2015)
	Mr. Kundan Kumar Jha	Company Secretary (w.e.f. May 30, 2016)

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

<b>Relatives of Key Management Personnel</b>	Mr. Suresh Agarwal	Son of Mr. Prahlad Rai Agarwala
	Mr. Manish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Ravi Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Vikash Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Rajnish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Siddhant Agarwal	Grandson of Mr. Prahlad Rai Agarwala
	Mrs. Rekha Patodia	Daughter of Mr. Prahlad Rai Agarwala
	Mrs. Shanti Devi Agarwal	Wife of Mr. Prahlad Rai Agarwala
	Mrs. Puspa Devi Agarwal	Wife of Mr. Ghanshyam Prasad Agarwala
	Mrs. Lalita Devi Agarwal	Wife of Mr. Kunj Bihari Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Ramesh Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Mukesh Agarwal
	Mrs. Sarita Patwari	Daughter of Mr. Ghanshyam Prasad Agarwala
<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>	Salasar Projects and Estates Pvt. Ltd.	
	Sidhant Flats & Apartments Pvt Ltd.	
	Salasar Infrastructure Ltd.	
	Sobhasaria Properties Pvt 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.	
	Prahlad Rai Suresh Kumar - HUF	
	Suresh Kumar Agarwal - HUF	
	Mukesh Kumar Agarwal - HUF	
	Ghanshyam Prasad Manish Kumar - HUF	
	K B & Sons - HUF	
	Ravi Agarwal - HUF	
	Binod Hosiery	
	Rajnish Enterprises Ltd.	
	Purvanchal Leasing Ltd.	
	Sidhant Credit Capital Ltd.	
	Rupa Dyeing & Printing Pvt Ltd	
<b>Private companies in which directors or relatives are director or members</b>	Tushar Knitting Pvt. Ltd.	
	Salasar Processors Pvt. Ltd.	
	Bajrangbali Textiles Pvt. Ltd.	
	Metro Towers Office Owners Association	

### Related party transactions

(Amount in ₹)

Particulars	Party	Nature of relationship	2016-17	2015-16
Rent	Mr. Prahlad Rai Agarwala	Key Management Personnel	2,82,000	2,82,000
	Mr. Ghanshyam Prasad Agarwala		1,14,000	1,14,000
	Mr. Kunj Bihari Agarwal		48,000	48,000
	Mr. Mukesh Agarwal		1,08,000	1,08,000

**Notes to the Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

	Mr. Manish Agarwal	Relatives of Key Management Personnel	-	18,000
	Mr. Rajnish Agarwal		-	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	1,08,000	1,08,000
	Rupa Spinners Ltd.		1,08,000	1,08,000
	Salasar Developers & Garments Pvt Ltd.		1,08,000	1,08,000
	Bajrangbali Projects Ltd.		1,08,000	1,08,000
	Sidhant Textiles Pvt Ltd.		1,14,000	1,14,000
	Ganesh Enclave Ltd.		1,08,000	1,08,000
	Ravi Global Pvt Ltd.		1,14,000	1,14,000
	Kadambari Impex & Agency Pvt Ltd.		1,14,000	1,14,000
	Sobhasaria Properties Pvt Ltd		1,44,000	1,20,000
	Others		96,000	96,000

Particulars	Party	Nature of relationship	2016-17	2015-16
Salary & Perquisites	Mr. Prahlad Rai Agarwala#	Key Management Personnel	1,87,00,000	84,00,000
	Mr. Ghanshyam Prasad Agarwala		81,00,000	78,00,000
	Mr. Kunj Bihari Agarwal		81,00,000	78,00,000
	Mr. Ramesh Agarwal		63,00,000	48,00,000
	Mr. Mukesh Agarwal		63,00,000	48,00,000
	Mr. Arihant Kumar Baid		16,83,226	5,48,722
	Mr. Neeraj Sureka		31,92,911	38,65,388
	Mr. Sudip Chatterjee		-	9,75,728
	Mr. Kundan Kumar Jha		16,14,251	-
	Mr. Manish Agarwal		51,00,000	48,00,000
	Mr. Ravi Agarwal		51,00,000	48,00,000
	Mr. Vikash Agarwal		51,00,000	48,00,000
	Mr. Rajnish Agarwal		51,00,000	48,00,000
	Mr. Suresh Agarwal		30,00,000	30,00,000
Sales	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	1,10,92,589	53,38,642
	Oban Fashions Pvt Ltd		87,20,357	-
	Euro Fashion Inners International Pvt. Ltd.		7,49,543	6,84,253
Purchases	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	14,05,94,850	33,09,51,857
Sub-contracting Expenses	Rupa Dyeing & Printing Pvt Ltd.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	10,81,92,399	7,63,99,716
	Tushar Knitting Pvt. Ltd.	Private companies in which directors or relatives are director or members.	33,08,764	35,49,384
	Salasar Processors Pvt. Ltd.		4,57,26,291	4,66,24,055
	Bajrangbali Textiles Pvt. Ltd.		29,51,005	21,59,522
Miscellaneous Expenses	Metro Towers Office Owners Association		54,54,068	47,55,686

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

Particulars	Party	Nature of relationship	2016-17	2015-16
Non-Current Investments made during the year	Oban Fashions Pvt Ltd	Subsidiary Company	4,00,00,000	1,00,000
Non-Current Investments purchased during the year	Euro Fashion Inners International Pvt. Ltd.	Subsidiary Company	3,000	-
Purchase of Land during the year*	Euro Fashion Inners International Pvt. Ltd.	Subsidiary Company	1,14,00,000	-
Dividend Paid	Mr. Prahlad Rai Agarwala	Key Management Personnel	-	1,62,30,995
	Mr. Ghanshyam Prasad Agarwala		-	68,25,005
	Mr. Kunj Bihari Agarwal		-	66,05,940
	Others		-	98,38,290
	Mr. Vikash Agarwal	Relatives of Key Management Personnel	-	96,54,920
	Mr. Ravi Agarwal		-	95,84,465
	Mr. Rajnish Agarwal		-	68,38,535
	Mr. Manish Agarwal		-	67,79,025
	Mr. Suresh Agarwal	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	-	58,66,135
	Others		-	1,46,45,785
	Rajnish Enterprises Ltd.		-	8,70,16,545
	Purvanchal Leasing Ltd.		-	3,19,42,185
	Binod Hosiery		-	9,93,85,000
	Sidhant Credit Capital Ltd.		-	93,06,110
	Others		-	72,06,210

#Includes Commission of ₹ 1,00,00,000/- (March 31, 2016: Nil)

\*Shown under Capital Advance pending registration

### Balance at end of the year

Particulars	Party	Nature of relationship	2016-17	2015-16
Trade Payables and Other Liabilities (Payable to Employees)	Mr. Prahlad Rai Agarwala	Key Management Personnel	1,37,35,602	4,10,390
	Mr. Ghanshyam Prasad Agarwala		22,09,860	21,54,329
	Mr. Kunj Bihari Agarwal		12,83,514	37,15,355
	Mr. Ramesh Agarwal		1,42,585	37,05,674
	Mr. Mukesh Agarwal		24,47,140	50,78,952
	Mr. Arihant Kumar Baid		1,54,731	1,05,004
	Mr. Neeraj Sureka		-	3,16,024
	Mr. Kundan Kumar Jha		1,11,540	-
	Mr. Manish Agarwal	Relatives of Key Management Personnel	18,08,028	74,11,527
	Mr. Rajnish Agarwal		4,84,263	34,14,270
	Mr. Ravi Agarwal		16,83,813	14,23,907
	Mr. Vikash Agarwal		6,31,569	10,40,195
	Mr. Suresh Agarwal		4,89,720	92,188
	Mr. Siddhant Agarwal		6,41,567	7,98,822
	Mrs. Rekha Patodia		2,20,534	2,37,220
	Mrs. Puspa Devi Agarwal		18,000	18,000



**Notes to the Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

Particulars	Party	Nature of relationship	2016-17	2015-16
Trade Payables	Euro Fashion Inners International Pvt. Ltd.	Subsidiary Company	-	9,04,723
	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	1,49,99,594	1,85,10,676
	Salasar Infrastructure Ltd.		1,08,000	1,08,000
	Rupa Spinners Ltd.		1,08,000	1,08,000
	Salasar Developers & Garments Pvt Ltd.		1,08,000	1,08,000
	Bajrangbali Projects Ltd.		1,08,000	1,08,000
	Sidhant Textiles Pvt Ltd.		1,14,000	1,14,000
	Ganesh Enclave Ltd.		1,08,000	1,08,000
	Ravi Global Pvt Ltd.		1,14,000	1,14,000
	Kadambari Impex & Agency Pvt Ltd.		1,14,000	1,14,000
	Sobhasaria Properties Pvt Ltd		1,44,000	1,20,000
	Others		96,000	96,000
	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members	39,39,327	70,54,036
	Bajrangbali Textiles Pvt. Ltd.		33,08,870	26,57,865
	Tushar Knitting Pvt. Ltd.		68,07,834	-
	Metro Towers Office Owners Association		1,88,166	4,02,342
Advance Recoverable in cash or in kind	Tushar Knitting Pvt. Ltd.	Private companies in which directors or relatives are director or members	-	2,22,281
	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	1,11,47,889	1,42,12,020
	Euro Fashion Inners International Pvt. Ltd.		4,09,230	-
	Oban Fashions Pvt Ltd		-	17,89,927
Long Term Loans & Advances - Loan	Oban Fashions Pvt Ltd	Subsidiary Company	13,32,97,575	-
Long Term Loans & Advances - Security Deposits	Salasar Projects and Estates Pvt. Ltd.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	26,00,000	26,00,000
	Sidhant Flats & Apartments Pvt Ltd.		26,40,001	26,40,001
	Bajrangbali Projects Ltd.		3,00,000	3,00,000
	Ganesh Enclave Ltd.		3,00,000	3,00,000
	Rupa Spinners Ltd.		3,00,000	3,00,000
	Salasar Infrastructure Ltd.		3,00,000	3,00,000
	Salasar Developers & Garments Pvt Ltd.		3,00,000	3,00,000
Guarantees taken*	Mr. Prahlad Rai Agarwala	Key Management Personnel	55,55,555	2,77,00,000
	Mr. Ghanshyam Prasad Agarwala		55,55,555	2,77,00,000
	Mr. Kunj Bihari Agarwal		55,55,555	2,77,00,000

**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.

\*Guarantees given in aggregate by all the Directors

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	2016-17		2015-16	
	Consumption %	Value	Consumption %	Value
<b>38. Imported and indigenous Raw Material and Stores &amp; Spares consumed</b>				
<b>Raw Materials</b>				
Indigenous	100%	4,79,57,49,219	100%	4,29,90,18,515
	100%	4,79,57,49,219	100%	4,29,90,18,515
<b>Stores and Spares</b>				
Indigenous	100%	66,59,464	100%	65,10,649
	100%	66,59,464	100%	65,10,649

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

(Amount in ₹)

	2016-17	2015-16
<b>39. CIF Value of Imports</b>		
Capital Goods	16,85,329	3,22,89,096

(Amount in ₹)

	2016-17	2015-16
<b>40. Expenditure in Foreign Currency (On Accrual Basis)</b>		
Finance Charges	7,06,224	5,36,571
Professional Fee	76,192	1,16,352
Advertisement	34,11,736	15,74,731

(Amount in ₹)

	2016-17	2015-16
<b>41. Earnings in Foreign Currency (On Accrual Basis)</b>		
Exports (FOB value)	22,02,01,390	17,72,68,916

**42. Information pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**  
Loan & Advances (in nature of loan) to subsidiary Company are as under:

(Amount in ₹)

	Balance as at March 31, 2017	Balance as at March 31, 2016	Maximum Balance outstanding during the year ended March 31, 2017	Maximum Balance outstanding during the year ended March 31, 2016
Oban Fashions Pvt Ltd	13,32,97,575	-	13,32,97,575	-

## Notes to the Financial Statement

as at and for the year ended March 31, 2017

43. Disclosures of Corporate Social Responsibility expenditure in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities":

(Amount in ₹)

Particulars	2016-17	2015-16
Amount of CSR Expenditure to be incurred during the year	2,06,58,803	1,91,89,355
CSR Expenditure incurred during the year	2,10,13,258	2,27,37,999

(Amount in ₹)

44. Disclosure on holding and dealings of Specified Bank Notes during Demonetization is shown in the table below:

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016 (₹)	53,32,000	4,18,176	57,50,176
Permitted receipts (₹)	1,93,000	41,95,158	43,88,158
Amount Withdrawn from Bank (₹)	-	49,29,000	49,29,000
Permitted payments (₹)	-	(83,11,099)	(83,11,099)
Amount deposited in Banks (₹)	(55,25,000)	-	(55,25,000)
Closing cash in hand as on December 30, 2016 (₹)			12,31,235

45. The figures for previous year were audited by a firm of Chartered Accountant other than Singhi & Co. Previous years figures have been regrouped / reclassified wherever necessary, to confirm to the current year's classifications.

As per our report of even date  
For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E  
Sd/-  
**Aditya Singhi**  
Partner  
Membership No. 305161  
Place: Kolkata  
Date: May 26, 2017

### For and on behalf of the Board of Directors

Sd/-  
**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Sd/-  
**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

Sd/-  
**Mukesh Agarwal**  
Whole-time Director  
DIN: 02415004

Sd/-  
**Ramesh Agarwal**  
Whole-time Director-cum-  
Chief Financial Officer  
DIN: 00230702

Sd/-  
**Kundan Kumar Jha**  
Company Secretary  
Membership No. ACS17612

## Independent Auditor's Report

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

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Rupa & Company Limited** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit & Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) 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 the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Holding Company and of its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of three (3) subsidiaries, whose financial statements reflect total assets of ₹ 27,05,61,879 as at March 31, 2017, total revenues of ₹ 10,79,08,511 and net cash flows amounting to ₹ 56,107 for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the

## Independent Auditor's Report

Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, to the extent applicable, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Holding Company and its subsidiary companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 14 & 30 to the Consolidated Financial Statements;
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies;
    - iv. The Group has provided requisite disclosures in the financial statements as regards to its holding and dealings in Specified Bank Notes [as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance] during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India – Refer Note 40 to the Consolidated Financial Statements.

For **Singhi & Co.**

Chartered Accountants

Firm's Registration No. 302049E

Sd/-

**Aditya Singhi**

Partner

Membership No. 305161

Place: Kolkata

Date: May 26, 2017

## Annexure A to the Independent Auditor's Report

The Annexure referred to in paragraph 1(f) under the heading “Report on Other Legal and Regulatory Requirements” of our Independent Auditors’ Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of Section 143 of the Act of Rupa & Company Limited for the year ended March 31, 2017, we report that:

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Holding Company. Based on the comments made by the Independent Auditors of the Subsidiaries incorporated in India (covered entities) with respect to the internal financial controls over financial reporting as required in terms of sub-section (3)(i) of Section 143 of the Act, we report as under:

### Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and the covered entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention



## Annexure A to the Independent Auditor's Report

or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and based on the report issued by auditors of the subsidiary companies, the Holding Company and the covered entities has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three (3) subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E

Sd/-

**Aditya Singhi**

Partner

Membership No. 305161

Place: Kolkata  
Date: May 26, 2017

## Consolidated Balance Sheet

as at March 31, 2017

(Amount in ₹)

	Notes	As at March 31, 2017	As at March 31, 2016
<b>Equity &amp; Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	7,96,29,060	7,96,29,060
Reserves & Surplus	4	4,31,71,38,144	3,59,46,38,752
		<b>4,39,67,67,204</b>	<b>3,67,42,67,812</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	77,77,707	4,28,88,824
Deferred Tax Liabilities (Net)	6	14,52,18,187	14,94,41,902
		<b>15,29,95,894</b>	<b>19,23,30,726</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	79,59,66,749	1,38,79,70,943
Trade Payables	8		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than to micro and small enterprises		1,00,43,49,064	87,08,02,103
Other Current Liabilities	9	67,44,33,479	63,67,74,650
Short Term Provisions	10	10,23,15,650	5,15,13,762
		<b>2,57,70,64,942</b>	<b>2,94,70,61,458</b>
		<b>7,12,68,28,040</b>	<b>6,81,36,59,996</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	1,56,94,21,585	1,55,02,34,519
Intangible Assets	12	12,33,88,503	93,60,878
Capital Work-in-progress		-	6,46,75,130
Intangible Assets under Development		-	2,31,55,565
Non-Current Investments	13	1,18,000	1,18,000
Long Term Loans & Advances	14	15,61,83,328	19,59,54,137
Other Non-Current Assets	15	16,96,692	15,01,328
		<b>1,85,08,08,108</b>	<b>1,84,49,99,557</b>
<b>Current Assets</b>			
Inventories	16	2,94,88,22,722	3,02,03,78,840
Trade Receivables	17	2,07,61,78,001	1,72,46,50,453
Cash & Bank Balances	18	13,20,89,862	9,22,70,568
Short Term Loans & Advances	19	9,00,23,882	7,06,29,432
Other Current Assets	20	2,89,05,465	6,07,31,147
		<b>5,27,60,19,932</b>	<b>4,96,86,60,440</b>
		<b>7,12,68,28,040</b>	<b>6,81,36,59,996</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 **Singhi & Co.**

Chartered Accountants

Firm's Registration No. 302049E

Sd/-

**Aditya Singhi**

Partner

Membership No. 305161

Place: Kolkata

Date: May 26, 2017

For and on behalf of the Board of Directors

Sd/-

**Prahlad Rai Agarwala**

Chairman

DIN: 00847452

Sd/-

**Ramesh Agarwal**

Whole-time Director-cum-

Chief Financial Officer

DIN: 00230702

Sd/-

**Kunj Bihari Agarwal**

Managing Director

DIN: 00224857

Sd/-

**Mukesh Agarwal**

Whole-time Director

DIN: 02415004

Sd/-

**Kundan Kumar Jha**

Company Secretary

Membership No. ACS17612

## Statement of Consolidated Profit & Loss

for the year ended March 31, 2017

(Amount in ₹)

	Notes	2016-17	2015-16
<b>Revenue</b>			
Revenue from Operations	21	10,92,75,48,937	10,14,83,39,040
Other Income	22	2,53,89,860	3,77,95,691
<b>Total Revenue</b>		<b>10,95,29,38,797</b>	<b>10,18,61,34,731</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	4,79,12,92,602	4,29,96,50,265
Purchases of Traded Goods	24	8,37,44,350	-
(Increase)/ Decrease in Inventories of Finished Goods, Work-in-progress and Traded Goods	25	10,17,51,802	55,53,70,835
Employee Benefits Expense	26	38,22,05,783	29,68,34,708
Finance Cost	27	10,56,59,372	18,78,11,466
Depreciation & Amortisation Expense	28	16,20,77,990	15,23,98,852
Other Expenses	29	4,18,00,10,223	3,67,55,69,950
<b>Total Expenses</b>		<b>9,80,67,42,122</b>	<b>9,16,76,36,076</b>
<b>Profit before Tax</b>		<b>1,14,61,96,675</b>	<b>1,01,84,98,655</b>
Tax Expense			
Current Tax [Including: Nil (March 31, 2016: ₹ 8,90,379) for earlier years) and after adjustment of refund of income tax for earlier years: Nil (March 31, 2016: ₹ 28,24,875)]		42,79,21,000	36,30,65,504
Deferred Tax		(42,23,717)	(38,45,697)
<b>Profit for the year</b>		<b>72,24,99,392</b>	<b>65,92,78,848</b>
<b>Earning per Equity Share - Basic and Diluted</b> (Nominal value per equity share ₹ 1)	35	9.09	8.29
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 **Singhi & Co.**

Chartered Accountants

Firm's Registration No. 302049E

Sd/-

**Aditya Singhi**

Partner

Membership No. 305161

Place: Kolkata

Date: May 26, 2017

For and on behalf of the Board of Directors

Sd/-

**Prahlad Rai Agarwala**

Chairman

DIN: 00847452

Sd/-

**Ramesh Agarwal**

Whole-time Director-cum-

Chief Financial Officer

DIN: 00230702

Sd/-

**Kunj Bihari Agarwal**

Managing Director

DIN: 00224857

Sd/-

**Mukesh Agarwal**

Whole-time Director

DIN: 02415004

Sd/-

**Kundan Kumar Jha**

Company Secretary

Membership No. ACS17612

## Consolidated Cash Flow Statement

for the year ended March 31, 2017

(Amount in ₹)

	2016-17	2015-16
<b>A. Cash Flow arising from Operating Activities</b>		
Profit before Tax	1,14,61,96,675	1,01,84,98,655
Adjustment to reconcile Profit before Tax to Net Cash Flows		
(a) Depreciation and Amortisation	16,20,77,990	15,23,98,852
(b) Finance Cost	10,56,59,372	18,78,11,466
(c) Loss on disposal of Fixed Assets (Net)	45,966	14,60,967
(d) Bad Debts/ Advances & Claims written off	6,57,82,142	1,43,16,021
(e) Provision for Doubtful Receivables	-	20,56,699
(f) Intangibles under Development written off	2,31,55,565	-
(g) Unspent Liabilities written back	(36,91,811)	(2,89,89,477)
(h) Interest Income	(1,16,91,173)	(41,61,134)
<b>Operating Profit before Working Capital Changes</b>	<b>1,48,75,34,726</b>	<b>1,34,33,92,049</b>
Changes in Working Capital		
(a) Increase/ (Decrease) in Trade Payables	13,35,46,961	(6,18,71,012)
(b) Increase in Other Current Liabilities	6,77,32,606	1,58,19,767
(c) Increase in Short Term Provisions	89,65,894	24,80,048
(d) (Increase)/ Decrease in Short Term Loans & Advances	(1,93,94,450)	2,04,40,379
(e) Increase/ (Decrease) in Long Term Loans & Advances	3,52,942	36,27,086
(f) Decrease in Inventories	7,15,56,117	61,07,26,616
(g) (Increase)/ Decrease in Trade Receivables	(37,53,60,725)	9,24,90,693
(h) (Increase)/ Decrease in Other Current Assets	(1,01,23,283)	2,11,68,920
<b>Cash Generated from Operations</b>	<b>1,36,48,10,788</b>	<b>2,04,82,74,546</b>
Less : (a) Direct Taxes Paid	(38,93,80,143)	(39,94,44,689)
<b>Net Cash from Operating Activities</b>	<b>97,54,30,645</b>	<b>1,64,88,29,857</b>
<b>B. Cash Flow arising from Investing Activities</b>		
(a) Sale of Fixed Assets	10,74,788	25,85,000
(b) Interest Received	1,16,91,173	41,61,134
(c) Purchase of Fixed Assets	(19,85,70,664)	(27,96,18,817)
(d) Investment/ (Redemption) of Fixed Deposits (Net)	(10,74,748)	12,42,323
<b>Net Cash used in Investing Activities</b>	<b>(18,68,79,451)</b>	<b>(27,16,30,360)</b>

**Consolidated Cash Flow Statement**

for the year ended March 31, 2017

(Amount in ₹)

	2016-17	2015-16
<b>C. Cash Flow arising from Financing Activities</b>		
(a) Dividend (including Interim Dividend) and Tax paid thereon	-	(52,65,00,488)
(b) Finance Cost	(10,58,29,312)	(18,96,20,568)
(c) Proceed from Long Term Borrowings	-	1,93,65,344
(d) Repayment of Long Term Borrowings	(5,17,77,778)	(4,47,77,778)
(e) Proceed/ (Repayment) of Short Term Borrowings (Net)	(59,20,04,194)	(61,33,64,528)
<b>Net Cash used in Financing Activities</b>	<b>(74,96,11,284)</b>	<b>(1,35,48,98,018)</b>
<b>Net increase in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>3,89,39,910</b>	<b>2,23,01,479</b>
Cash & Cash Equivalents at the beginning of the year <sup>#</sup>	7,75,99,331	5,52,97,852
<b>Cash &amp; Cash Equivalents at the end of the year<sup>#</sup></b>	<b>11,65,39,241</b>	<b>7,75,99,331</b>

<sup>#</sup>As disclosed in Note 18 and includes ₹ 13,00,708 (March 31, 2016: ₹ 9,45,465) lying in Unclaimed Dividend Account, which is not available for use by the Company.

**Notes:**

- (1) Closing Cash and Cash Equivalents represent balances of cash and cash equivalents as indicated in Note 19 to the Financial Statement.
- (2) The above Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statement as prescribed under the Act.
- (3) Previous years figures have been regrouped / reclassified, wherever necessary.

As per our report of even date  
For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E  
Sd/-  
**Aditya Singhi**  
Partner  
Membership No. 305161  
Place: Kolkata  
Date: May 26, 2017

**For and on behalf of the Board of Directors**

Sd/-  
**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Sd/-  
**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

Sd/-  
**Mukesh Agarwal**  
Whole-time Director  
DIN: 02415004

Sd/-  
**Ramesh Agarwal**  
Whole-time Director-cum-  
Chief Financial Officer  
DIN: 00230702

Sd/-  
**Kundan Kumar Jha**  
Company Secretary  
Membership No. ACS17612

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

### 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 consolidated 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 March 31, 2017	% of Voting power as on March 31, 2016	Country of Incorporation
Euro Fashion Inners International Pvt. Ltd.	100%	100%	India
Imoogi Fashions Pvt. Ltd.	100%	100%	India
Oban 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, 2017

### 2. Summary of Significant Accounting Policies

#### 2.1 Basis of Preparation

The Financial Statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

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. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Subsequent expenditure related to an item of Fixed Asset is added to its book value only if it increases the future



## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

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 on tangible fixed assets is provided under straight line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Group has used the following rates to provide depreciation on its tangible fixed assets:

Class of Assets	Useful lives estimated by the management (Years)
Factory Buildings	30
Non-factory Buildings	60
Plant and Machinery	10 to 15
Computer and Data Processing Equipments	3 to 6
Furnitures and Fixtures	10
Vehicles	8
Office Equipments	5

The management has estimated, supported by independent assessment by professionals, the useful lives of certain Plant and Machinery as 10 years. These lives are lower than those indicated in Schedule II to the Companies Act, 2013.

Leasehold land is amortized on a straight line basis over the period of lease, i.e., 90 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 & Trademarks	10
Business Rights	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

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

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 long-term 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 is determined on specific identification basis except packing materials, accessories and dyes and chemicals which are determined on weighted average 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 (measured in kgs) is determined on specific identification basis and cost of work-in-progress (measured in pieces) 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 arising on the settlement/conversion of monetary items are recognized as income or expenses in the period in which they arise.

#### 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.

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

### 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:** Revenue from sale of goods is recognised upon passage of title to the customers, in accordance with the Sales of Goods Act, 1930. Sales are net of discounts, 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 completed service 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.

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

### 2.11 Retirement and Other Employee Benefits

- (i) **Provident & Pension Fund:** Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the Statement of Profit and Loss of the period when the contributions to the respective funds are due. The Company has no obligation other than contributions to the respective funds. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the selected 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.
- (iii) The leave balances of the employees are only encashable during the year and cannot be accumulated and carried forwarded to next year.

### 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.

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

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, Contingent Liabilities and Contingent Assets

**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.

**Contingent Assets:** A contingent asset is neither provided for nor disclosed.

### 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 is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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 Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>3. Share Capital</b>		
<b>Authorised</b>		
20,00,00,000 (March 31, 2016: 20,00,00,000) Equity Shares of ₹ 1/- each	20,00,00,000	20,00,00,000
<b>Issued</b>		
7,97,33,560 (March 31, 2016: 7,97,33,560) Equity Shares of ₹ 1/- each	7,97,33,560	7,97,33,560
<b>Subscribed and paid-up</b>		
7,95,24,560 (March 31, 2016: 7,95,24,560) Equity Shares of ₹ 1/- each, fully paid-up	7,95,24,560	7,95,24,560
2,09,000 (March 31, 2016: 2,09,000) Forfeited Shares of ₹ 1/- each, ₹ 0.50 per share paid-up	1,04,500	1,04,500
	<b>7,96,29,060</b>	<b>7,96,29,060</b>

a) There is no change in the number of shares in the current year and previous 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2017 the Company has paid an Interim Dividend of Nil per share (March 31, 2016: ₹ 2.75 per share) and proposed Final Dividend of ₹ 2.75 per share (March 31, 2016: Nil per share) subject to approval of members in the ensuing Annual General Meeting.

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

	As at March 31, 2017		As at March 31, 2016	
	No of Shares	%	No of Shares	%
<b>Equity Shares of ₹ 1/- each, fully paid-up</b>				
Prahlad Rai Agarwala*	1,67,63,656	21.08%	1,80,70,000	22.72%
Rajnish Enterprises Limited	1,58,21,190	19.89%	1,58,21,190	19.89%
Karuna Impex Enterprises Limited	-	-	86,50,000	10.88%
MLD Commercial Private Limited	86,50,000	10.88%	-	-
Purvanchal Leasing Limited	58,07,670	7.30%	58,07,670	7.30%

\*Holding shares jointly with Ghanshyam Prasad Agarwala and Kunj Bihari Agarwal, on behalf of a partnership firm.

As per records of the Company, including its register of shareholders/ members as on March 31, 2017, the above shareholding represents legal ownership of shares.

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>4 Reserves &amp; Surplus</b>		
<b>Capital Subsidy</b>		
Balance as per the last Financial Statement	60,75,040	60,75,040
<b>General Reserve</b>		
Balance as per the last Financial Statement	42,31,16,862	42,31,16,862
Add: Transferred from Surplus in Statement of Profit & Loss	-	-
Less:-Adjustment for change in useful life of Fixed Assets (Net of Deferred Taxes)	-	-
<b>Balance as at the end of the year</b>	<b>42,31,16,862</b>	<b>42,31,16,862</b>
<b>Securities Premium Account</b>		
Balance as per the last Financial Statement	68,80,30,890	68,80,30,890
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as per the last Financial Statement	2,47,74,15,960	2,08,13,50,308
Profit for the year	72,24,99,392	65,92,78,848
<b>Less: Appropriations</b>		
Interim Dividend: Nil per share (March 31, 2016: ₹ 2.75 per share)	-	21,86,92,540
Tax on Interim Equity Dividend	-	4,45,20,656
<b>Total Appropriations</b>	<b>-</b>	<b>26,32,13,196</b>
Net Surplus in the Statement of Profit & Loss	3,19,99,15,352	2,47,74,15,960
<b>Total Reserves &amp; Surplus</b>	<b>4,31,71,38,144</b>	<b>3,59,46,38,752</b>

(Amount in ₹)

	Non Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
<b>5. Long Term Borrowings</b>				
<b>Secured Term Loans</b>				
Indian Rupee loans from a Bank	77,77,707	4,28,88,824	3,51,11,111	5,17,77,772
	<b>77,77,707</b>	<b>4,28,88,824</b>	<b>3,51,11,111</b>	<b>5,17,77,772</b>
Less: Amount disclosed under the head "Other Current Liabilities" (Note 9)	-	-	-	(5,17,77,772)
	<b>77,77,707</b>	<b>4,28,88,824</b>	<b>3,51,11,111</b>	<b>-</b>

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, West Bengal. Further, term loan of ₹ 55,55,555 (March 31, 2016: ₹ 2,77,77,778) is also secured by personal guarantee of three Directors of the Company.

Term Loan with a balance of ₹ 55,55,555 (March 31, 2016: ₹ 2,77,77,778) is repayable in 1 quarterly installment of ₹ 55,55,556 by June 14, 2017 and carries interest @ 11.95% per annum (March 31, 2016: 12.00% per annum).



## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

Term Loan with a balance of ₹ 2,33,33,333 (March 31, 2016: ₹ 3,88,88,889) is repayable in 6 equal quarterly installments of ₹ 38,88,889 by September 28, 2018 and carries interest @ 12.30% per annum (March 31, 2016: 12.30% per annum).

Term Loan with a balance of ₹ 1,39,99,930 (March 31, 2016: ₹ 2,79,99,929) is repayable in 4 equal quarterly installments of ₹ 35,00,000 by March 31, 2018 and carries interest @ 11.05% per annum (March 31, 2016: 11.10% per annum).

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>6. Deferred Tax Liabilities</b>		
<b>Deferred Tax Liability</b>		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	15,23,80,854	15,01,54,920
<b>Gross Deferred Tax Liability (A)</b>	<b>15,23,80,854</b>	<b>15,01,54,920</b>
<b>Deferred Tax Asset</b>		
Provision for Doubtful Debts and Advances	7,11,782	7,11,782
Provision for Litigation, Claims and Contingencies	24,41,732	-
Provision for Gratuity	40,08,226	-
Preliminary Expenses Written off	927	1,236
<b>Gross Deferred Tax Asset (B)</b>	<b>71,62,667</b>	<b>7,13,018</b>
<b>Net Deferred Tax Liabilities [(A)-(B)]</b>	<b>14,52,18,187</b>	<b>14,94,41,902</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>7. Short Term Borrowings</b>		
<b>Secured</b>		
<b>From Banks</b>		
Cash Credit	29,59,66,749	48,79,70,943
Commercial Paper	50,00,00,000	-
Working Capital Demand Loans		
Indian Rupee loans	-	90,00,00,000
	<b>79,59,66,749</b>	<b>1,38,79,70,943</b>

Cash Credit including Working Capital Demand Loan & Commercial Paper are secured by hypothecation of inventories, book debts and other current assets of the Company and further secured by second charge of movable and immovable fixed assets of Domjur Unit, West Bengal.

Working Capital Demand Loans has been repaid during the year and carried interest @5.90% to 9.60% p.a. (March 31, 2016: @6.10% to 9.60% p.a.).

Cash Credit are repayable on demand and carries interest @9.00% to 11.50% p.a. (March 31, 2016: @10.40% to 12.50% p.a.).

Commercial Paper is repayable on May 5, 2017 and carries interest @6.75% p.a. (March 31, 2016: Nil).

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>8. Trade Payables</b>		
Total outstanding dues of micro and small enterprises (Refer Note 32)	-	-
Total outstanding dues of creditors other than to micro and small enterprises	1,00,43,49,064	87,08,02,103
	<b>1,00,43,49,064</b>	<b>87,08,02,103</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>9. Other Current Liabilities</b>		
Capital Creditors	55,15,711	1,17,65,939
Current Maturities of Long Term Borrowings (Refer Note 5)	3,51,11,111	5,17,77,772
Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due)	13,00,708	9,45,465
Security Deposits from Customers	28,87,50,099	26,90,48,720
Advances from Customers	14,29,841	18,13,088
Interest Accrued but not due on borrowings	1,25,277	2,95,217
Statutory Dues payable	7,03,64,384	8,09,84,411
Book Overdraft in Current Account	27,35,015	49,54,319
Payable to Employees	5,12,06,428	5,57,03,621
Dealers Incentive payable	20,50,84,309	15,21,63,825
Others	1,28,10,596	73,22,273
	<b>67,44,33,479</b>	<b>63,67,74,650</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>10. Short Term Provisions</b>		
Provision of Income Tax (Net of Advance)	8,36,29,251	4,17,93,257
Provision for Litigation, Claims and Contingencies	70,55,399	70,55,399
Provision for Gratuity (Refer Note 33)	1,16,31,000	26,65,106
Proposed Equity Dividend	-	-
Tax on proposed Equity Dividend	-	-
	<b>10,23,15,650</b>	<b>5,15,13,762</b>

The Company has estimated the provision for pending litigation, claims and demands based on the assessment of probability for these demands being crystallising against the Company in due course.

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

The table below gives information about movement in litigations, claims and contingencies provisions.

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
At the beginning of the year [Refer Note 31(c)]	70,55,399	70,55,399
Add: Arisen during the year	-	-
Less: Utilised/Unused amount reversed during the year	-	-
	<b>70,55,399</b>	<b>70,55,399</b>

(Amount in ₹)

	Land		Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
<b>11. Tangible Assets</b>								
<b>Cost</b>								
As at April 1, 2015	10,73,57,701	2,84,17,068	62,52,89,071	96,44,46,209	6,68,97,587	5,29,68,649	4,82,41,083	1,89,36,17,368
Additions	1,05,70,088	-	22,37,74,761	7,64,02,650	35,34,730	1,97,17,395	84,54,912	34,24,54,536
Disposals	-	-	-	-	-	82,97,304	-	82,97,304
<b>As at March 31, 2016</b>	<b>11,79,27,789</b>	<b>2,84,17,068</b>	<b>84,90,63,832</b>	<b>1,04,08,48,859</b>	<b>7,04,32,317</b>	<b>6,43,88,740</b>	<b>5,66,95,995</b>	<b>2,22,77,74,600</b>
Additions	4,85,18,023	-	7,16,51,471	2,29,64,705	86,93,717	94,06,972	71,90,049	16,84,24,937
Disposals	-	-	-	8,11,452	-	31,81,863	-	39,93,315
<b>As at March 31, 2017</b>	<b>16,64,45,812</b>	<b>2,84,17,068</b>	<b>92,07,15,303</b>	<b>1,06,30,02,112</b>	<b>7,91,26,034</b>	<b>7,06,13,849</b>	<b>6,38,86,044</b>	<b>2,39,22,06,222</b>
<b>Depreciation</b>								
As at April 1, 2015	-	7,57,175	7,77,66,838	36,39,34,664	3,40,70,313	1,89,17,642	3,61,09,172	53,15,55,804
Charge for the year	-	4,93,000	1,53,93,607	11,53,26,975	55,46,261	78,10,351	56,65,419	15,02,35,613
Disposals	-	-	-	-	-	42,51,337	-	42,51,337
<b>As at March 31, 2016</b>	<b>-</b>	<b>12,50,175</b>	<b>9,31,60,445</b>	<b>47,92,61,639</b>	<b>3,96,16,574</b>	<b>2,24,76,656</b>	<b>4,17,74,591</b>	<b>67,75,40,080</b>
Charge for the year	-	3,21,638	1,92,48,837	10,88,73,005	63,82,926	71,26,509	61,64,203	14,81,17,118
Disposals	-	-	-	5,42,069	-	23,30,492	-	28,72,561
<b>As at March 31, 2017</b>	<b>-</b>	<b>15,71,813</b>	<b>11,24,09,282</b>	<b>58,75,92,575</b>	<b>4,59,99,500</b>	<b>2,72,72,673</b>	<b>4,79,38,794</b>	<b>82,27,84,637</b>
<b>Net Block</b>								
<b>As at March 31, 2016</b>	<b>11,79,27,789</b>	<b>2,71,66,893</b>	<b>75,59,03,387</b>	<b>56,15,87,220</b>	<b>3,08,15,743</b>	<b>4,19,12,084</b>	<b>1,49,21,404</b>	<b>1,55,02,34,519</b>
<b>As at March 31, 2017</b>	<b>16,64,45,812</b>	<b>2,68,45,255</b>	<b>80,83,06,021</b>	<b>47,54,09,537</b>	<b>3,31,26,534</b>	<b>4,33,41,176</b>	<b>1,59,47,250</b>	<b>1,56,94,21,585</b>

### Note:

Term Loan from a bank amounting ₹ 4,28,28,818/- is secured by first charge by way of hypothecation of movable fixed assets and mortgage of immovable fixed assets of Domjur Unit, West Bengal. Cash Credit including Working Capital Demand Loan & Commercial Paper amounting ₹ 79,59,66,749/- are secured by second charge of movable and immovable fixed assets of Domjur Unit, West Bengal.

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	Copyrights and Trademarks	Computer Software	Business Rights	Total
<b>12. Intangible Assets</b>				
<b>Cost</b>				
As at April 1, 2015	6,55,00,000	2,91,61,892	-	9,46,61,892
Additions	-	84,06,284	-	84,06,284
<b>As at March 31, 2016</b>	<b>6,55,00,000</b>	<b>3,75,68,176</b>	<b>-</b>	<b>10,30,68,176</b>
Additions	-	2,79,88,497	10,00,00,000	12,79,88,497
<b>As at March 31, 2017</b>	<b>6,55,00,000</b>	<b>6,55,56,673</b>	<b>10,00,00,000</b>	<b>23,10,56,673</b>
<b>Amortisation</b>				
As at April 1, 2015	6,54,00,091	2,61,43,969	-	9,15,44,060
Charge for the year	49,954	21,13,284	-	21,63,238
<b>As at March 31, 2016</b>	<b>6,54,50,045</b>	<b>2,82,57,253</b>	<b>-</b>	<b>9,37,07,298</b>
Charge for the year	49,955	39,10,917	1,00,00,000	1,39,60,872
<b>As at March 31, 2017</b>	<b>6,55,00,000</b>	<b>3,21,68,170</b>	<b>1,00,00,000</b>	<b>10,76,68,170</b>
<b>Net Block</b>				
<b>As at March 31, 2016</b>	<b>49,955</b>	<b>93,10,922</b>	<b>-</b>	<b>93,60,878</b>
<b>As at March 31, 2017</b>	<b>-</b>	<b>3,33,88,503</b>	<b>9,00,00,000</b>	<b>12,33,88,503</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>13. Non-Current Investments (Fully Paid-up) (At Cost)</b>		
<b>Trade Investments</b>		
<b>Unquoted Equity Shares</b>		
<b>Investment in Others</b>		
1,800 (March 31, 2016: 1,800)	18,000	18,000
Equity Shares of ₹ 10 each in West Bengal Hosiery Park Infrastructure Limited		
	<b>18,000</b>	<b>18,000</b>
<b>Non-Trade Investments</b>		
<b>In Mutual Funds (quoted)</b>		
10,000 (March 31, 2016: 10,000)	1,00,000	1,00,000
Mutual Fund Units of ₹ 10 each in HDFC Large Cap Fund		
	<b>1,00,000</b>	<b>1,00,000</b>
	<b>1,18,000</b>	<b>1,18,000</b>
Aggregate amount of quoted investments	1,00,000	1,00,000
Market Value of quoted investments	9,05,300	8,19,600
Aggregate amount of unquoted investments	18,000	18,000

**Notes to the Consolidated Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>14. Long Term Loans and Advances</b>		
<b>(Unsecured, considered good)</b>		
Capital Advances*	13,57,63,922	17,51,81,789
Security Deposits	2,04,19,406	2,07,72,348
	<b>15,61,83,328</b>	<b>19,59,54,137</b>

\*Includes advance amounting to ₹ 4,00,92,000 (March 31, 2016: ₹ 4,00,92,000) given to West Bengal Housing Infrastructure Development Corporation (WB HIDCO) towards offer for allotment of land on a freehold basis. WB HIDCO later decided to allot land on a leasehold basis which the Company has challenged and the matter is sub-judice with the Hon'ble Calcutta High Court.

(Amount in ₹)

<b>Security Deposits includes</b>		
Due from private companies in which director is a director	55,40,001	55,40,001

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>15. Other Non Current Assets</b>		
<b>(Unsecured, considered good)</b>		
Non-Current Bank Balances (Note 18)	16,96,692	15,01,328
	<b>16,96,692</b>	<b>15,01,328</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>16. Inventories</b>		
<b>(At lower of cost and net realisable value)</b>		
Raw Materials & Packing Materials (Refer Note 23)	32,57,34,772	29,55,39,088
Work-in-progress (Refer Note 25)	75,49,99,692	96,78,05,247
Finished Goods (Refer Note 25)	1,82,10,47,089	1,75,70,34,505
Traded Goods (Refer Note 25)	4,70,41,169	-
	<b>2,94,88,22,722</b>	<b>3,02,03,78,840</b>
<b>Note</b>		
The above includes Stock in transit		
Work-in-progress	52,48,280	1,23,21,289
Finished Goods	1,38,03,977	7,64,74,304

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>17. Trade Receivables</b>		
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment		
- Considered Good	4,71,10,982	2,33,45,440
- Considered Doubtful	20,56,699	20,56,699
Less: Provision for Doubtful Receivables	(20,56,699)	(20,56,699)
	<b>4,71,10,982</b>	<b>2,33,45,440</b>
<b>Other Receivables</b>		
- Considered Good	2,02,90,67,019	1,70,13,05,013
	<b>2,07,61,78,001</b>	<b>1,72,46,50,453</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>18. Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand (certified by the management)	17,42,007	14,88,574
<b>Balances with Banks</b>		
On Current Accounts	8,30,07,732	5,39,98,778
On Cash Credit Account	2,03,54,144	2,11,66,514
Unpaid Dividend Account	13,00,708	9,45,465
Deposits with original maturity of less than 3 months	1,01,34,650	-
	<b>11,65,39,241</b>	<b>7,75,99,331</b>
<b>Other Bank Balances*</b>		
Deposits with original maturity of more than 3 months but less than 12 months	1,55,50,621	1,37,51,970
Deposits with original maturity of more than 12 months	16,96,692	24,20,595
	<b>1,72,47,313</b>	<b>1,61,72,565</b>
Less: Amount disclosed under "Other Non-Current Assets" (Note 15)	(16,96,692)	(15,01,328)
	<b>1,55,50,621</b>	<b>1,46,71,237</b>
	<b>13,20,89,862</b>	<b>9,22,70,568</b>

\*Held as lien by Bank against Bank Guarantees

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>19. Short Term Loans &amp; Advances</b>		
<b>(Unsecured, considered good)</b>		
Advances recoverable in cash or kind	7,30,40,384	6,55,97,669
<b>Other Loans and Advances</b>		
Prepaid Expenses	1,69,83,498	50,31,763
	<b>9,00,23,882</b>	<b>7,06,29,432</b>



**Notes to the Consolidated Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>20. Other Current Assets</b>		
<b>(Unsecured, considered good)</b>	2,89,05,465	6,07,31,147
Claims & Refund Receivable	<b>2,89,05,465</b>	<b>6,07,31,147</b>

(Amount in ₹)

	2016-17	2015-16
<b>21. Revenue</b>		
<b>Revenue from Operations</b>		
<b>Sale of products</b>		
Finished Goods	10,63,63,16,395	9,86,62,74,823
Semi Finished Goods	2,21,89,116	2,45,81,182
<b>Sale of Services</b>	21,44,38,139	21,14,92,331
<b>Other Operating Revenue</b>		
Sale of Power	86,64,294	47,03,844
Scrap Sale	1,54,40,920	1,12,25,247
Sales Tax Subsidy	1,40,77,798	1,59,21,509
Export Incentive	1,64,22,275	1,41,40,104
	<b>10,92,75,48,937</b>	<b>10,14,83,39,040</b>

**Notes:**

Sales are net of discount and rebates amounting to ₹ 74,43,77,653 (March 31, 2016: ₹ 73,60,08,131)

	2016-17	2015-16
<b>Details of product sold</b>		
<b>Finished Goods Sold</b>		
Hosiery Goods	10,63,63,16,395	9,86,62,74,823
<b>Semi Finished Goods Sold</b>		
Processed Yarn	1,15,315	71,925
Processed Fabric	2,20,73,801	2,45,09,257
	<b>2,21,89,116</b>	<b>2,45,81,182</b>
<b>Details of Services rendered</b>		
Dyeing, Bleaching & Knitting	21,44,38,139	21,14,92,331
	<b>10,87,29,43,650</b>	<b>10,10,23,48,337</b>

(Amount in ₹)

	2016-17	2015-16
<b>22. Other Income</b>		
<b>Interest Income</b>		
on Bank Deposits	61,68,000	27,45,051
on Receivables	55,23,173	14,16,083
Unspent Liabilities written back	36,91,811	2,89,89,477
Net Foreign Exchange Gain	-	38,01,090
Miscellaneous Income	33,13,807	8,43,990
Insurance Claim Received	66,93,069	-
	<b>2,53,89,860</b>	<b>3,77,95,691</b>

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	2016-17	2015-16
<b>23. Cost of Materials Consumed</b>		
Opening Inventory	29,55,39,088	35,08,94,869
Add: Purchases	4,82,14,88,286	4,24,42,94,484
Less: Inventory at the end of the year	32,57,34,772	29,55,39,088
Cost of Raw Materials Consumed	<b>4,79,12,92,602</b>	<b>4,29,96,50,265</b>
<b>Details of Raw Materials Consumed</b>		
Yarn/Than	3,34,20,65,163	2,86,17,33,272
Packing Material, Accessories & Other Material	1,44,92,27,439	1,43,79,16,993
	<b>4,79,12,92,602</b>	<b>4,29,96,50,265</b>

(Amount in ₹)

	2016-17	2015-16
<b>24. Purchases of Traded Goods</b>		
Hosiery Goods	8,37,44,350	-
	<b>8,37,44,350</b>	-

(Amount in ₹)

	2016-17	2015-16
<b>25. Increase in Inventories of Finished Goods, Work-in-progress and Stock-in-trade</b>		
<b>Stock at the end of the year</b>		
Finished Goods	1,82,10,47,089	1,75,70,34,505
Traded Goods*	4,70,41,169	-
Work-in-progress	75,49,99,692	96,78,05,247
	<b>2,62,30,87,950</b>	<b>2,72,48,39,752</b>
<b>Stock at the beginning of the year</b>		
Finished Goods	1,75,70,34,505	2,08,82,01,763
Traded Goods	-	99,37,261
Work-in-progress	96,78,05,247	1,18,20,71,563
	<b>2,72,48,39,752</b>	<b>3,28,02,10,587</b>
	<b>10,17,51,802</b>	<b>55,53,70,835</b>

\*Includes stock with third party ₹ 82,69,657/- (March 31, 2016: Nil)

<b>Details of Inventory</b>		
<b>Finished Goods</b>		
Hosiery Goods	1,82,10,47,089	1,75,70,34,505
<b>Traded Goods</b>		
Garments	4,70,41,169	-
<b>Work-in-progress</b>		
Cut Pieces	75,49,99,692	96,78,05,247

**Notes to the Consolidated Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

	2016-17	2015-16
<b>26. Employee Benefits Expenses</b>		
Salaries, Wages and Bonus*	36,27,50,055	28,81,94,864
Contribution to Provident and Other Funds	61,33,948	35,68,424
Gratuity	1,10,62,849	27,30,306
Staff Welfare Expenses	22,58,931	23,41,114
	<b>38,22,05,783</b>	<b>29,68,34,708</b>

\*Includes Commission to Key Management Personnel: ₹ 1,00,00,000/- (March 31, 2016: Nil)

(Amount in ₹)

	2016-17	2015-16
<b>27. Finance Cost</b>		
Interest Expense	9,97,52,556	18,10,12,197
[Net of Interest Rebate Subsidy from Technology Upgradation Fund Scheme: ₹ 1,09,38,621 (March 31, 2016: ₹ 18,10,503)]		
Exchange difference to the extent considered as an adjustment to the borrowing cost	-	-
Bank Charges	59,06,816	67,99,269
	<b>10,56,59,372</b>	<b>18,78,11,466</b>

(Amount in ₹)

	2016-17	2015-16
<b>28. Depreciation &amp; Amortisation Expense</b>		
Depreciation of Tangible Assets	14,81,17,118	15,02,35,614
Amortisation of Intangible Assets	1,39,60,872	21,63,238
	<b>16,20,77,990</b>	<b>15,23,98,852</b>

(Amount in ₹)

	2016-17	2015-16
<b>29. Other Expenses</b>		
Consumption of Stores and Spares	66,59,464	65,10,649
Sub-contracting/ Job Worker Expenses	2,24,14,01,027	1,95,94,52,431
Power & Fuel	12,36,73,977	11,00,17,313
Freight Outwards and Forwarding Expenses	14,14,97,275	13,36,57,048
Rent	2,81,59,021	2,52,32,766
Rates and Taxes	76,43,167	1,35,21,745
Insurance	1,00,23,523	83,88,832
Repairs and Maintenance		
- Plant and Machinery	1,74,52,355	1,63,74,699
- Others	2,75,24,547	1,94,10,173
Advertising	80,38,32,012	73,66,48,765
Dealer's Incentive & Sales Promotion	25,59,25,115	23,66,88,196
Business Convention	3,81,16,838	4,10,65,399

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	2016-17	2015-16
Brokerage	14,26,38,825	13,70,43,181
Travelling and Conveyance	7,30,17,073	6,52,02,318
Communication Costs	1,35,52,287	1,29,46,572
Legal and Professional Fees	4,12,69,769	2,85,29,647
Directors' Sitting Fees	35,61,050	35,37,922
Payment to Auditors	29,72,900	29,30,291
Intangibles Under Development written off	2,31,55,565	-
Bad Debts/ Advance written off	6,57,82,142	1,43,16,021
Provision for Doubtful Receivables	-	20,56,699
Loss on Sale of Fixed Assets (Net)	45,966	14,60,967
Royalty	37,48,967	-
Net Foreign Exchange Loss	5,82,564	-
Contribution for CSR Activities	2,10,13,258	2,27,37,999
Preliminary Expenses written-off	-	11,60,434
Miscellaneous Expenses	8,67,61,536	7,66,79,883
	<b>4,18,00,10,223</b>	<b>3,67,55,69,950</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>30. Capital and Other Commitments</b>		
Estimated amount of contracts, at present value, remaining to be executed and not provided for (net of advances)	<b>6,59,05,416</b>	<b>2,26,95,376</b>

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>31. Contingent Liabilities</b>		
a) Demands / claims by various government authorities and others not acknowledged as debts and contested by the government		
Income Tax matters	33,71,140	18,62,310
Sales Tax matters	1,60,22,825	55,66,298
ESI	39,967	39,967
	<b>1,94,33,932</b>	<b>74,68,575</b>
b) Bank Guarantees outstanding	2,20,30,000	2,40,67,000
c) During the year 2013-14, the Company had challenged, before the Hon'ble 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. Accordingly, the liability of ₹ 4,08,74,519 till March 31, 2017 (March 31, 2016: ₹ 3,24,14,820) has not been provided for.	4,08,74,519	3,24,14,820

**Notes to the Consolidated Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>32. 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	-	-
Interest due on above	-	-
<b>Total</b>	-	-
Amount of interest paid by the Company to the suppliers in terms of Section 16 of the MSMED Act, 2006, along with amount paid to the suppliers beyond the respective due date	-	-
Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
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	-	-

\*As per information available with the Company, there are no suppliers covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provision/ payment have been made by the Company to such creditors, if any.

**33. 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 Holding 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 Gratuity Liability for Subsidiary Companies is unfunded.

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.

(Amount in ₹)

	2016-17		2015-16	
	(Funded)	(Non-Funded)	(Funded)	(Non-Funded)
<b>Statement of Profit and Loss</b>				
<b>Net employee benefit expense recognized in employee costs</b>				
Current service cost	47,80,131	4,59,291	30,44,158	-
Past service cost	55,89,085	-	-	-
Interest cost on benefit obligation	18,79,539	-	14,10,539	-
Expected return on plan assets	(13,60,659)	-	(12,92,678)	-
Net actuarial (gain)/ loss recognized in the year	(2,84,538)	-	(4,31,713)	-
<b>Net Benefit expense</b>	<b>1,06,03,558</b>	<b>4,59,291</b>	<b>27,30,306</b>	-
Actual return on plan assets	15,06,102	-	14,15,173	-

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	2016-17		2015-16	
	(Funded)	(Non-Funded)	(Funded)	(Non-Funded)
<b>Balance Sheet</b>				
<b>Net Defined Benefit liability/ (asset)</b>				
Present value of defined benefit obligation	3,06,42,384	4,59,291	1,94,78,667	-
Fair value of plan assets	1,94,70,675	-	1,68,13,561	-
<b>Net Defined Benefit liability/ (asset)</b>	<b>1,11,71,709</b>	<b>4,59,291</b>	<b>26,65,106</b>	-
<b>Changes in the present value of the defined benefit obligation are as follows:</b>				
Opening Defined Benefit obligation	1,94,78,667	-	1,56,88,456	-
Current service cost	47,80,131	4,59,291	30,44,158	-
Past service cost	55,89,085	-	-	-
Interest cost	18,79,539	-	14,10,539	-
Benefits paid	(9,45,943)	-	(3,55,268)	-
Actuarial (gains)/ losses on obligation	(1,39,095)	-	(3,09,218)	-
<b>Closing Defined Benefit obligation</b>	<b>3,06,42,384</b>	<b>4,59,291</b>	<b>1,94,78,667</b>	-
<b>Changes in the fair value of plan assets are as follows:</b>				
Opening fair value of plan assets	1,68,13,561	-	1,55,03,398	-
Expected return	13,60,659	-	12,92,678	-
Contributions by employer	20,96,955	-	2,50,258	-
Benefits paid	(9,45,943)	-	(3,55,268)	-
Actuarial gains/ (losses)	1,45,443	-	1,22,495	-
<b>Closing fair value of plan assets</b>	<b>1,94,70,675</b>	-	<b>1,68,13,561</b>	-
<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%	-
<b>The principal assumptions are shown below:</b>				
Discount rate	7.50%	7.50%	8.00%	-
Salary Growth rate	6.00%	6.00%	5.00%	-
Expected rate of return of assets	7.50%	-	8.00%	-
Withdrawal Rates (Varying between per annum depending upon the duration and age of the employees)	1% - 8%	1% - 8%	1% - 8%	-



**Notes to the Consolidated Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

**Amounts for the current and previous four years are as follows:**

	Funded				
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined Benefit obligation	3,06,42,384	1,94,78,667	1,56,88,456	1,26,66,499	98,53,957
Plan assets	1,94,70,675	1,68,13,561	1,55,03,398	1,32,20,297	1,16,07,772
Surplus / (deficit)	(1,11,71,709)	(26,65,106)	(1,85,058)	5,53,798	17,53,815
Experience (gain)/ loss adjustments on plan liabilities	42,90,049	-	4,24,115	1,97,029	-
Experience gain / (loss) adjustments on plan assets	1,45,443	1,22,495	(19,076)	(97,039)	-

**Amounts for the current and previous four years are as follows:**

(Amount in ₹)

	Non Funded				
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined Benefit obligation	4,59,291	-	-	-	-
Plan assets	-	-	-	-	-
Surplus / (deficit)	-	-	-	-	-
Experience (gain)/ loss adjustments on plan liabilities	-	-	-	-	-
Experience gain/ (loss) adjustments on plan assets	-	-	-	-	-

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.

**Defined Contribution Plan**

The Group has recognised the following amount as an expense and included under, "Contribution to Provident & Other Funds":

(Amount in ₹)

	2016-17	2015-16
Contribution to Provident / Pension Funds	61,33,948	35,68,424

**34. Operating Lease**

Certain office premises, godowns, etc. are held on operating lease. The leases range upto 3 years and are renewable 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 sub-leases. The leases are cancellable.

(Amount in ₹)

	2016-17	2015-16
Lease payments made for the year	2,81,59,021	2,52,32,766

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

	2016-17	2015-16
<b>35. Earnings Per Share</b>		
Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	72,24,99,392	65,92,78,848
Weighted average number of Equity Shares (in number) (b)	7,95,24,560	7,95,24,560
Basic & Diluted Earnings Per Share (a/b) (Nominal Value: ₹ 1 per share)	9.09	8.29

### 36. Segment Reporting

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:

(Amount in ₹)

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	India	Overseas	Total	India	Overseas	Total
Revenue from Operations (Gross Sales)	10,70,73,47,547	22,02,01,390	10,92,75,48,937	9,97,10,70,125	17,72,68,916	10,14,83,39,040
<b>Carrying amount</b>						
Segment Assets	7,07,11,36,751	5,56,91,289	7,12,68,28,040	6,77,16,17,553	4,20,42,443	6,81,36,59,996
<b>Additions</b>						
Tangible Assets	16,84,24,937	-	16,84,24,937	34,24,54,536	-	34,24,54,536
Intangible Assets	12,79,88,497	-	12,79,88,497	84,06,284	-	84,06,284

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
<b>37. Unhedged Foreign Currency Exposure</b>		
a) Particulars of unhedged foreign currency exposure as on the Balance Sheet date, are as follows:		
Trade Receivable	3,15,53,029	3,89,52,182
EEFC Bank Account	2,41,38,260	30,90,261

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

### 38. Related Party Disclosure

#### 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. Prahlad Rai Agarwala	Chairman
	Mr. Ghanshyam Prasad Agarwala	Vice-Chairman
	Mr. Kunj Bihari Agarwal	Managing Director
	Mr. Ramesh Agarwal	Whole-time Director-cum-Chief Financial Officer (Chief Financial Officer, w.e.f. February 10, 2017)
	Mr. Mukesh Agarwal	Whole-time Director
	Mr. Arihant Kumar Baid	Whole-time Director (w.e.f. November 5, 2015)
	Mr. Neeraj Sureka	Chief Financial Officer (Up to November 17, 2016)
	Mr. Sudip Chatterjee	Company Secretary (Up to December 21, 2015)
	Mr. Kundan Kumar Jha	Company Secretary (w.e.f. May 30, 2016)
<b>Relatives of Key Management Personnel</b>	Mr. Suresh Agarwal	Son of Mr. Prahlad Rai Agarwala
	Mr. Manish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Ravi Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Vikash Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Rajnish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Siddhant Agarwal	Grandson of Mr. Prahlad Rai Agarwala
	Mrs. Rekha Patodia	Daughter of Mr. Prahlad Rai Agarwala
	Mrs. Shanti Devi Agarwal	Wife of Mr. Prahlad Rai Agarwala
	Mrs. Puspa Devi Agarwal	Wife of Mr. Ghanshyam Prasad Agarwala
	Mrs. Lalita Devi Agarwal	Wife of Mr. Kunj Bihari Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Ramesh Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Mukesh Agarwal
	Mrs. Sarita Patwari	Daughter of Mr. Ghanshyam Prasad Agarwala
<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>	Salasar Projects and Estates Pvt. Ltd.	
	Sidhant Flats & Apartments Pvt Ltd.	
	Sobhasaria Properties 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.	
	Prahlad Rai Suresh Kumar - HUF	
	Suresh Kumar Agarwal - HUF	
	Mukesh Kumar Agarwal - HUF	
	Ghanshyam Prasad Manish Kumar - HUF	
	K B & Sons - HUF	
	Ravi Agarwal - HUF	

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

<b>Enterprises owned or significantly influenced by Key Management Personnel or their relatives</b>	Binod Hosier
	Rajnish Enterprises Ltd.
	Purvanchal Leasing Ltd.
	Sidhant Credit Capital Ltd.
	Rupa Dyeing & Printing Pvt Ltd
<b>Private companies in which directors or relatives are director or members</b>	Tushar Knitting Pvt. Ltd.
	Salasar Processors Pvt. Ltd.
	Bajrangbali Textiles Pvt. Ltd.
	Metro Towers Office Owners Association

### Related party transactions

Particulars	Party	Nature of relationship	2016-17	2015-16
Rent	Mr. Prahlad Rai Agarwala	Key Management Personnel	2,82,000	2,82,000
	Mr. Ghanshyam Prasad Agarwala		1,14,000	1,14,000
	Mr. Kunj Bihari Agarwal		48,000	48,000
	Mr. Mukesh Agarwal		1,08,000	1,08,000
	Mr. Manish Agarwal	Relatives of Key Management Personnel	-	18,000
	Mr. Rajnish Agarwal		-	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	1,08,000	1,08,000
	Rupa Spinners Ltd.		1,08,000	1,08,000
	Salasar Developers & Garments Pvt Ltd.		1,08,000	1,08,000
	Bajrangbali Projects Ltd.		1,08,000	1,08,000
	Sidhant Textiles Pvt Ltd.		1,14,000	1,14,000
	Ganesh Enclave Ltd.		1,08,000	1,08,000
	Ravi Global Pvt Ltd.		1,14,000	1,14,000
	Kadambari Impex & Agency Pvt Ltd.		1,14,000	1,14,000
	Sobhasaria Properties Pvt Ltd		1,44,000	1,20,000
	Others		96,000	96,000

(Amount in ₹)

Particulars	Party	Nature of relationship	2016-17	2015-16
Salary & Perquisites	Mr. Prahlad Rai Agarwala#	Key Management Personnel	1,87,00,000	84,00,000
	Mr. Ghanshyam Prasad Agarwala		81,00,000	78,00,000
	Mr. Kunj Bihari Agarwal		81,00,000	78,00,000
	Mr. Ramesh Agarwal		63,00,000	48,00,000
	Mr. Mukesh Agarwal		63,00,000	48,00,000
	Mr. Arihant Kumar Baid		16,83,226	5,48,722
	Mr. Neeraj Sureka		31,92,911	38,65,388
	Mr. Sudip Chatterjee		-	9,75,728
	Mr. Kundan Kumar Jha		16,14,251	-

**Notes to the Consolidated Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

Particulars	Party	Nature of relationship	2016-17	2015-16
Salary & Perquisites	Mr. Manish Agarwal	Relatives of Key Management Personnel	51,00,000	48,00,000
	Mr. Ravi Agarwal		51,00,000	48,00,000
	Mr. Vikash Agarwal		51,00,000	48,00,000
	Mr. Rajnish Agarwal		51,00,000	48,00,000
	Mr. Suresh Agarwal		30,00,000	30,00,000
	Mr. Siddhant Agarwal		24,00,000	20,00,000
	Mrs. Rekha Patodia		15,69,979	15,70,165
Purchases	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	8,26,871	97,391
Sub-contracting Expenses	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	10,81,92,399	7,63,99,716
	Tushar Knitting Pvt. Ltd.	Private companies in which directors or relatives are director or members	33,08,764	35,49,384
	Salasar Processors Pvt. Ltd.		4,57,26,291	4,66,24,055
	Bajarangbali Textiles Pvt. Ltd.		29,51,005	21,59,522
Miscellaneous Expenses	Metro Towers Office Owners Association		54,54,068	47,55,686
Dividend Paid	Mr. Prahlad Rai Agarwala	Key Management Personnel	-	1,62,30,995
	Mr. Ghanshyam Prasad Agarwala		-	68,25,005
	Mr. Kunj Bihari Agarwal		-	66,05,940
	Others		-	98,38,290
	Mr. Vikash Agarwal	Relatives of Key Management Personnel	-	96,54,920
	Mr. Ravi Agarwal		-	95,84,465
	Mr. Rajnish Agarwal		-	68,38,535
	Mr. Manish Agarwal		-	67,79,025
	Mr. Suresh Agarwal		-	58,66,135
	Others		-	1,46,45,785
	Rajnish Enterprises Ltd.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	-	8,70,16,545
	Purvanchal Leasing Ltd.		-	3,19,42,185
	Binod Hosiery		-	9,93,85,000
	Sidhant Credit Capital Ltd.		-	93,06,110
	Others		-	72,06,210

#Includes Commission of ₹ 1,00,00,000/- (March 31, 2016: Nil)

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

### Balance at end of the year

Particulars	Party	Nature of relationship	2016-17	2015-16
Other Liabilities (Payable to Employees)	Mr. Prahlad Rai Agarwala	Key Management Personnel	1,37,35,602	4,10,390
	Mr. Ghanshyam Prasad Agarwala		22,09,860	21,54,329
	Mr. Kunj Bihari Agarwal		12,83,514	37,15,355
	Mr. Ramesh Agarwal		1,42,585	37,05,674
	Mr. Mukesh Agarwal		24,47,140	50,78,952
	Mr. Arihant Kumar Baid		1,54,731	1,05,004
	Mr. Neeraj Sureka		-	3,16,024
	Mr. Kundan Kumar Jha		1,11,540	-
	Mr. Manish Agarwal	Relatives of Key Management Personnel	18,08,028	74,11,527
	Mr. Rajnish Agarwal		4,84,263	34,14,270
	Mr. Ravi Agarwal		16,83,813	14,23,907
	Mr. Vikash Agarwal		6,31,569	10,40,195
	Mr. Suresh Agarwal		4,89,720	92,188
	Mr. Siddhant Agarwal		6,41,567	7,98,822
	Mrs. Rekha Patodia		2,20,534	2,37,220
	Mrs. Puspa Devi Agarwal		18,000	18,000
Trade Payables	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	1,50,04,187	1,85,91,356
	Salasar Infrastructure Ltd.		1,08,000	1,08,000
	Rupa Spinners Ltd.		1,08,000	1,08,000
	Salasar Developers & Garments Pvt Ltd.		1,08,000	1,08,000
	Bajrangbali Projects Ltd.		1,08,000	1,08,000
	Sidhant Textiles Pvt Ltd.		1,14,000	1,14,000
	Ganesh Enclave Ltd.		1,08,000	1,08,000
	Ravi Global Pvt Ltd.		1,14,000	1,14,000
	Kadambari Impex & Agency Pvt Ltd.		1,14,000	1,14,000
	Sobhasaria Properties Pvt Ltd		1,44,000	1,20,000
	Others		96,000	96,000
	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members	39,39,327	70,54,036
	Bajrangbali Textiles Pvt. Ltd.		33,08,870	26,57,865
	Tushar Knitting Pvt. Ltd.		68,07,834	-
	Metro Towers Office Owners Association		1,88,166	4,02,342
Advance Recoverable in Cash or in Kind	Tushar Knitting Pvt. Ltd.	Private companies in which directors or relatives are director or members	-	2,22,281



**Notes to the Consolidated Financial Statement**

as at and for the year ended March 31, 2017

(Amount in ₹)

Particulars	Party	Nature of relationship	2016-17	2015-16
Long Term Loans & Advances - Security Deposits	Salasar Projects and Estates Pvt. Ltd.	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	26,00,000	26,00,000
	Sidhant Flats & Apartments Pvt Ltd.		26,40,001	26,40,001
	Bajrangbali Projects Ltd.		3,00,000	3,00,000
	Ganesh Enclave Ltd.		3,00,000	3,00,000
	Rupa Spinners Ltd.		3,00,000	3,00,000
	Salasar Infrastructure Ltd.		3,00,000	3,00,000
	Salasar Developers & Garments Pvt Ltd.		3,00,000	3,00,000
Guarantees taken*	Mr. Prahlad Rai Agarwala	Key Management Personnel	55,55,555	2,77,00,000
	Mr. Ghanshyam Prasad Agarwala		55,55,555	2,77,00,000
	Mr. Kunj Bihari Agarwal		55,55,555	2,77,00,000

**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.

\*Guarantees given in aggregate by all the Directors

**39. Additional information in respect of Net Assets and Profit / Loss of each entity within the Group and their respective share of Total Assets**

(Amount in ₹)

Name of the Entity	As at March 31, 2017 Net Assets, i.e., Total Assets minus Total Liabilities		For 2016-2017 Share in Profit	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
<b>Parent</b>				
Rupa & Company Limited	95.62%	4,20,41,10,652	105.70%	76,36,93,982
<b>Subsidiaries</b>				
<b>Indian</b>				
Imoogi Fashions Private Limited	0.70%	3,05,93,136	0.29%	21,13,500
Euro Fashion Inners International (P) Limited	0.94%	4,11,92,435	(0.18%)	(13,11,309)
Oban Fashions Private Limited	2.74%	12,08,70,981	(5.81%)	(4,19,96,781)
	<b>100.00%</b>	<b>4,39,67,67,204</b>	<b>100.00%</b>	<b>72,24,99,392</b>

## Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2017

(Amount in ₹)

Name of the Entity	As at March 31, 2016 Net Assets, i.e., Total Assets minus Total Liabilities		For 2015-16 Share in Profit	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
<b>Parent</b>				
Rupa & Company Limited	98.09%	3,60,38,76,491	99.58%	65,65,39,901
<b>Subsidiaries</b>				
<b>Indian</b>				
Imoogi Fashions Private Limited	0.84%	3,08,70,602	0.81%	53,23,110
Euro Fashion Inners International (P) Limited	1.07%	3,94,40,248	(0.12%)	(7,74,707)
Oban Fashions Private Limited	0.00%	80,471	(0.27%)	(18,09,456)
	<b>100.00%</b>	<b>3,67,42,67,812</b>	<b>100.00%</b>	<b>65,92,78,848</b>

40. Disclosure on holding and dealings of Specified Bank Notes during Demonetization is shown in the table below:

	Specified Bank Notes	Other Denomination Notes	Total
<b>Closing cash in hand as on November 8, 2016 (₹)</b>	53,32,000	4,91,382	58,23,382
Permitted Receipts (₹)	1,93,000	42,31,433	44,24,433
Amount Withdrawn from Bank (₹)	-	50,09,000	50,09,000
Permitted Payments (₹)	-	(84,14,810)	(84,14,810)
Amount Deposited in Banks (₹)	(55,25,000)	(11,622)	(55,36,622)
<b>Closing cash in hand as on December 30, 2016 (₹)</b>			<b>13,05,383</b>

41. The figures for previous year were audited by a firm of Chartered Accountant other than Singhi & Co. Previous years figures have been regrouped / reclassified wherever necessary, to confirm to the current year's classifications.

As per our report of even date  
For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E  
Sd/-  
**Aditya Singhi**  
Partner  
Membership No. 305161  
Place: Kolkata  
Date: May 26, 2017

### For and on behalf of the Board of Directors

Sd/-  
**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Sd/-  
**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

Sd/-  
**Mukesh Agarwal**  
Whole-time Director  
DIN: 02415004

Sd/-  
**Ramesh Agarwal**  
Whole-time Director-cum-  
Chief Financial Officer  
DIN: 00230702

Sd/-  
**Kundan Kumar Jha**  
Company Secretary  
Membership No. ACS17612

**AOC – 1***[Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]***Statement containing salient features of the Financial Statements of Subsidiaries/ Associate Companies/ Joint Ventures****Part "A": Subsidiaries**

(Amount in ₹)

Sl. No.	1	2	3
<b>Name of the Subsidiary Company</b>	Euro Fashion Inners International Private Limited	Imoogi Fashions Private Limited	Oban Fashions Private Limited
The date since when the subsidiary was acquired	April 26, 2005	September 15, 2010	December 29, 2015
Financial Year ending on	March 31, 2017	March 31, 2017	March 31, 2017
Reporting Currency	Indian Rupee	Indian Rupee	Indian Rupee
Exchange Rate on the last day of the Financial Year, in the case of foreign subsidiaries	N.A.	N.A.	N.A.
Share Capital	4,10,00,000	1,00,000	4,01,00,000
Reserves and Surplus	(2,16,795)	1,93,45,248	(5,25,26,594)
Total Assets	4,72,73,192	3,80,96,825	18,51,91,862
Total Liabilities	64,89,987	1,86,51,577	19,76,18,455
Investments	-	-	-
Turnover	7,49,543	3,18,45,571	7,50,86,969
Profit/ (Loss) before Tax	(3,48,497)	39,96,732	(4,59,51,004)
Provision for Tax	2,13,269	12,96,393	47,66,134
Profit/ (Loss) after Tax	(5,61,766)	27,00,338	(5,07,17,138)
Proposed dividend	-	-	-
% of shareholding	100	100	100

**Notes:**

- Names of the subsidiaries which are yet to commence operations: Not applicable
- Names of the subsidiaries which have been liquidated or sold during the year: Not applicable

**Part "B": Associates and Joint Ventures**

The Company does not have an associate or a joint venture, therefore, the requirement under this part is not applicable to the Company.

**For and on behalf of the Board of Directors**

Sd/-  
**Prahlad Rai Agarwala**  
Chairman  
DIN: 00847452

Sd/-  
**Kunj Bihari Agarwal**  
Managing Director  
DIN: 00224857

Sd/-  
**Mukesh Agarwal**  
Whole-time Director  
DIN: 02415004

Sd/-  
**Ramesh Agarwal**  
Whole-time Director-cum-  
Chief Financial Officer  
DIN: 00230702

Sd/-  
**Kundan Kumar Jha**  
Company Secretary  
Membership No. ACS17612

Place: Kolkata  
Date: May 26, 2017

# MACROMAN



SERIES

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# MACROWOMAN



*wear your*  
**MIND**  
*inside out*

*Styled in ITALY*

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email us at [online@macroworld.in](mailto:online@macroworld.in)

*Fashion*  
Luxurious Lingerie in Solid | Print | Lace

