Rupa & Company Limited (“Rupa”)

Corporate Presentation

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Section 1: Executive Summary

Executive Summary

Inner wear Industry: a high growth industry	• Innerwear is a large and fast growing industry. Branded Innerwear is a low penetrated space growing across all segments and geographies • Changing customer preferences leading to a rapid shift to organised retail for innerwear. Growth of organised retail will further boost and help in enhance availability and drive growth of premium / super premium segments • Innerwear market is dominated by economy & mid-market segments and premium categories to lead growth in innerwear • High disposable income leading to shift in consumer preferences to branded and premium products • Large opportunity for companies with presence across segments and markets to participate in this growth
RUPA: Well entrenched to capture the growth in the Industry	• **RUPA** is a largest branded innerwear company in India and enjoys strong brand equity from customers across segments and has an excellent distribution network with products being available in over 1.1 lakh outlets in India with over 600 locations • Company has marquee in-house brands across all price points and Iconic Brand Ambassadors of the company are creating strong brand recall • Strong presence in Eastern and Northern India and opportunity to grow in South and the export market • Company follows a cost efficient manufacturing model leading to high returns on investment • Experienced Management with strong industry expertise with its promoters having an experience of around 5 decade in the Innerwear Industry • **RUPA** is a first generation company where second generation has been successfully groomed for next level of growth • Total Income of Rs. 9,061 million and PAT of Rs. 661 million in FY2014, which has been growing at CAGR of 16.5% and 35.9% respectively during FY2009-FY2014.

** Source: Industry Reports*

Section 2: Key Strengths

Key Strengths

1. **RUPA** – the largest branded innerwear company in India catering to large addressable market
2. Strong brands across price and customer segments. High Brand Recall and Brand Pull
3. Unparalleled reach and distribution network
4. Cost efficient manufacturing model leading to higher returns
5. Focused approach on growth and margin improvement to create further value
6. Premium products and value addition has helped in consistent growth and improving EBIDTA & PAT margins

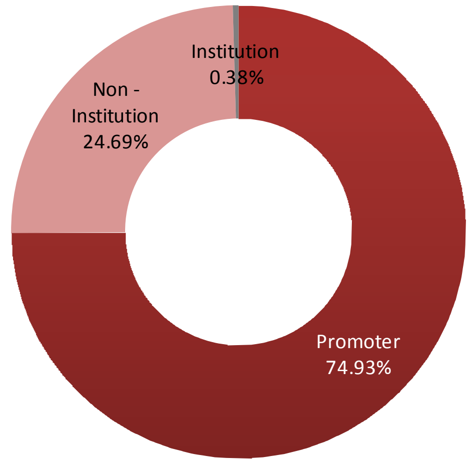
Section 3: Company Overview

Company Overview

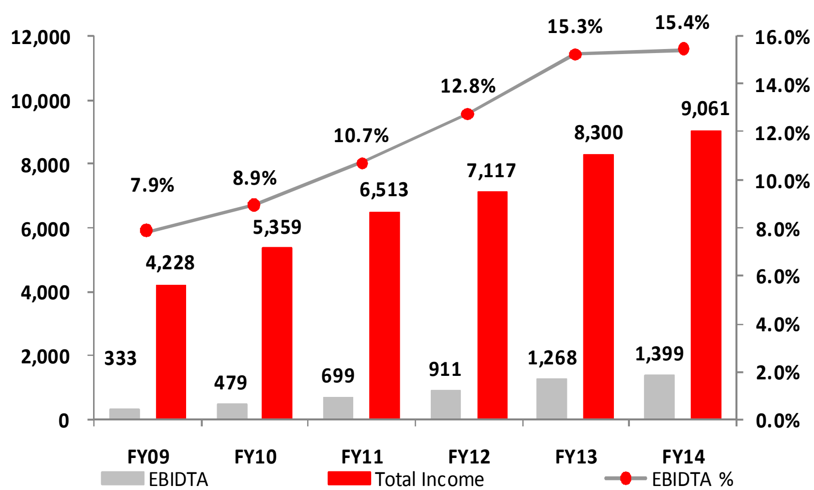
Overview

- **RUPA** incorporated in 1985 by 3 first generation entrepreneurs of the Agarwala family.
- **RUPA** is the largest manufacturer of hosiery products in India with product portfolio comprising of men's, women's and kids innerwear, knitted bermudas, loungers, winterwear, footwear, leggings for women & jeans in varied colour and designs.
- **RUPA** manages a portfolio of 6000 stock keeping units (SKUs) comprising different range for men and women.
- Company's has wide marketing footprint via distribution set up across 950 locations & 910 sales representative and 19 exclusive brand outlets.

Shareholding Structure as on March 31, 2014



Total Income (INR in Mn), EBIDTA (INR in Mn) and EBIDTA Margin (%)



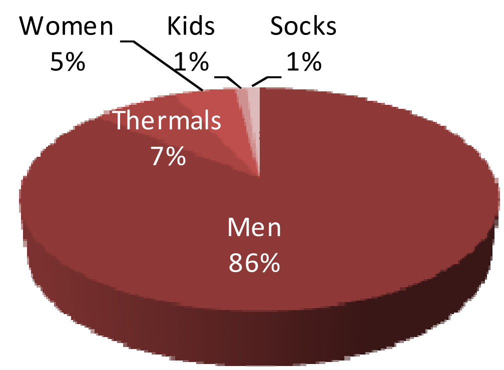
CAGR (FY 2009-2014)

Total Income – 16.5%

EBIDTA – 33.3%

PAT – 35.9%

Sales Value Mix – Userwise (FY14)



RUPA: Largest branded innerwear company catering the large addressable market

Significant Milestone

1968

Promoters started and launched the Brand "Rupa"

1985

Established Rupa & Co. Pvt. Ltd. Ltd.

1995-1996

- Took over the business of Binod Hosiery and converted into public limited company
- IPO and listing of equity shares on Calcutta Stock Exchange (CSE) and Jaipur Stock Exchange (JSE)

1997 - 2000

- Started manufacturing of casual wear
- Set up Dyeing unit at Domjur, West Bengal
- Started manufacturing of thermal wear products – "Thermocot"

2003-2009

- Acquired the brand "Euro" and started export of products
- Launched premium brand Macroman M Series
- Double the dyeing capacity at Domjur, West Bengal

2010 -2011

- Further, increased the dyeing capacity at Domjur, West Bengal
- Launched Premium brand "Air"
- Launched apparel for Kids under the brand "Imoogi"
- Listing of shares at NSE and BSE

2012

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

2013

- Launch of brand, Macrowoman, Torrido Thermal Wear

2014

- Awarded by "Limca book of Records" for the 11th time.
- Also received Brand excellence in innerwear award by many renowned agencies.

Products & Brand Portfolio

Men	Women	Kids	Thermal Wear	Socks
Vests •Jon •Frontline •Euro •Mseries •Air Vest •Skywing •Interlock •Ribline •Xing, Hunk •Expando	**Bra** •Softline •Butterfly **Panty** •Softline •Jon •Butterfly	**Innerwear** •Jon •Kidline **Casual Wear** •Bumchum •Mseries	**Thermalwear** •Thermocot •Mseries	**Socks** •Kidline •Footline •Mseries
Briefs •Frontline •Euro •Macroman •Mseries	**Camisole** •Softline			
Drawers •Jon •Frontline •Macroman •Euro •Mseries	**Casual Wear** •Bumchum •Mseries •Femmora			
Casual Wear •Bumchum •Mseries				

RUPA's product portfolio is marketed for all types of customer across price and customer segments and has the ability of sub- segmentation in case of Men, Women as well as kids wear

	BASIC			MID PREMIUM		
	Men's	Women's	Kids'	Men's	Women's	Kids'
Inner Wear	Jon			EXPANDO Striped Stretchable Vests; Skywings Original fine vest; XinG Vest; Rupa Interlock Folding White Vest; Rupa Ribline Extra Stretch Vest; Rupa Hunk; Rupa Frontline; footline socks; MacroMan	Rupa Softline	Rupa Kidline

	PREMIUM			SUPER PREMIUM		
	Men's	Women's	Kids'	Men's	Women's	Kids'
Inner Wear	Euro			MACROMAN M Series	MACROWOMAN W Series	
Casual Wear	Bumchums	femmora		Rupa AIR		
Thermal Wear	Rupa Thermocot			TORRIDO		

Extensive Portfolio of strong brands and ability to play the entire value chain

- In house created and owned brands with >100 registered trademarks across segments
- RUPA owns all the brands and no royalty payments strengthens the gross margin of the company
- Cater to all price points and across product segments such as inner wear, causal & thermal wear for men , women & kids
- Annual investment of ~8% of sales in brand development to create a robust portfolio

Brands & Advertising

Overview

- **RUPA** followed the strategy of progressing from commodity centric marketing to brand led market positioning through following initiatives**:**
  - Widened the product offering across all sections of society – Economy, Mid-premium, Premium and Super premium segments, covering various price points.
  - Invested more than Rs. 20,000 lakhs in advertisement and publicity over three years
  - Co-sponsoring Rajasthan Royals during the Indian Premiere League (IPL - 6)
  - Extended brand association through galaxy of national actors like Hrithik Roshan for premium positioning of Macroman M. Series & for other categories like Ronit Roy, Karan Singh Grover and Rajpal Yadav. We are one of the earliest brands to introduce celebrity endorsement.
  - Introduced a female innerwear under the sub brand "Macro woman" in Premium Category.
  - Associated with Hrithik Roshan to enhance the appeal and visibility of "Macromen" M Series innerwear in Premium category.
  - Endorsements promoted through print, radio, television and outdoor, resulting in a countrywide brand visibility.
  - Usage of 19 EBOs for brand building and local presence in the market
  - Brand visibility promoted through social networking websites like Facebook, Twitter.

RUPA's successful brand promotion activities and advertising has created a strong brand recall

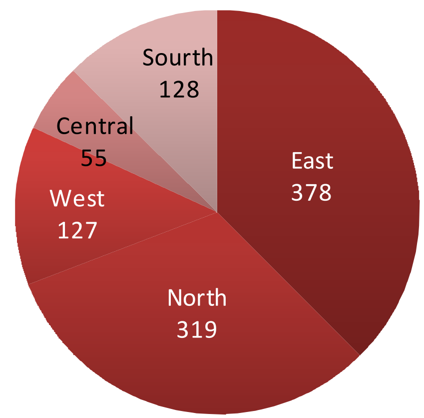
Strong Distribution Network

Overview

RUPA has Pan – India Presence with a largest distribution network:

- **3** central Warehouse
- **19** Exclusive Business Outlets (EBO) - Rupa – 2, M Series - 17)
- **20** branches
- **910** Sales & Marketing Professionals
- **1007** dealers
- **111,001** Retailers

Dealer Network – Pan India (FY 2014)



RUPA's already established strong distribution network has an unparalleled reach & can better utilise the ad-spend

Cost efficient manufacturing model

➢ **Focus on Design and Product Development**

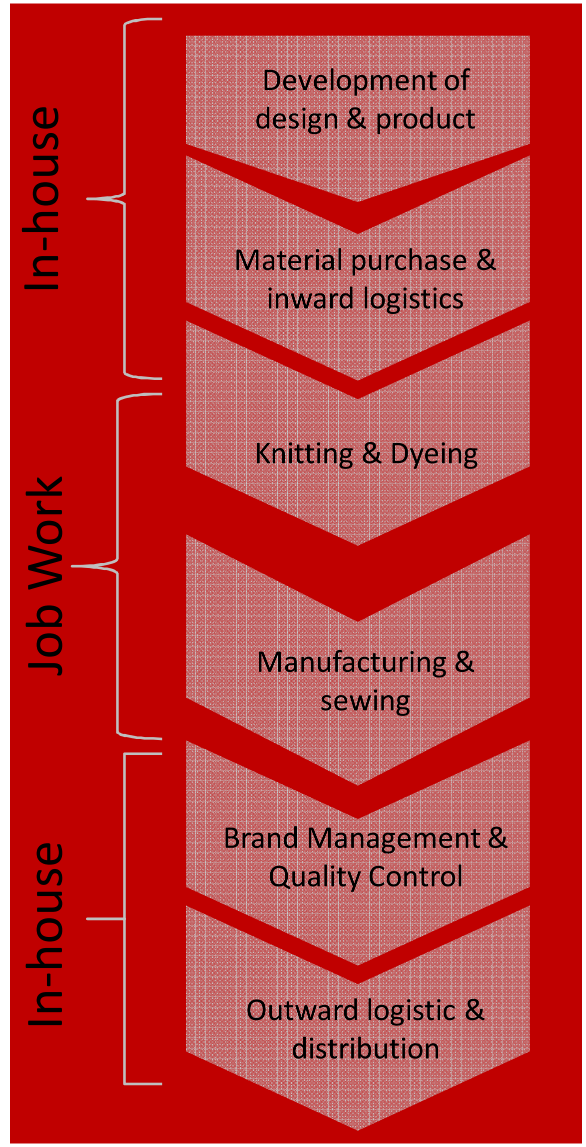
- Continuous Investment in Product design & Innovation
- Control on entire procurement and handling of raw materials
- Own logistics and supply chain set up for strong control of inventory

➢ **In – House dyeing & knitting to ensure quality control**

- State of Art dyeing, bleaching and knitting facility across West Bengal, Tamil Nadu and Delhi
- Capacity: Fabric dyeing 25 tons per day (TPD), yarn dyeing 5 TPD

➢ **Labour intensive processes under Jobwork to committed vendors**

- Stitching and 50% of knitting requirements outsourced
- Over 80% job work firms associated with company for over 15 years



RUPA's cost efficient manufacturing is leading to higher returns

Presence in format Stores, E-commerce and Export

Large Format Store Tie - ups

Walmart

e-Choupal

max hyper

Carrefour

V MART

bharti

VISHAL MEGA MART

E-Commerce

flipkart.com

MYNTRA.com India's Largest Online Fashion Store

JABONG.COM

snapdeal.com

firstcry.com

amazon.com

Currently Exports to…

DUBAI

SAUDI

KUWAIT

IRAN

YEMEN

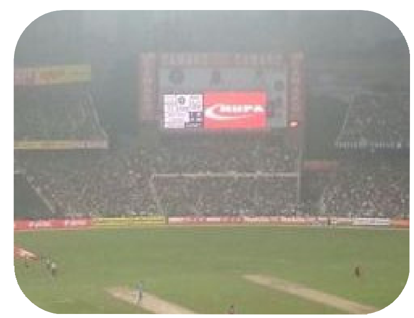
NIGERIA

UGANDA

GHANNA

SINGAPORE

Hoardings & Advertisement



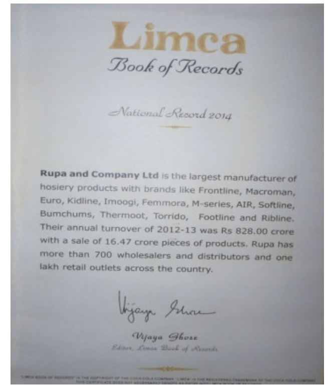
Retail Promotions

Award & Achievements

RUPA delivers superior products to its customer

1. Largest innerwear and casual wear manufacturing company in India by **"Limca book of Records"** for the 11th time
2. Business Leadership Awards for **Brand Excellence in Innerwear** for the year 2013 by Worldwide Achievers
3. Time Research awarded in its Business Leadership Awards for **Brand Excellence in Innerwear** for the year 2013
4. Textile Conclave 2013 Brand India conferred the Largest Producer Knitting Sector – Fabric by Union Textiles Minister, Dr. K S Rao
5. **Power brand status** for the year 2011 conferred in London
6. **Master brand** during the year 2010
7. **Star brand India award** during the year 2010-11
8. Global Awards for Brand Excellence by World Brand Congress during the year 2010
9. League of American Communication Professional **(LACP), USA,** awards for the Best Annual Report during the year 2011-12. It won platinum award
10. Thermocot, the first branded winter wear in India won the Texcellence Award for Best Winter Knitwear Brand, 2003-04.
11. First Indian innerwear manufacturer to become a licensee of **SUPIMA** (premier American Pima Cotton growers)
12. Rupa-Frontline AIR is the first vest in India to be made of 100% American Pima Cotton under Licensee of SUPIMA –USA.

Recipient of prestigious awards & certificates



Board of Directors

Name & Designation	Brief Profile
Mr. Prahlad Rai Agarwala *Chairman and Executive Director*	• **Mr. Prahlad** holds a bachelor's degree in law from University of Calcutta, Kolkata • He has more than 40 years of experience in the textile industry. He has been a member of the Board of Directors since 1985. He provides strategic direction to the Company and is the driving force behind the establishment and growth of the Company. • He was awarded the lifetime achievement award in the 7th Reid & Taylor awards for retail excellence organized by the Asia Retail Congress, 2011.
Mr. Ghanshyam Prasad Agarwala *Vice Chairman*	• **Mr. Ghanshyam** has more than 35 years of experience in the textile industry. • He has been a member of the Board of Directors since 1987. He has been instrumental in the development of the Company.
Mr. Kunj Bihari Agarwala *Managing Director*	• **Mr. Kunj** has more than 30 years of experience in the textile industry. He is a specialist in the marketing & distribution. • He has been a member of the Board of Directors since 1985. • He has played a key role in the setting up of systems and process of distribution & marketing division of the Company. He guides the company and its management at all the stages of its development and strategic decisions.
Mr. Ramesh Agarwal Whole-time Director	• **Mr. Ramesh** holds a bachelor's degree in commerce from University of Calcutta, Kolkata. • He has more than 20 years of experience in the textile industry. • He plays a key role in the production planning & distribution of Company's products. He is associated with the company since 2009.
Mr. Mukesh Agarwal *Whole-time Director*	• **Mr. Mukesh** has more than 15 years of experience in the textile industry. • He has played a key role in the setting up of systems and process for distribution & production planning. He is associated with the company since 2009.
Mr. Dharam Chand Jain *Independent Director*	• **Mr. Dharam** has more than 45 years of experience in the field of textile and knitted fabric industry. • He is currently the chairman of K.D. Sarees Emporium Private Limited. He joined the Board in the year 2003.

Board of Directors (Contd…)

Name & Designation	Brief Profile
Mr. Raj Narain Bhardwaj *Independent Director*	• **Mr. Raj** is a PG in economics from the Delhi School of Economics and also holds a Diploma in Industrial Relations and Personnel Management from Punjab University, Patiala. • He has 37 years of experience with LIC of India, Bahrain, Nepal, Lanka and Mauritius. He has served LIC in various positions including Managing Director, Non-Executive Chairman and Chairman. • He has also served as a member of the Securities Appellate Tribunal (SAT) for two years where he has come across a number of cases relating to market manipulation, non-compliance of regulations such as Take Over Code, FII Regulations, Insider Trading, Broker's Regulations, etc. • He was also nominated as a Member of the Committee appointed by the Government of India in 2001 to study Investment Management and has held discussions with Fund Managers in Europe and USA.
Mr. Dipak Kumar Banerjee *Independent Director*	• **Mr. Dipak** is a Chartered Accountant; he started his career with LIC in 1970 and thereafter, in 1975, joined Hindustan Lever. His tenure with Lever included a two year secondment to Lever Brother, Nigeria. In 1992, he became the Commercial Director of Unilever Plantations Group. Between 1993 and 1997 he was designated as Commercial Officer – Africa and Middle East Group of Unilever, London and retired in July 2000 as Chairman, Unilever Uganda Ltd. • Mr. Banerjee joined the Board of the Company in 2013.
Mr. Sushil Patwari *Independent Director*	• **Mr. Sushil** has more than 40 years of experience in the field of cotton yarn and knitted fabric industry. • He is a member of the Executive Committee of the Federation of Indian Export Organisations. He is currently the executive chairman of Nagreeka Exports Limited. • He joined the company as a Board member in the year 2003.
Mr. Vinod Kumar Kothari *Independent Director*	• **Mr. Vinod** is a Chartered Accountants and Company Secretary. • He is the former chairman of the Institute of Company Secretaries of India. He is an author, trainer and expert on specialized areas in finance, including securitization, asset-based finance, credit derivatives, accounting for derivatives and financial instruments, microfinance, etc. He has written many renowned books and articles.

Section 4: Financial Highlights

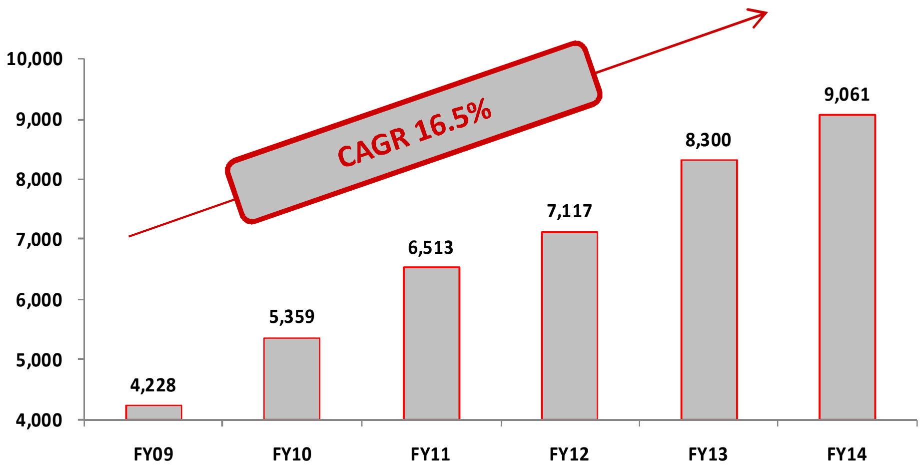
Key Financial Highlights - Annual

Profit & Loss (INR in Mn)	FY09	FY10	FY11	FY12	FY13	FY14	CAGR (FY09 – 14)
Net Sales	**4,211.1**	**5,324.8**	**6,500.3**	**7,110.0**	**8,289.9**	**9,043.7**	16.5%
Growth %	*13.1%*	*26.4%*	*22.1%*	*9.4%*	*16.6%*	*9.1%*	
Other Income	**16.7**	**34.2**	**13.1**	**7.2**	**10.0**	**17.0**	
Total Income	**4,227.8**	**5,359.0**	**6,513.4**	**7,117.2**	**8,299.9**	**9,060.6**	16.5%
Growth %	*13.4%*	*26.8%*	*21.5%*	*9.3%*	*16.6%*	*9.2%*	
Cost of Goods Sold	2396.3	2972.4	3505.2	3723.5	4134.0	4559.2	
Gross Margin	**1831.5**	**2386.6**	**3008.2**	**3393.7**	**4165.9**	**4501.4**	19.7%
Gross Margin %	*43.3%*	*44.5%*	*46.2%*	*47.7%*	*50.2%*	*49.7%*	
Other Expenses	1,498.6	1,907.6	2,308.8	2,483.1	2,898.3	3,102.2	
EBIDTA	**332.9**	**479.0**	**699.4**	**910.6**	**1,267.6**	**1,399.2**	33.3%
EBIDTA %	*7.9%*	*8.9%*	*10.7%*	*12.8%*	*15.3%*	*15.4%*	
Depreciation	31.0	36.2	46.5	61.3	67.0	112.5	
EBIT	**302.0**	**442.9**	**652.9**	**849.3**	**1,200.6**	**1,286.7**	33.6%
EBIT %	*7.1%*	*8.3%*	*10.0%*	*11.9%*	*14.5%*	*14.2%*	
Finance Cost	80.4	58.3	147.5	217.3	210.1	247.0	
PBT before Exceptional Items	**221.6**	**384.5**	**505.3**	**632.0**	**990.4**	**1,039.8**	36.2%
Exceptional Items	-	-	-	-	(29.6)	(15.7)	
PBT	**221.6**	**384.5**	**505.3**	**632.0**	**960.9**	**1,024.1**	35.8%
PBT %	*5.2%*	*7.2%*	*7.8%*	*8.9%*	*11.6%*	*11.3%*	
Tax	79.1	132.7	168.3	196.5	313.1	363.4	
PAT	**142.5**	**251.9**	**337.0**	**435.6**	**647.8**	**660.7**	35.9%
PAT %	*3.4%*	*4.7%*	*5.2%*	*6.1%*	*7.8%*	*7.3%*	

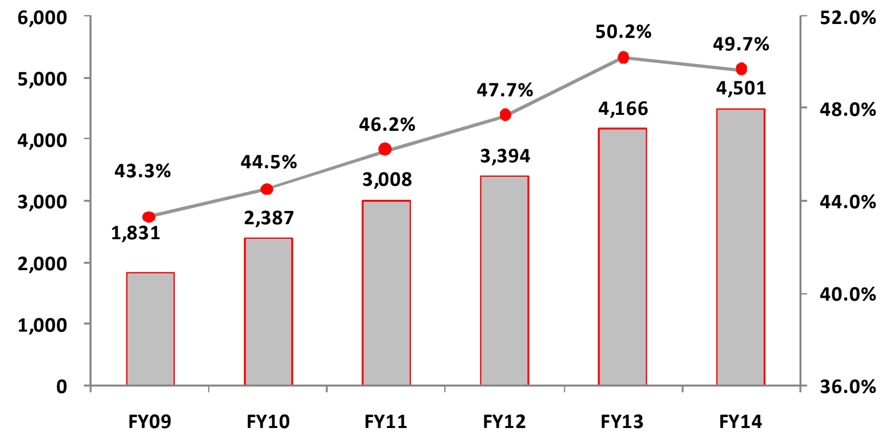
Balance Sheet (INR in Mn)	FY09	FY10	FY11	FY12	FY13	FY14
Shareholders Equity	79.6	79.6	79.6	79.6	79.6	79.6
Reserves and Surplus	1,155.2	1,352.9	1,597.4	1,894.4	2,356.1	2,784.2
Deferred Tax liability	65.9	71.4	113.8	128.7	149.7	162.6
Net worth (A)	**1,300.7**	**1,503.9**	**1,790.9**	**2,102.7**	**2,585.4**	**3,026.4**
Total Borrowings (B)	511.7	1,247.6	1,839.6	1,828.2	2,256.8	2,086.8
Current Liabilities (C)	556.7	837.9	1,175.4	1,114.8	1,409.9	1,491.7
Total (A+B+C)	**2,369.0**	**3,589.4**	**4,805.8**	**5,045.7**	**6,252.1**	**6,604.9**
Net Fixed Assets (A)	571.4	883.1	1,126.0	1,201.9	1,437.8	1,491.1
Investment (B)	199.2	60.1	0.1	122.6	175.2	157.4
Current Assets (C)	1,598.4	2,646.2	3,679.8	3,721.2	4,639.1	4,956.4
Total (A+B+C)	**2,369.0**	**3,589.4**	**4,805.8**	**5,045.7**	**6,252.1**	**6,604.9**

Financial Performance

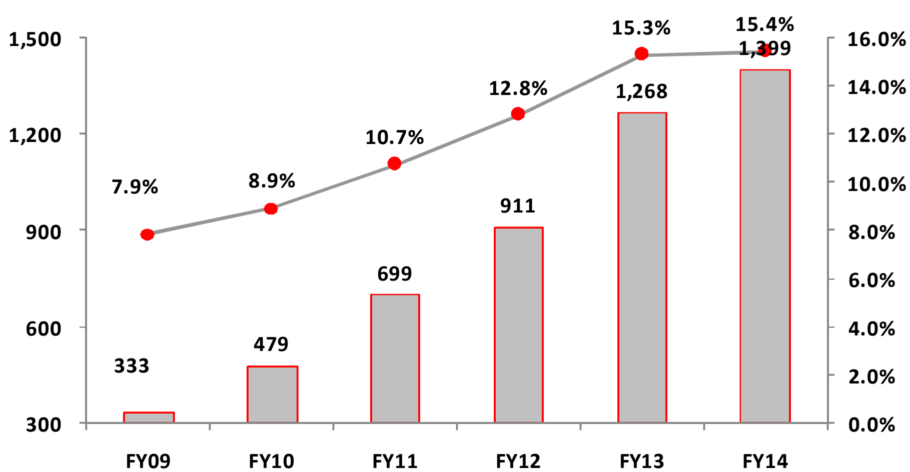
Total Income (INR in Mn)



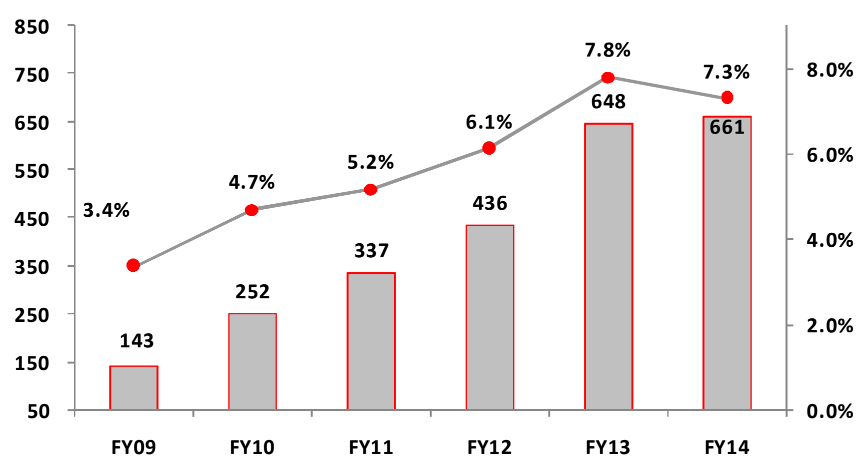
Gross Margin (INR in Mn) & Gross Margin (%)



EBIDTA (INR in Mn) & EBIDTA Margin (%)



PAT (INR in Mn) & PAT Margin (%)

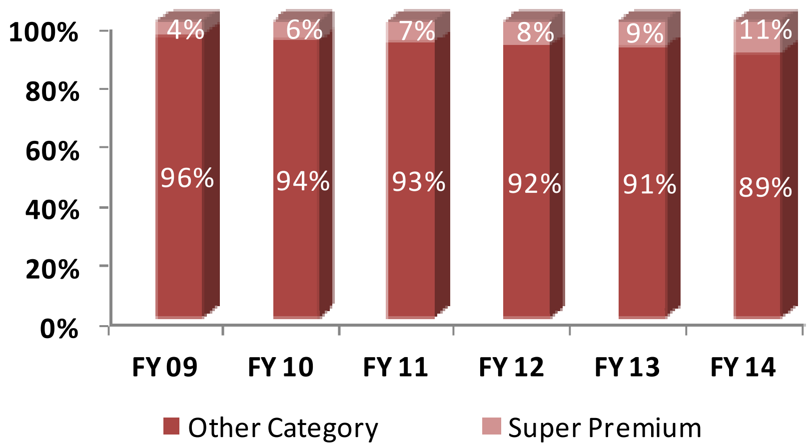


RUPA delivered consistent growth along with improving margins

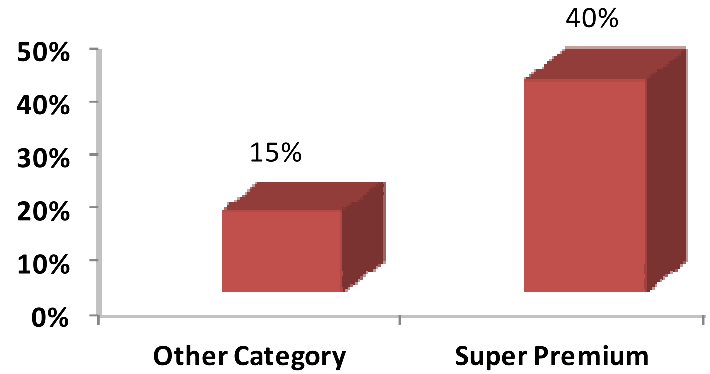
RUPA®

Revenue Matrix

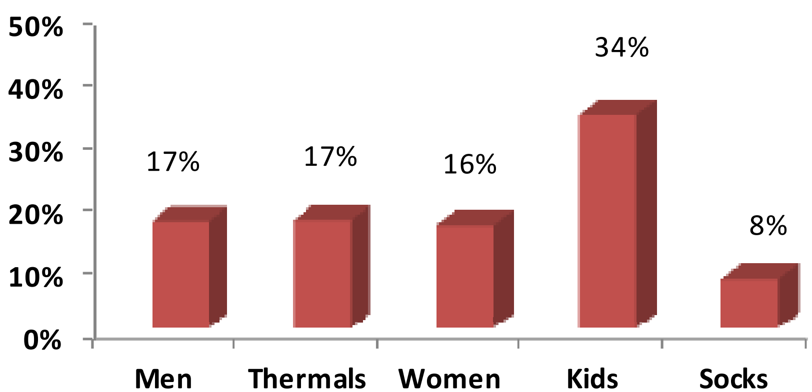
Sales Value Mix Category Wise



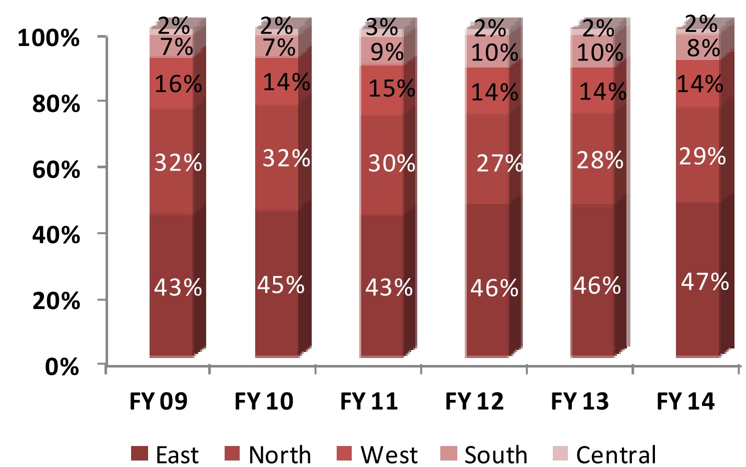
Sales Value Growth CAGR (FY09 – FY14) Category Wise



Sales Value Growth CAGR (FY09 – FY14) User Wise

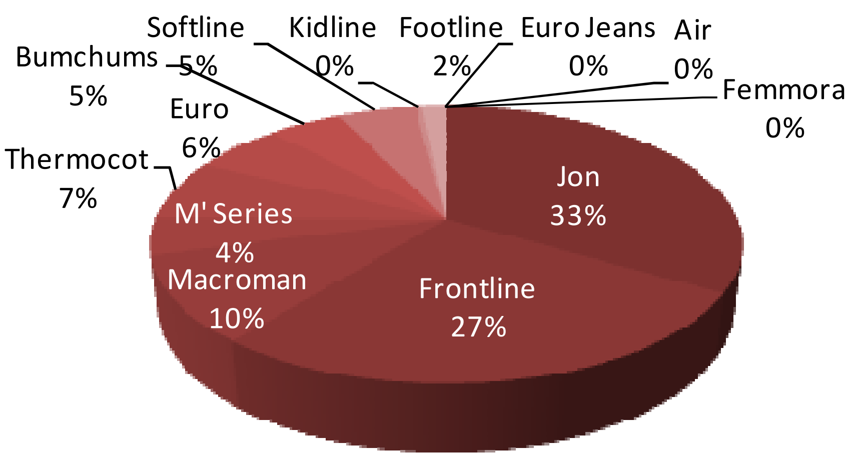


Sales Value Mix - Geographically

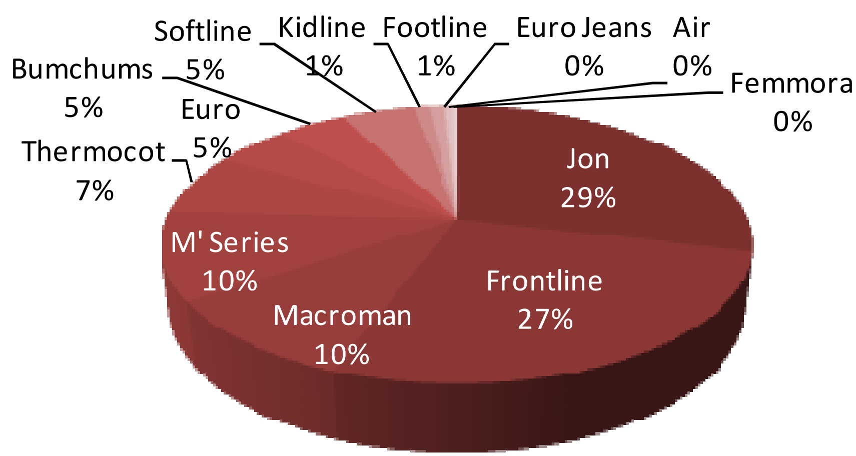


Revenue Matrix (Contd…)

Sales Value Mix – Brand Wise



FY 09



FY 14

RUPA: Consistent growth has come from the focus on key brands

Section 5: Business Strategy

Business Strategy

Factors Driving Growth in Revenue

- Aggressively enhance reach in new rural markets via further appointing sub dealers
- Expanding Presence in Southern India by aggressive marketing & distribution presence
- Extension of Product range by introducing EURO Jeans, Femmora & Macro Women
- Leverage brand equity in kids' innerwear segment

Factors Driving Growth in Margin

- To gain market share in the premium segment by aggressive brand building
- Increasing the share of Premium products in sales mix will drive margin upwards
- Newly launched products in Jeans and Leggings will also improve the margins in the long run.
- Enhancing availability through presence in E-Commerce, Multi Brand Outlets (MBOs) and Large Retail Format (LFRs) stores.

RUPA's Strategy is focused on enhanced growth and increasing the margin through scale and product mix

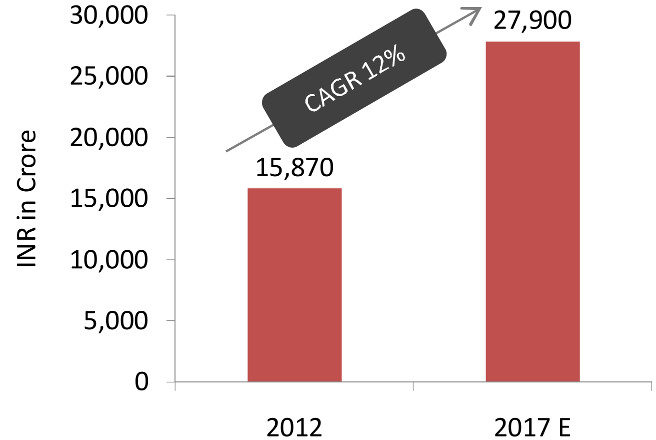
Section 6: Industry Overview

Innerwear Segment Overview

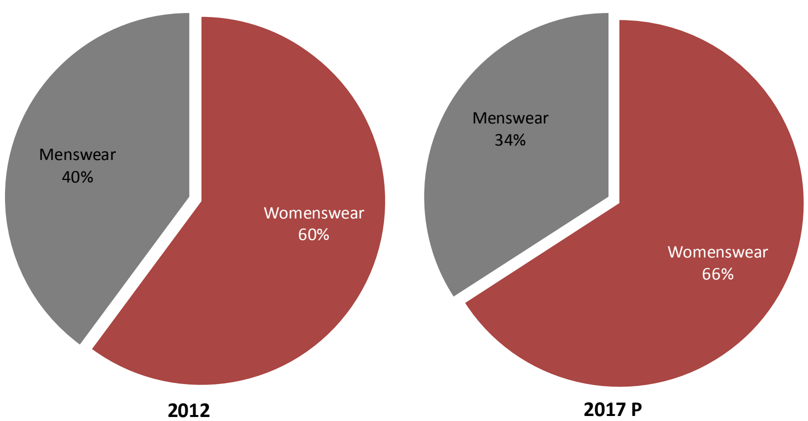
Overview

- The size of the Indian Innerwear market is INR 15,870 Crores (USD 2.9 billion) in 2012 and is expected to grow to INR 27,900 Crores by 2017.
- Men's innerwear segment is expected to grow at 9% whereas women's innerwear segment is expected to grow an impressive CAGR of 14%.
- The women's innerwear market contributes around 60% to the market.

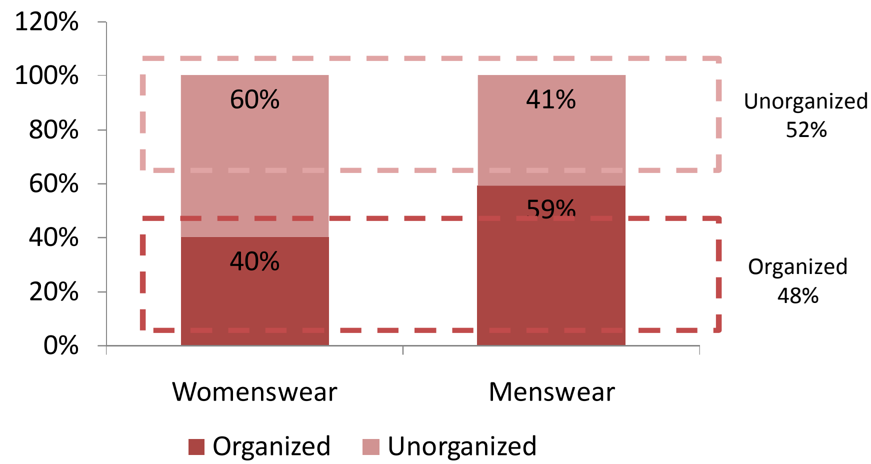
Innerwear Market in India



Market Segmentation



Organized & Unorganized Market



Source : Technopak Analysis

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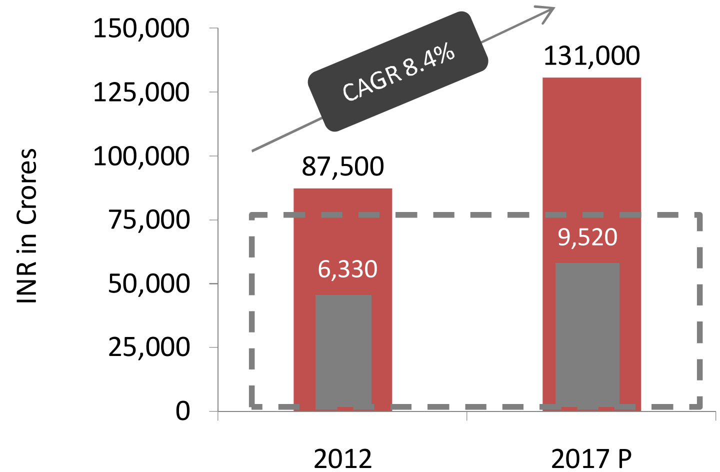
Menswear Segments

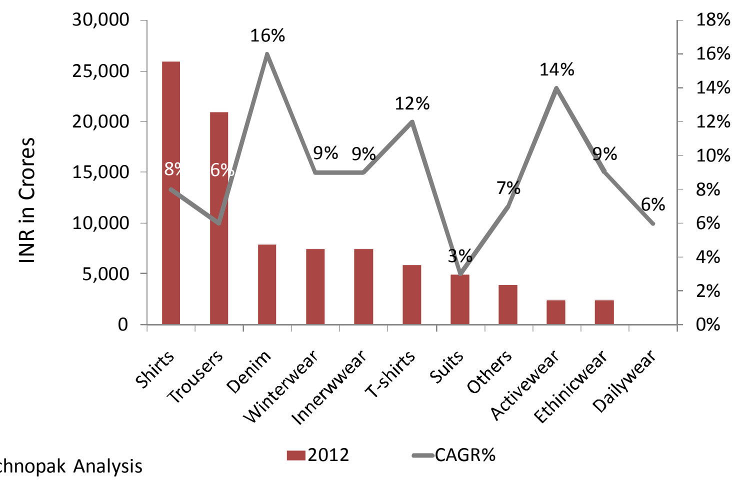
Menswear Segment Overview

- Menswear innerwear segment is worth INR 6,330 Cr.
- The menswear market can be divided into woven shirts, trousers, denims, winterwear, innerwear, T-shirts, suits, activewear, ethnic wear and dailywear.
- Denim, activewear and T-shirts are high growth categories within menswear segment with CAGRs of 16%, 14% and 12% respectively.
- The Innerwear Segment contributes around 7 % to the total market in 2012.

Menswear Market

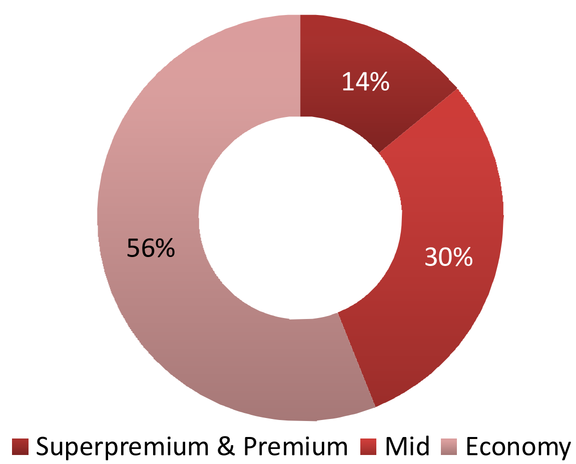


Menswear Market Segmentation (2012)



Source : Technopak Analysis

Innerwear Market Segmentation (2012)

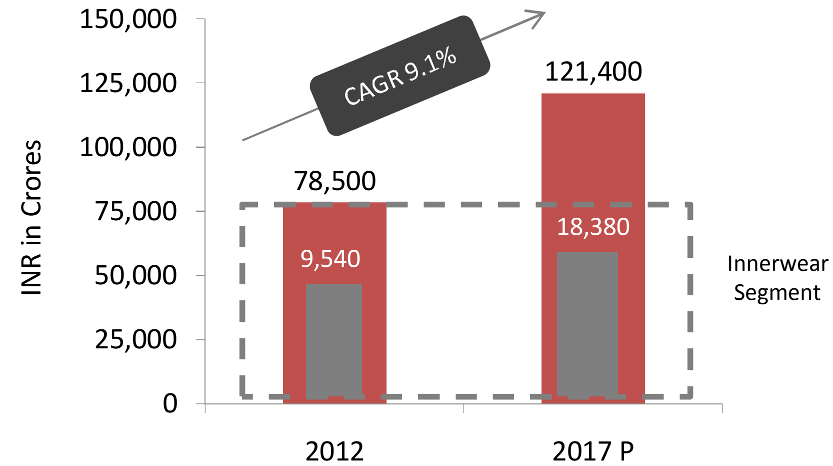


Womenswear Segments

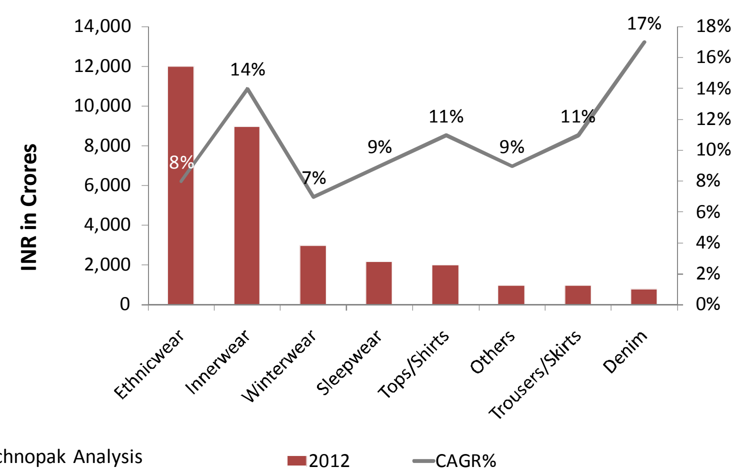
Womenswear Segment Overview

- Womenswear innerwear segment in 2012 is at INR 9,540 Crores.
- On account of the growing acceptance of women's western wear in Indian Market, Denim is growing at 17%, Innerwear at 14% and Tops/Shirts at 11%.
- The high growth of the innerwear category is driven by the transition of innerwear from a utility-based product to an aspirational one.
- The Innerwear Segment is 12 % to the total in 2012.

Womenswear Market

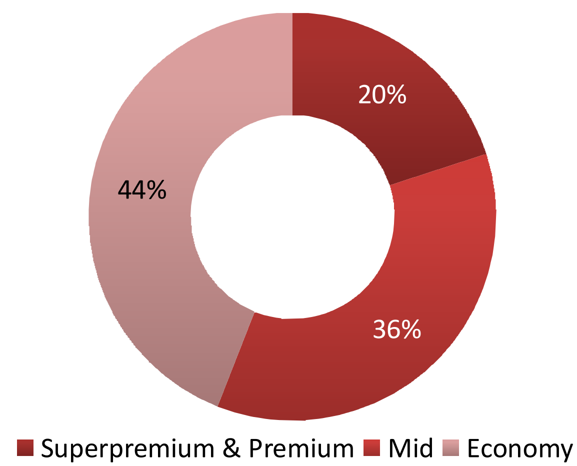


Womenswear Market Segmentation (2012)



Source : Technopak Analysis

Innerwear Market Segmentation (2012)



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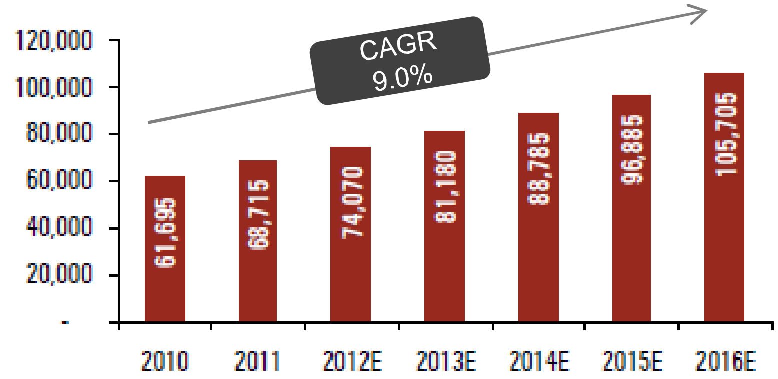
Changing Indian Demographics

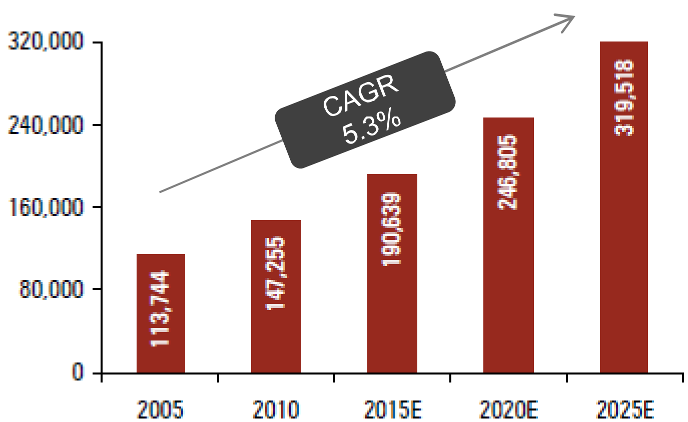
Overview

- International Monetary Fund estimates, India's per capita GDP to be 1,05,705 in 2016E.
- McKinsey Global Institute expects India's average household disposable income to be 319,518 in 2025E
- A ~10x rise in middle class households in 2025E and rise in working population to 68% in 2025E.
- The above factors will collectively result into increase in the disposable income, which will fuel consumption growth.

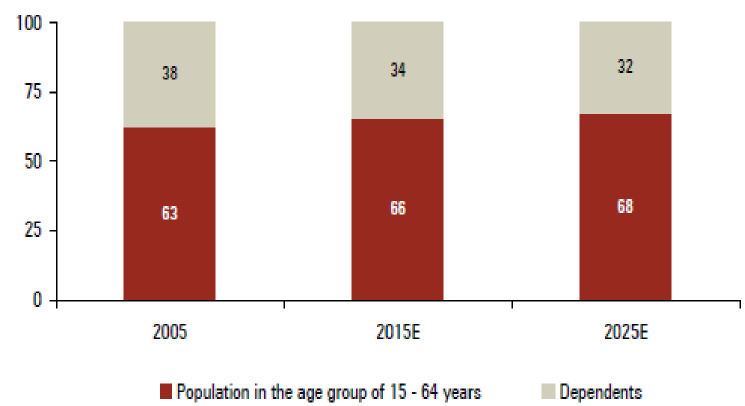
Per Capita Income



Disposable Income



Per Capita Expenditure on Innerwear



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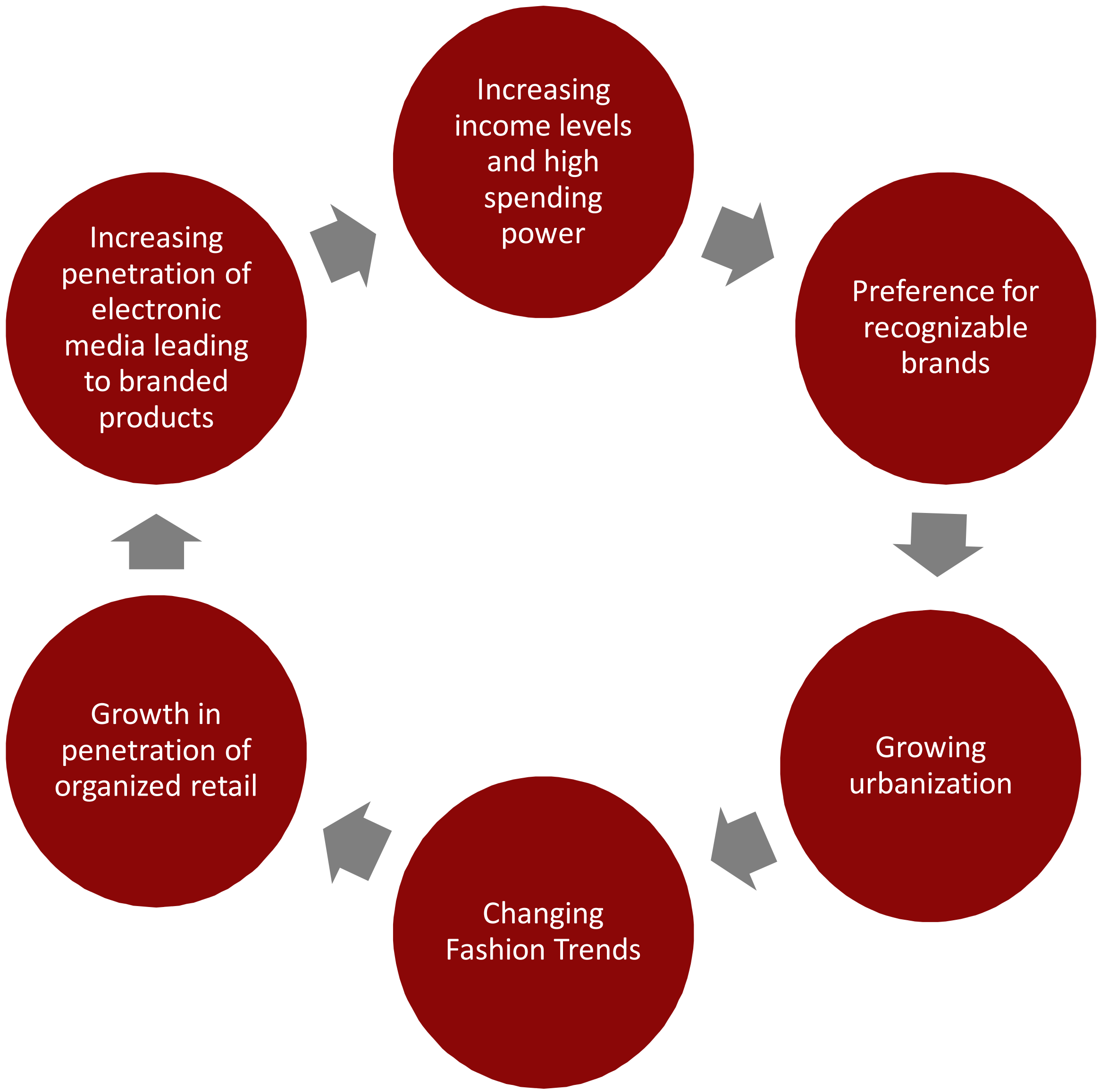
Innerwear Industry – Growth Drivers



Thank You